

**Memorandum**

**and**

**Articles of Association**

**of**



**ETHOS LIMITED**





सत्यमेव जयते

# GOVERNMENT OF INDIA

MINISTRY OF CORPORATE AFFAIRS

Corporate Identity Number:

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

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

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



Registrar of Companies

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





GOVERNMENT OF INDIA

MINISTRY OF CORPORATE AFFAIRS

Registrar of Companies, Himachal Pradesh

Corporate Bhawan, Plot No:- 4 B, Sector 27 B, Madhya Marg, Chandigarh , Chandigarh, INDIA,

Corporate Identity Number : U52300HP2007PLC030800.

SECTION 13(1) OF THE COMPANIES ACT, 2013

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

The share holders of M/s Ethos Limited having passed Special Resolution in the Annual/Extra Ordinary General Meeting held on 05/03/2016 altered the provisions of its Memorandum of Association with respect to its objects and complied with the Section 13(1) of the Companies Act, 2013.

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

Given under my hand at Himachal Pradesh this Nineth day of March Two Thousand Sixteen.

Dr RAJ SINGH  
Registrar of Companies  
Registrar of Companies  
Himachal Pradesh

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

Ethos Limited  
PLOT NO. 3, SECTOR- III,  
PARWANOO - 173220,  
Himachal Pradesh, INDIA



भारत सरकार-कॉर्पोरेट कार्य मंत्रालय  
कम्पनी रजिस्ट्रार कार्यालय, हिमाचल प्रदेश

नाम परिवर्तन के पश्चात नया निगमन प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : U52300HP2007PLC030800

मैसर्स KAMLA RETAIL LIMITED

के मामले में, मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स  
KAMLA RETAIL LIMITED

जो मूल रूप में दिनांक पांच नवम्बर दो हजार सात को कम्पनी अधिनियम, 1956 (1956 का 1) के अंतर्गत मैसर्स  
KAMLA RETAIL LIMITED

के रूप में निगमित की गई थी, ने कम्पनी अधिनियम, 1956 की धारा 21 की शर्तों के अनुसार विधिवत आवश्यक विनिश्चय पारित करके तथा लिखित रूप में यह सूचित करके की उसे भारत का अनुमोदन, कम्पनी अधिनियम, 1956 की धारा 21 के साथ पठित, भारत सरकार, कम्पनी कार्य विभाग, नई दिल्ली की अधिसूचना सं. सा. का. नि 507 (अ) दिनांक 24.6.1985 एस्. आर्. एन्. B33569609 दिनांक 05/03/2012 के द्वारा प्राप्त हो गया है, उक्त कम्पनी का नाम आज परिवर्तित रूप में मैसर्स  
Ethos Limited

हो गया है और यह प्रमाण-पत्र, कथित अधिनियम की धारा 23(1) के अनुसरण में जारी किया जाता है।

यह प्रमाण-पत्र हिमाचल प्रदेश में आज दिनांक पांच मार्च दो हजार बारह को जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS  
Registrar of Companies, Himachal Pradesh

Fresh Certificate of Incorporation Consequent upon Change of Name

Corporate Identity Number : U52300HP2007PLC030800

In the matter of M/s KAMLA RETAIL LIMITED

I hereby certify that KAMLA RETAIL LIMITED which was originally incorporated on Fifth day of November Two Thousand Seven under the Companies Act, 1956 (No. 1 of 1956) as KAMLA RETAIL LIMITED having duly passed the necessary resolution in terms of Section 21 of the Companies Act, 1956 and the approval of the Central Government signified in writing having been accorded thereto under Section 21 of the Companies Act, 1956, read with Government of India, Department of Company Affairs, New Delhi, Notification No. G.S.R 507 (E) dated 24/06/1985 vide SRN B33569609 dated 05/03/2012 the name of the said company is this day changed to Ethos Limited and this Certificate is issued pursuant to Section 23(1) of the said Act.

Given at Himachal Pradesh this Fifth day of March Two Thousand Twelve.

Registrar of Companies, Himachal Pradesh

कम्पनी रजिस्ट्रार, हिमाचल प्रदेश

\*Note: The corresponding form has been approved by SHYAM NARAYAN TIWARY, Assistant Registrar of Companies and this certificate has been digitally signed by the Registrar through a system generated digital signature under rule 5(2) of the Companies (Electronic Filing and Authentication of Documents) Rules, 2006.

The digitally signed certificate can be verified at the Ministry website (www.mca.gov.in).

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :

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

Ethos Limited  
PLOT NO. 3, SECTOR- III,  
PARWANOO - 173220,  
Himachal Pradesh, INDIA







व्यापार प्रारंभ करने का प्रमाण-पत्र  
कम्पनी अधिनियम 1956 की धारा 149(3) के अनुसरण में

कॉर्पोरेट पहचान संख्या : U52300HP2007PLC030800

मैं एतद्वारा सत्यापित करता हूँ कि मैंससं  
KAMLA RETAIL LIMITED

जिसका निगमन, कम्पनी अधिनियम, 1956(1956 का 1) के अंतर्गत दिनांक पांच नवम्बर दो हजार सात को किया गया था और जिसने निर्धारित प्रपत्र में घोषणा प्रस्तुत की है या विधिवत सत्यापित किया है कि उक्त कम्पनी ने, अधिनियम की धारा 149(2) (क) से (ग) तक की शर्तों का अनुपालन कर लिया है और व्यापार करने के लिए हकदार है।

यह प्रमाण-पत्र आज दिनांक सोलह नवम्बर दो हजार सात को मेरे हस्ताक्षर से जालंधर में जारी किया जाता है।

**Certificate for Commencement of Business**

Pursuant of Section 149(3) of the Companies Act, 1956

Corporate Identity Number . U52300HP2007PLC030800

I hereby certify that the KAMLA RETAIL LIMITED which was incorporated under the Companies Act, 1956(No. 1 of 1956) on the Fifth day of November Two Thousand Seven, and which has this day filed or duly verified declaration in the prescribed form that the conditions of the Section 149(2)(a) to (c) of the said act, have been complied with and is entitled to commence business.

Given under my hand at Jalandhar this Sixteenth day of November Two Thousand Seven.

(MEENA KAILASH CHAND)

सहायक कम्पनी रजिस्ट्रार / Assistant Registrar of Companies

पंजाब, हिमाचल प्रदेश एवं चण्डीगढ़

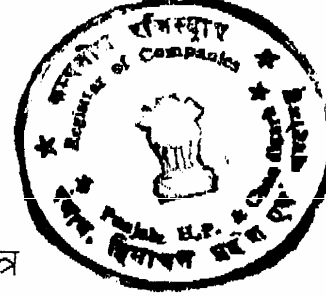
Punjab, Himachal Pradesh, and Chandigarh

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता  
Mailing Address as per record available in Registrar of Companies office:

KAMLA RETAIL LIMITED  
PLOT NO. 3, SECTOR- III,  
PARWANOO - 173220,  
Himachal Pradesh, INDIA



प्रारूप 1  
पंजीकरण प्रमाण-पत्र



कॉर्पोरेट पहचान संख्या : U52300HP2007PLC030800

2007 - 2008

मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स

KAMLA RETAIL LIMITED

का पंजीकरण, कम्पनी अधिनियम 1956 (1956 का 1) के अंतर्गत आज किया जाता है और यह कम्पनी लिमिटेड है।

यह निगमन-पत्र आज दिनांक पाँच नवम्बर दो हजार सात को मेरे हस्ताक्षर से जालंधर में जारी किया जाता है।

Form 1  
Certificate of Incorporation

Corporate Identity Number : U52300HP2007PLC030800

2007 - 2008

I hereby certify that KAMLA RETAIL 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 Jalandhar this Fifth day of November Two Thousand Seven.

(MEENA KAILASH CHAND)

सहायक कम्पनी रजिस्ट्रार / Assistant Registrar of Companies  
पंजाब, हिमाचल प्रदेश एवं चण्डीगढ़  
Punjab, Himachal Pradesh, and Chandigarh

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :

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

KAMLA RETAIL LIMITED  
PLOT NO. 3, SECTOR- III,  
PARWANOO - 173220,  
Himachal Pradesh, INDIA

**THE COMPANIES ACT, 2013**  
**PUBLIC COMPANY LIMITED BY SHARES**  
**(Incorporated under the Companies Act, 1956)**  
**Memorandum of Association**  
**OF**  
**ETHOS LIMITED**

- I.** The name of the Company is **ETHOS LIMITED**.
- II.** The Registered Office of the Company will be situated in the State of Himachal Pradesh.
- III. (A) The Objects to be pursued by the Company on its incorporation are:**
  1. To carry on trade, distribution or retail business in India or abroad through retail formats and including but not limited to hyper markets, super markets, mega stores/discount stores, cash & carry, departmental stores, shoppers plaza, direct to home, phone order and mail order, catalogue through internet and other forms and multi-level channels for all products and services, dealing and acting as franchises under various brand names for all kinds, materials and items including but not limited to watches and their accessories, jewellery, pre-owned or pre-used watches, luxury cars including pre-owned luxury cars, eye-ware, men's accessories including leather products, wallets, bags, belts etc., packaging boxes, cell phones, accessories for cell phones, telecom products, consumer durables, home improvements products, footwear, books and stationery, toys and music and acquiring and running retail centres, entertainment centres including but not limited to multiplexes, cinemas, gaming centres, amusement parks, restaurants and food courts and acquiring of land or building on lease or freehold or any commercial or industrial or residential building for running and management of retail business and to acquire flats, offices and retail spaces for carrying on retail business and to sell them, lease or sublet them and to undertake and execute civil, mechanical, electrical and structural works contracts and sub-contracts in all their respective branches to carry on retailing business.
  2. To carry on the business of leasing, renting or hiring various products of various brand names of all kinds, including but not limited to watches and their accessories, jewellery, pre-owned or pre-used watches, eye-ware, men's accessories including leather products, wallets, bags, belts etc., packaging boxes, cell phones, accessories for cell phones, telecom products, consumer durables, home improvements products, footwear, books and stationery, toys and music through various retail formats or by E-commerce in India or abroad.
  3. To carry on the business of retailers, distributors, exporters, importers, buyers, dealers, designers, traders and consignment Agent, C&F agent or by E-commerce all types of items and goods including crystals, crystal wares, glass products, accessories, jewellery, articles, artificial or real made of precious metal or precious stones or any other non precious material natural or man made, eatables, grocery, garments readymade or others apparels and any products made of leather, fashion items and accessories including perfumes and toiletry, furniture and furnishing material including home appliances, white goods, equipment, plant and machinery, components, display articles, writing instruments, medical instruments and appliances or any other articles or goods.
  4. To carry on the business of buying, selling, indenting, exchanging, converting, assembling, fabricating, altering, importing, exporting, processing or otherwise handling or dealing in wrist watches, watch cases, watch dials, straps, measuring instruments, writing instruments, precision instruments, clocks, time measuring devices, electronic instruments of all types and descriptions and all components, spares, parts and accessories, materials required directly or indirectly for the manufacturing of the same.
  5. To manufacture, produce, buy, sell, import, export, exchange and or otherwise deal in all kinds of writing instruments, pens, spectacles, spectacle frames or other fashion accessories, jewellery and or their display packaging materials, containers made of cloth, fabric, jute, plastic, rubber, metals, wood, leather, paper or any other type of synthetic, natural or man made materials.
  6. To carry on repairs, service and maintenance of watches, clocks, telecom products, phones, writing instruments, jewellery, crystals, watch accessories, electronic products, fashion accessories, pens, spectacles and spectacles frames and other consumer durables.

**(B) Matters which are necessary for furtherance of the objects specified in Clause III(A) are:**

1. To acquire for the purpose of the Company by purchase, lease, exchange or otherwise any estates, land, building, factories and hereditaments of any tenure or description and any estate or interest therein and rights over or connected with land either to retain the same for the purpose of the Company's business or to turn the same to account as may seem expedient.
2. For the purpose of the manufacturing business of the Company to set up and run tool rooms manufacturing and or processing and dealing in dies and moulds (in whole or in part) for packaging all types of wrist watches, watch cases, watch dials, straps, measuring instruments, precision instrument, clocks, time measuring devices, electronic instruments of all types and descriptions and to develop, acquire, purchase and sell designs, patents and know-how relating to wrist watches, and dials, straps, packaging and to manufacturing a dials-machinery for the attainment of the above objects or any of them.
3. To mortgage, or take on mortgage, lease, take on lease, exchange or otherwise deal in lands, building, hereditaments of any tenure of freehold for residential or business purposes for the attainment of objects of the Company.
4. To become member of other bodies of persons and associations including societies, clubs and companies limited by guarantee, whether formed for profit or non-profit making activities.
5. For the profit of the business of the Company to undertake or take part in the supervision or control of the business or operation of any person, firm, association or other undertaking having objects all together or in part similar to those of this Company and if necessary, for such purposes or purpose to appoint and to remunerate any officers of the Company, accounts, or other expenses of agents.
6. To construct, erect, acquire, purchase, hire, hold work, let and sell mills, factories, back house, shops, workshops, building machinery and appliances, suitable for the purpose of the Company.
7. To do all or any part of the above things in any part of the world either as principals, contractors, trustees or otherwise and either alone or it should be in "conjunction" with others and by or through agents, contractors, trustees or otherwise.
8. To lend money either with or without security, and generally to such persons and upon such terms and conditions as the Company may think fit and also to invest the money of the Company not immediately required in such manner as from time to time may be determined, provided that the Company shall not carry on the business of banking as provided in the Banking Regulation Act.
9. To apply for purchase, or otherwise acquire any patents, brevets, invention, licences, concessions and the right conferring and exclusive or non-exclusive or limited rights to use the same 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, or the acquisition of which may seem calculated directly or indirectly to benefit the Company and to use, exercise, develop or grant licences, in respect of or otherwise turn to account the perhaps property, rights or information so acquired.
10. To manufacture, import export, buy, sell, exchange, alter, improve, manipulate, prepare for market and otherwise deal in all kinds of plant, machinery, apparatus, tools, utensils, substances, materials and things, necessary or convenient for carrying on any of the above specified business or proceedings.
11. To adopt such means of making known the products of the Company as may seem expedient and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations.
12. To acquire and undertake all or any part of the business, property and liabilities of any persons or company carrying on any business which this company is authorized to carry on, or possessed of property suitable for the purposes of the Company.
13. To enter into any arrangement with any government or authority supreme, municipal, local or otherwise that may seem conducive to the Company's objects or any of them, and to obtain from any such Government or authority all rights, concessions and privileges, which the company may think it desirable to obtain, and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.
14. To enter into partnership or into any arrangement for sharing profits or losses or into any union of interest, joint venture, reciprocal concession or cooperation with any person or persons, or company or companies

carrying on or engaged in or about to carry on or engage in or being authorised to carry on or engage in any business or transaction which this Company is authorised to carry on.

15. To sell or dispose the undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular for shares, debentures, or securities of any other Company having objects altogether or in part, similar to those of this Company.
16. To borrow or raise or secure payment of money or to receive money on deposit at interest for any of the purposes of the Company, and at such time or times and in such manner as may be thought fit and in particular by the issue of debentures or debenture-stock; perpetual or otherwise, including debentures or debenture-stock, convertible into shares in this or any other company or perpetual annuities and as security for any such money so borrowed, raised or received, or of any, such debenture or debentures-stock so issued to mortgage, pledge or charge the whole or any part of the property, assets or revenue and profits of the Company, present or future including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders power of sale and other powers as may seem expedient and to purchase, redeem, or pay off any such securities
17. To take or otherwise acquire and hold shares in any other company having objects altogether or in part similar to those of this Company, or carrying on any business capable of being conducted so as directly or indirectly to benefit this Company.
18. To acquire or amalgamate with any other company whose objects are or include objects similar to those of this Company, whether by sale or purchase (for fully or partly paid up shares or otherwise) of the undertaking, subject to liabilities of this or any such other purchase (for fully or partly paid up shares or otherwise) of all the shares or stock of this or any such company as aforesaid or by partnership or in any other manner.
19. To undertake and execute any trust, the undertaking of which may seem to the Company desirable, either gratuitously or otherwise.
20. To draw, make, accept, discount, execute and issue bills of exchange, promissory notes, bills of lading, warrants, debentures and other negotiable or transferable instruments or securities.
21. To remunerate any person or company for services rendered, or to be rendered in placing or assisting to place or guaranteeing the placing of any shares in the company's capital of any debentures, debenture stock or other securities of the Company, or in or about the formation or promotion of the Company, or the acquisition of property by the Company, or the conduct of its business subject to Section 40 of the Companies Act, 2013, and rules made thereunder.
22. To sell, improve, manage, develop, exchange, lease, mortgage, dispose off, turn to account or otherwise deal in all or any part of the property and rights of the Company.
23. To open an account or accounts with any individual, firm or company or with any bank or bankers or shroffs and to pay into and withdraw money from such account or accounts.
24. To make donation to such persons or institution either of cash or any other assets as may be thought directly or indirectly conducive to any of the Company's objects or otherwise expedient and in particular, to remunerate any person or corporation introducing business to this Company and to subscribe or guarantee money for any exhibition or for any public, general, or other objects, and to establish and support, or aid in the establishment and support of funds for benefit of the employees or of persons having dealing with the Company or the dependent relatives or connections of such persons and in particular friendly or other benefits societies and to grant pensions, allowances, gratuities and bonuses either by way of annual payment or a lump sum and to make payments towards insurances, and to form and contribute to provident and benefit funds, to or for such persons.
25. To raise any reserve fund, sinking fund, insurance fund, or any other special fund whether for depreciation or for repairing, improving, extending or maintaining any of the property of the Company or for any other purpose conducive to the interests of the Company.
26. To distribute as dividend or bonus among the members or to place to reserve or otherwise to apply as the Company may from time to time think fit, any money received by way of premium on shares or debentures issued at premium by the Company and moneys received in respect of dividends accrued or forfeited shares and moneys arising from sale by the Company on forfeited shares subject to the provisions of the Companies Act, 2013.

27. To open retail stores for selling the goods manufactured by the Company and similar goods of other manufacturers which the Company deals in as principals or as agents, distributors or as commission agents, contractor on commission basis.
  28. To do all such other things as may be deemed incidental or conducive to the attainment of the above main objects or any of them.
  29. To appoint dealers, distributors, commission agents to sell the products of the Company in India and outside country.
  30. To collaborate with a suitable foreign collaborator and to obtain foreign technical know-how suitable for the business of the Company and to adopt and/or enter into and carry into effect the technical and/or advisory and/or service Agreement with the foreign collaborator on such terms and conditions as may be acceptable to the Company and the foreign collaborator and as may be approved by the Government of India.
  31. To negotiate and/or enter into agreements and contracts with individuals, companies, corporations and other organisations, foreign or Indian, for obtaining or providing technical, financial or any other assistance for carrying out all or any of the objects of the Company, and also for the purpose of activating research, development of manufacturing projects on basis of know-how and/or financial participation and for technical collaboration, and to acquire or provide necessary formulae and patent rights, etc. for furthering the objects of the Company.
  32. To secure orders for export of articles or things and to carry out and comply with said orders relating to the products of the Company.
- IV. The liability of the members is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.
- V. The Authorised Share Capital of the Company is ₹ 61,40,00,120/- (Rupees Sixty one crores forty lacs one hundred and twenty only) divided into 3,07,00,000 (Three crores and seven lacs only) Equity Shares of Rs 10 (Ten) each; 12,00,000 (Twelve lacs) 12% Cumulative Compulsorily Convertible Preference Shares of Rs. 110 each; 5,76,924 (Five lacs seventy six thousand nine hundred and twenty four) 14% Cumulative Compulsorily Convertible Preference Shares of Rs. 130 each and 10,00,000 (Ten lacs) 12% Non-Cumulative Redeemable Preference Shares having face value of Rs. 100 each and term of 1 year.<sup>1</sup>

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<sup>1</sup> Authorised capital of the Company was increased from Rs. 10 crores to Rs. 15 crores vide approval of the shareholders in the general meeting held on 30<sup>th</sup> September, 2008.

The authorized share capital was re-classified vide approval of the shareholders in the general meeting held on 17<sup>th</sup> September, 2009.

The authorized share capital was increased from Rs. 15 crores to Rs. 25.12 crores vide approval of the shareholders in the general meeting held on 23<sup>rd</sup> July, 2012.

The authorized share capital was increased from Rs. 25.12 crores to Rs. 28.20 crores vide approval of the shareholders in the general meeting held on 27<sup>th</sup> August, 2012.

The authorized share capital was increased from Rs. 28.20 crores to Rs. 35.70 crores vide approval of the shareholders in the general meeting held on 30<sup>th</sup> October, 2014.

The authorized share capital was increased from Rs. 35.70 crores to Rs. 45.70 crores vide approval of the shareholders in the general meeting held on 7<sup>th</sup> July, 2016.

The authorized share capital was increased from Rs. 45.70 crores to Rs. 61.40 crores vide approval of the shareholders in the general meeting held on 7<sup>th</sup> November, 2016.

The authorized share capital was re-classified vide approval of the shareholders in the general meeting held on 11<sup>th</sup> August, 2017 and 5<sup>th</sup> February, 2018.

VI. 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 take the number of shares in the capital of the company set against our respective names :-----

	Name, Address, Description and Occupation of Subscribers	Number of shares taken by each subscriber	Signature of Subscriber	Signature, Names, Addresses, Description and Occupations of Witnesses
1.	KDDL Limited Regd Office : Plot No. 3, Sector III Parwanoo-173220 Himachal Pradesh Company	Nine Lacs Ninety Nine Thousand Nine Hundred and Ninety Four Equity Shares  (999994)	Sd/- Yashovardhan Saboo Chief Executive Officer	I hereby witness the signatures of the subscribers who have signed in my presence  --sd--  (VISHAL ARORA) S/o DR. H.K. LALL, COMPANY SECRETARY, C.P. NO. 3645 # 651, TOP FLOOR, SECTOR 8-B, CHANDIGARH
2.	Rajendra Kumar Saboo S/o Late Shri Tara Chand Saboo 1, Sector 5, Chandigarh Industrialist	One Equity Share (1)	Sd/- R.K. Saboo	
3.	Yashovardhan Saboo S/o Shri Rajendra Kumar Saboo 1, Sector 5, Chandigarh Industrialist	One Equity Share (1)	Sd/- Yashovardhan Saboo	
4.	Usha Devi Saboo W/o Shri Rajendra Kumar Saboo 1, Sector 5, Chandigarh Housewife	One Equity Share (1)	Sd/- Usha Devi Saboo	
5.	Anuradha Saboo W/o Shri Yashovardhan Saboo 1, Sector 5, Chandigarh Executive	One Equity Share (1)	Sd/- Anuradha Saboo	
6.	Pranav Shankar Saboo S/o Shri Yashovardhan Saboo 1, Sector 5, Chandigarh Student	One Equity Share (1)	Sd/- Pranav Shankar Saboo	
7.	Satvika Saboo D/o Shri Yashovardhan Saboo 1, Sector 5, Chandigarh Service	One Equity Share (1)	Sd/- Satvika Saboo	
	<b>Total</b>	<b>(1000000)</b> <b>Ten Lacs Equity</b> <b>Shares</b>		

CHANDIGARH, Dated this 18<sup>th</sup> day of October, 2007

**ARTICLES OF ASSOCIATION<sup>1</sup>**  
**OF**  
**ETHOS LIMITED**

(A company incorporated under the provisions of the Companies Act, 1956)

The regulations contained in Table “F” in Schedule I to the Companies Act, 2013 shall apply to ETHOS LIMITED (the “**Company**”) only to the extent that the same are not specifically provided for in these Articles of Association and are not inconsistent with these Articles of Association. In case of any inconsistency of provisions contained in Table “F” in Schedule I to the Companies Act, 2013 and these Articles of Association, the provisions of these Articles of Association will prevail, subject to provisions of the Companies Act, 2013, read with the rules framed thereunder or other applicable laws, if any.

**I. DEFINITIONS AND INTERPRETATION**

1. In these Articles:

- (i) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modifications thereof in force at the date on which the Articles become binding on the Company. In these Articles:

“**Act**” means Companies Act, 2013 and all rules, regulations, notifications, circulars and clarifications issued thereunder, along with any amendments, re-enactments or other statutory modifications thereof for the time being in force.

“**Annual General Meeting**” means the Annual General Meeting held in accordance with the provisions of Section 96 of the Act.

“**Articles**” means these Articles of Association of the Company as amended or altered from time to time in accordance with the Act.

“**Auditors**” shall mean and include those persons appointed under the provisions of the ‘Act’ or any other applicable provisions for the time being in force, as such for the time being by the Company.

“**Authorised Share Capital**” shall mean such capital as is authorised by the memorandum of the Company to be the maximum amount of share capital of the Company.

“**Beneficial Owner**” means the beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996, as amended.

“**Board**” or “**Board of Directors**” means the board of Directors or collective body of the Directors of the Company as duly constituted from time to time in accordance with applicable provisions of Law, including the Act and SEBI Regulations and the terms of these Articles.

“**Board Meeting**” means a meeting of the Board duly called, constituted and held or as the case may be, the Directors assembled at a Board, or the requisite number of Directors entitled

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<sup>1</sup> These Articles of Association were adopted pursuant to shareholders special resolution passed at the extraordinary general meeting of the Company held on 18<sup>th</sup> January, 2022, in supersession of the earlier articles in the then extant articles of association of the Company.



to pass a resolution in accordance with these Articles and the Act.

**“Company”** – means Ethos Limited.

**“Chairman”** or **“Chairperson”** means the chairperson of the Board of Directors for the time being of the Company or the person elected or appointed to preside over the Board or/and general meetings of the Company.

**“Debenture(s)”** means Debenture(s) as defined in sub-section 30 of Section 2 of the Act.

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

**“Depository”** means a depository as defined under clause (e) of sub-Section (1) of Section 2 of the Depositories Act.

**“Director”** means a director of the Board appointed or nominated from time to time in accordance with the terms of these Articles and the provisions of the Act.

**“Documents”** includes summons, notices, requisition, order, declaration, form and register, other legal process and registers, whether issued, sent or kept in pursuance of the Act or under any other law for the time being in force or otherwise, maintained on paper or in electronic form.

**“Equity Share Capital”** means in relation to the Company, its equity Share capital within the meaning of Section 43 of the Act, as amended from time to time.

**“Financial Year”** shall have the meaning assigned thereto by Section 2(41) of the Companies Act, 2013.

**“General Meeting”** means any duly convened meeting of the Shareholders of the Company and includes an extra-ordinary general meeting.

**“Independent Director”** shall have the meaning assigned to the said term under the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (as applicable).

**“INR”** or **“Rs.”** means the Indian Rupee, the currency and legal tender of the Republic of India.

**“In writing”** or **“written”** means and includes words printed, lithographed, represented or reproduced in any other modes in a visible form, including electronic mode as provided in the Information Technology Act, 2000 as amended from time to time.

**“Key Managerial Personnel”**, in relation to a company, means (i) the Chief Executive Officer or the managing director or the manager;(ii) the company secretary;(iii) *the whole-time director*; (iv) the Chief Financial Officer; (v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and (vi) such other officer as may be prescribed under applicable law.

**“Law”** includes all Indian statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, circulars, notifications, guidelines, policies, directions, determinations, directives, writs, decrees, injunctions, judgments, rulings, awards, clarifications and other delegated legislations and orders of any governmental authority, statutory authority, tribunal, board, court, stock exchange or other judicial or quasi-judicial adjudicating authority and, if applicable, foreign law, international treaties, protocols and

regulations.

**“Managing Director”** means a director who, by virtue of these Articles or an agreement with the Company or a resolution passed in the General Meeting, or by the Board of Directors, is entrusted with substantial powers of management of the affairs of the company and includes a director occupying the position of managing director, by whatever name called.

**“Members”** means members of the Company within the meaning of sub-Section 55 of Section 2 of the Act and the Beneficial Owner(s) as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.

**“Memorandum”** means the memorandum of association of the Company, as amended or altered from time to time in accordance with the provisions of the Act.

**“Month”** means calendar month.

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

**“Ordinary Resolution”** shall have the meaning assigned to it in Section 114 of the Act.

**“Person”** means any individual, sole proprietorship, unincorporated association, unincorporated organization, association of persons, body corporate, corporation, partnership, unlimited or limited liability company, joint venture, governmental authority, Hindu undivided family, trust, union, organization or any other entity that may be treated as a person under applicable Law (whether registered or not and whether or not having separate legal personality).

**“Preference Share Capital”** means in relation to the Company, its preference Share capital within the meaning of Section 43 of the Act, as amended from time to time.

**“Proxy”** includes Attorney duly constituted under a power of Attorney.

**“Register of Members”** shall mean the register of Shareholders to be kept pursuant to Section 88 of the Act and includes the register of Beneficial Owners maintained by a Depository.

**“Registrar”** or **“ROC”** or **“Registrar of Companies”** means Registrar of Companies, under whose jurisdiction the registered office of the Company is situated.

**“Seal”** means the common seal, if any, of the Company.

**“SEBI”** means the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992 and amendment made thereof.

**“SEBI Regulations”** means all the regulations, rules, circulars, notifications, orders, advisory including all forms of communication and amendments, modification or re-enactment to any thereof as applicable to the Company and issued by SEBI.

**“Secretary”** or **“Company Secretary”** shall have the meaning assigned to it in Section 2(24) of the Act.

**“Securities”** have the meaning assigned to the term in clause (h) of section 2 of the Securities Contract (Regulation) Act, 1956, as may be amended from time to time.

**“Shares”** means a share in the Share Capital of the Company and includes stock.

**“Share Capital”** means the Equity Share Capital and Preference Share Capital of any face value

together with all rights, differential rights, obligations, title, interest and claim in such Shares and includes all subsequent issue of such Shares of whatever face value or description, bonus Shares, conversion Shares and Shares issued pursuant to a stock split or the exercise of any warrant, option or other convertible security of the Company.

“**Shareholder**” shall mean a Member of the Company.

“**Special Resolution**” shall have the meaning assigned to it in Section 114 of the Act.

“**Tribunal**” means the National Company Law Tribunal constituted under Section 408 of the Companies Act, 2013.

- (ii) The headings hereto shall not affect the construction hereof.
- (iii) Any reference to a particular statute or provisions of the statute shall be construed to include reference to any rules, regulations or other subordinate legislation made under the statute and shall, unless the context otherwise requires, include any statutory amendment, modification or re-enactment thereof.
- (iv) Any reference to an agreement or other document shall be construed to mean a reference to the agreement or other document, as amended or novated from time to time.
- (v) Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.
- (vi) In these Articles, words that are gender neutral or gender specific include each gender, as the context may require.
- (vii) Words importing the singular number includes where the context admits or requires, the plural number and *vice versa*.
- (viii) References to a person shall, where the context permits, include such person’s respective successors, legal heirs and permitted assigns.
- (ix) Wherever the words “include,” “includes,” or “including” are used in these Articles, such words shall be deemed to be followed by the words “without limitation”.
- (x) The terms "herein", "hereby", "hereof" and derivative or similar words refer to these entire Articles and not to any particular clause, article or section of these Articles.
- (xi) In the event any of the provisions of the Articles are contrary to the provisions of the Act and the rules, the provisions of the Act and rules will prevail.
- (xii) Save as aforesaid, any words or expressions defined in the Act or the Depositories Act or the SEBI Regulations, shall, as the case may be, if not inconsistent with the subject or context, bear the same meaning in these Articles.

## **II. PUBLIC COMPANY**

- 2. The Company is a public company as defined under Section 2 (71) of the Act, limited by Shares.

## **III. SHARE CAPITAL AND VARIATION OF RIGHTS**

- 3. The authorized Share Capital of the Company shall be as set out in Clause V of the

Memorandum of Association with the power to increase or reduce or re-classify such capital from time to time in accordance with the Articles and the legislative provisions for the time being in force in this regard and with the power also to divide the Shares in the Share Capital for the time being into Equity Share Capital and Preference Share Capital, and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, in accordance with the provisions of the Act and these Articles.

4. Subject to the provisions of the Act, these Articles and other applicable Law, the Shares for the time being shall be under the control of the Board, which may issue, allot or otherwise dispose off the Shares or any of them to such Persons, in such proportion, on such terms and conditions, either at a premium or at par or at a discount (subject to compliance with Sections 52 and 53 and other provisions of the Act), at such time as it may from time to time deem fit, and with the sanction of the Company in a General Meeting, to give to any Person or Persons the option or right to call for any Shares, either at par or premium during such time and for such consideration as the Board deems fit, and may issue and allot Shares on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business. Any Shares so allotted may be issued as fully paid-up Shares and if so issued, shall be deemed to be fully paid-up Shares. *Provided that, the option or right to call for Shares shall not be given to any Person or Persons without the sanction of the Company in a General Meeting.* As regards all allotments, from time to time made, the Board shall duly comply with Sections 23 and 39 of the Act, as the case may be.
5. Subject to these Articles and the provisions of the Act, the Company may, from time to time, by Ordinary Resolution, increase the Share Capital by such sum, to be divided into Shares of such amount, as may be specified in the resolution.
6. Subject to the provisions of the Act, the Company may from time to time by Ordinary Resolution, undertake any of the following:
  - (i) consolidate and divide all or any of its Share Capital into Shares of larger denomination than its existing Shares;
  - (ii) convert all or any of its fully paid-up Shares into stock, and reconvert that stock into fully paid-up Shares of any denomination;
  - (iii) sub-divide its Shares, or any of them, into Shares of smaller denomination, such that the proportion between the amount paid and the unpaid amount, if any, on each smaller denomination Share shall be the same as it was in case of the Share from which the smaller denomination Share is derived from; or
  - (iv) cancel any Shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any Person, and diminish the amount of its Share Capital by the amount of Shares so cancelled. A cancellation of Shares pursuant to this Article shall not be deemed to be a reduction of the Share Capital within the meaning of the Act.
7. Subject to the provisions of these Articles, the Act, other applicable Law and subject to such other approvals, permissions or sanctions as may be necessary, the Company may issue any Shares with or without differential rights upon such terms and conditions and with such rights and privileges (including with regard to voting rights and dividend) as may be permitted by the Act or the applicable Law or guidelines issued by the statutory authorities and/or listing requirements and the provisions of these Articles
8. Subject to the provisions of these Articles, the Act, other applicable Law and subject to such other approvals, permissions or sanctions as may be necessary, the Company may issue

Securities or Shares as the case may be, on rights basis, preferential basis, private placement basis, under a scheme of employees' stock option and sweat equity shares, or in any other manner as may permitted under the Act and SEBI Regulations.

9. Subject to the provisions of the Act, any preference Shares may be issued on the terms that they are, or at the option of the Company are, liable to be redeemed on such terms and in such manner as the Company may decide before the issue of the Shares by Special Resolution.
10. The period of redemption of such preference Shares shall not exceed the maximum period for redemption provided under the Act.
11. Subject to the provisions of the Act, preference Shareholders shall have a right to vote only on resolutions placed before the Company which directly affect the rights attached to such preference Shares and any resolution for winding up of the Company or for the repayment or reduction of Share Capital. The voting right of a preference Shareholder on a poll shall be in proportion to his share in the paid-up preference Share Capital of the Company. Further, where Dividend in respect of a class of preference Shares has not been paid for a period of two years or more, such class of preference Shareholders shall have a right to vote on all the resolutions placed before the Company.
12. Where at any time, it is proposed to increase its subscribed Share Capital by the issuance/allotment of further Shares either out of the unissued Share Capital or increased Authorised Share Capital:
  - (a) Such further Shares shall be offered to the Persons who, at the date of the offer, are holders of the Shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid-up on those Shares at that date, in accordance with applicable Law;
  - (b) The offer aforesaid shall be made by a notice specifying the number of Shares offered and limiting a time not being less than such time, as required by applicable Law, from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;
  - (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (b) shall contain a statement of this right;
  - (d) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the Company.
  - (e) Notwithstanding anything contained in Clause 11 (a) to (d), such further Shares may be offered to any Persons (whether or not those Persons include the Persons referred to in clause (a) of sub-clause (11) hereof) in any manner whatsoever, if so authorized by way of a Special Resolution.

Nothing in sub-clause (c) of (11) hereof shall be deemed:

- a) To extend the time within which the offer should be accepted; or
- b) To authorize any Person to exercise the right of renunciation for a second time, on the ground that the Person in whose favour the renunciation was first made has declined to take the Shares comprised in the renunciation.

Such further Shares, as referred to in Article 12, may be offered to the Persons who are:

- (i) employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to such conditions as may be prescribed under the Act and other applicable Laws; or
  - (ii) any Persons, whether or not those Persons include the Persons referred to in (i) or (ii) above, either for cash or for a consideration other than cash, if the price of such Shares is determined by the valuation report of a registered valuer if required under applicable Law or determined in terms of applicable SEBI Regulations, subject to compliance with the applicable provisions of Chapter III of the Act and any other conditions as may be prescribed, if a Special Resolution to this effect is passed by the Company in a General Meeting.
  - (iii) The notice referred to in Article above shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery or through any other mode permitted under applicable Law to all the existing Shareholders at least three days before the opening of the issue.
13. Nothing in Article 12 above shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into Shares in the Company or to subscribe for Shares in the Company; *provided that* the terms of issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution adopted by the Company in a General Meeting.
14. Save as otherwise provided in the Articles, the Company shall be entitled to treat the registered holder of the Shares in records of the depository as the absolute owner thereof as regards receipt of dividend or bonus or service of notices and all or any other matters connected with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction, or as by Law required, be bound to recognize any equitable or other claim to or interest in such Shares on the part of any other Person.
15. Any Debentures, debenture-stock or other Securities may be issued at a discount, premium or otherwise, if permissible under the Act, and may be issued on the condition that they shall be convertible into Shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of Shares, attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the rights to conversion into or allotment of Shares shall not be issued except with the sanction of the Company in General Meeting by a Special Resolution and subject to the provisions of the Act.
16. The Company shall, subject to the applicable provisions of the Act, compliance with all the Laws, consent of the Board, and consent of its Shareholders' by way of Special Resolution, have the power to issue American Depository Receipts or Global Depository Receipts on such terms and in such manner as the Board deems fit including their conversion and repayment. Such terms may include at the discretion of the Board, limitations on voting by holders of American Depository Receipts or Global Depository Receipts, including without limitation, exercise of voting rights in accordance with the directions of the Board.
17. If at any time the Share Capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued Shares of that class, or with the sanction of a Special Resolution passed at a separate meeting of the holders of the Shares of that class. To every such separate General Meeting of the holders of the Shares of that class, the provisions of these Articles relating to General Meetings shall *mutatis mutandis* apply.

18. The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.
19. Subject to the provisions of the Act, the Company may issue bonus Shares to its Members out of (i) its free reserves; (ii) the securities premium account; or (iii) the capital redemption reserve account, in any manner as the Board may deem fit.
20. Subject to the provisions of Sections 68 to 70 and other applicable provisions of the Act or any other Law for the time being in force, the Company shall have the power to buy-back its own Shares or other Securities, as it may consider necessary.
21. The Board of the Company may recommend an employee shares or security option scheme or plan from time to time.
22. Subject to the provisions of the Act, the Company shall have the power to make compromise or make arrangements with creditors and Members, consolidate, demerge, amalgamate or merge with other company or companies in accordance with the provisions of the Act and any other applicable Laws.
23. The Company may from time to time by Special Resolution, subject to confirmation by the Tribunal and subject to the provisions of Sections 52 and 66 of the Companies Act, 2013 and other applicable provisions including applicable rules and SEBI Regulations, if any, reduce its Share Capital in any manner and in particular may –
  - (a) Extinguish or reduce the liability on any of its Shares in respect of the Share Capital not paid-up; or
  - (b) either with or without extinguishing or reducing the liability on any of its Shares, -
    - (i) cancel any paid up Share Capital which is lost or is unrepresented by available assets;
    - (ii) Pay off any paid up Share Capital which is in excess of the wants of the Company.

Further, subject to the provisions of the Act, the Company may, from time to time, by Special Resolution and subject to confirmation by the Tribunal and subject to the provisions of Sections 52, 55 and 66 of the Companies Act, 2013 and other applicable provisions including applicable rules and SEBI Regulations, if any reduce in any manner and with, and subject to, any incident authorised and consent required under applicable Law:

- (i) the Share Capital;
- (ii) any capital redemption reserve account; or
- (iii) any securities premium account.

#### **IV. NOMINATION BY SECURITIES HOLDERS**

24. Every holder of Securities of the Company may, at any time, nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as his nominee in whom the Securities of the Company held by him shall vest in the event of his death.
25. Where the Securities of the Company are held by more than one Person jointly, the joint holders may together nominate, in the manner prescribed under the Companies (Share Capital and

Debentures) Rules, 2014, a Person as their nominee in whom all the rights in the Securities of the Company shall vest in the event of death of all the joint holders.

26. Notwithstanding anything contained in any other Law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, purports to confer on any Person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of Securities of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in Securities of the holder or, as the case may be, of all the joint holders, in relation to such Securities of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014.
27. Where the nominee is a minor, the holder of the Securities concerned, can make the nomination to appoint in prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014, any Person to become entitled to the Securities of the Company in the event of his death, during the minority.
28. The transmission of Securities of the Company by the holders of such Securities and transfer in case of nomination shall be subject to and in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014.

## **V. BUY BACK OF SHARES**

29. Subject to the provisions of the Act and rules made thereunder, the Company may purchase its own Shares or other Securities, and the Board of Directors may, when and if thought fit, buy back such of the Company's own Shares or Securities as it may think necessary, subject to such limits, upon such terms and conditions and subject to such approvals as required under the Act, SEBI Regulations or any other competent authority, as may be permitted by Law.

## **VI. CAPITALISATION OF PROFITS**

30. The Company in General Meeting may, upon the recommendation of the Board, resolve –
  - (i) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account or otherwise available for distribution; and
  - (ii) that such sum be accordingly set free for distribution in the manner specified in Article 31 below amongst the Members who would have been entitled thereto, if distributed by way of Dividend and in the same proportions.
31. The sum aforesaid shall not be paid in cash, but shall be applied, subject to the provision contained in Article 32 below and provisions of Act, either in or towards:
  - (i) paying of any amounts for the time being unpaid on any Shares held by such Members respectively; or
  - (ii) paying up in full, un-issued Shares of the company to be allotted and distributed, credited as fully paid, to and amongst such Members in the proportions aforesaid; or



- (iii) partly in the way specified in Article 31(i) and partly in that specified in Article 31(ii);
  - (iv) A securities premium account and a capital redemption reserve account may, for the purposes of this Article, only be applied in the paying up of un-issued Shares to be issued to Members of the Company as fully paid bonus Shares.
  - (v) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.
32. Whenever such a resolution as aforesaid shall have been passed, the Board shall:
- (i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid Shares, if any; and
  - (ii) Generally do all acts and things required to give effect thereto.
33. The Board shall have power to:
- (i) make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of Shares or Debentures becoming distributable in fractions; and
  - (ii) authorise any Person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing Shares.
  - (iii) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity Shares and fractional certificates as they think fit.
34. Any agreement made under such authority shall be effective and binding on such Members.

## **VII. COMMISSION AND BROKERAGE**

35. The Company may exercise the powers of paying commissions conferred by sub-section (6) of Section 40 of the Act read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 or any other provision of the Act or other applicable Law, provided that the rate per cent or amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
36. The rate or amount of the commission shall not exceed the rate or amount prescribed under the applicable rules.
37. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid Shares or other Securities or partly in the one way and partly in the other.
38. The Company may also, on any issue of Shares, Debentures or other Securities, pay such brokerage as may be lawful.

## VIII. LIEN

39. The Company shall have a first and paramount lien upon all the Shares/ Debentures (other than fully paid up Shares/ Debentures) registered in the name of each Member (whether solely or jointly with others) to the extent of monies called and payable in respect thereof, and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/ Debentures and no equitable interest in any Share shall be created except upon the footing and condition that this Article will have full effect. Such lien shall extend to all Dividends and bonuses from time to time declared in respect of such Shares/ Debentures. *Fully paid up Shares shall be free from all liens.* Unless otherwise agreed, the registration of a transfer of Shares/ Debentures shall operate as a waiver of the Company's lien if any, on such Shares/ Debentures. *In case of partly-paid Shares, Company's lien shall be restricted to the monies called or payable at a fixed time in respect of such Shares.* Provided that the Board may at any time declare any Shares/ Debentures wholly or in part to be exempt from the provisions of this Article.
40. Subject to the provisions of the Act, the Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has a lien. *Provided that* no sale shall be made -
- (i) unless a sum in respect of which the lien exists is presently payable; or
  - (ii) until the expiration of 14 (fourteen) days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Share or the Person entitled thereto by reason of his death or insolvency.
41. A Member shall not exercise any voting rights in respect of the Shares in regard to which the Company has exercised the right of lien.
42. (i) To give effect to any such sale, the Board may authorise some Person to transfer the Shares sold to the purchaser thereof.
- (ii) The purchaser shall be registered as the holder of the Shares comprised in any such transfer.
- (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
43. (i) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the Shares before the sale, be paid to the Person entitled to the Shares at the date of the sale.

## IX. CALLS ON SHARES

44. Subject to the provisions of the Act and other applicable Law, the Board may, from time to time, make calls upon the Members in respect of any money unpaid on their Shares (whether on account of the nominal value of the Shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.

Provided that no call shall exceed one-fourth of the nominal value of the Share or be payable at less than one Month from the date fixed for the payment of the last preceding call subject to

applicable Law.

45. Each Member shall, subject to receiving at least 14 (fourteen) days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his Shares.
46. A call may be revoked or postponed at the discretion of the Board.
47. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
48. The joint-holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.
49. If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the Person from whom the sum is due shall pay interest thereof from the day appointed for payment thereof to the time of actual payment at 10% (ten per cent) per annum or at such lower rate, if any, as the Board may determine. The Board shall be at liberty to waive payment of any such interest wholly or in part.
50. Any sum which by the terms of the issue of a Share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue, such sum becomes payable. In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
51. The Board may, if it thinks fit, subject to the provisions of the Section 50 of the Act, agree to and receive from any Member willing to advance the same, whole or any part of the moneys due upon the Shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made, the Company may pay interest at twelve per cent per annum. *Provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced.*

The Member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable.

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

## **X. DEMATERIALIZATION OF SECURITIES**

52. The Company shall be entitled to treat the Person whose name appears on the Register of Members as the holder of any Share or whose name appears as the Beneficial Owner of Shares in the records of the Depository, as the absolute owner thereof.  
  
Provided however that provisions of the Act or these Articles relating to distinctive numbering shall not apply to the Shares of the Company, which have been dematerialized.
53. Notwithstanding anything contained herein but subject to the provisions of Law, the Company shall be entitled to dematerialize its Shares, Debentures and other Securities pursuant to the Depositories Act and offer its Shares, Debentures and other Securities for subscription in a

dematerialized form. The Company shall be further entitled to maintain a Register of Members with the details of Members holding Shares both in material and dematerialized form in any medium as permitted by Law including any form of electronic medium.

54. If a Person opts to hold his Securities in dematerialised form through a Depository, then notwithstanding anything to the contrary contained in these Articles the Company shall intimate such Depository the details of allotment of the Securities, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.
55. All Securities held by a Depository shall be dematerialized and shall be in a fungible form.
- (i) Notwithstanding anything to the contrary contained in the Act or the Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting any transfer of ownership of Securities on behalf of the Beneficial Owner.
  - (ii) Save as otherwise provided in (i) above, the Securities as the registered owner of the Securities shall not have any voting rights or any other rights in respect of Securities held by it.
56. Every Person holding Shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be the owner of such Shares and shall also be deemed to be a Shareholder of the Company. The Beneficial Owner of the Shares shall, in accordance with the provisions of these Articles and the Act, be entitled to all the liabilities in respect of his Shares which are held by a Depository.
57. Notwithstanding anything in the Act or the Articles to the contrary, where Shares are held in a Depository, the records of the Beneficial Ownership may be served by such Depository on the Company by means of electronic mode or by delivery of disks, drives or any other mode as prescribed by Law from time to time.
58. In the case of transfer of Shares or other marketable Securities where the Company has not issued any certificates and where such Shares or Securities are being held in an electronic and fungible form, the provisions of the Depositories Act shall apply.

## **XI. TRANSFER OF SECURITIES**

59. Subject to the provisions of the applicable Law, the Securities or other interest of any Member shall be freely transferable, *provided that* any contract or arrangement between 2 (two) or more Persons in respect of transfer of Securities shall be enforceable as a contract. The instrument of transfer of any Share in the Company shall be duly executed by or on behalf of both the transferor and transferee. The transferor shall be deemed to remain a holder of the Share until the name of the transferee is entered in the Register of Members in respect thereof. *A common form of transfer shall be used in case of transfer of Securities.* The instrument of transfer shall be in writing and shall be executed by or on behalf of both the transferor and transferee and shall be in conformity with all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being and the applicable SEBI Regulations shall be duly complied with in respect of all transfers of Shares and the registration thereof.
60. Where Shares are converted into stock:
- (i) 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 the Shares from which the stock arose.

- (iii) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred that privilege or advantage.
61. Save as otherwise provided in the Act or any applicable Law, no transfer of a Share shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee has been delivered to the Company together with the certificate or certificates of Shares, and if no such certificate is in existence, then the letter of allotment of the Shares. Application for the registration of the transfer of a Share may be made either by the transferor or by the transferee *provided that* where such application is made by the transferor, no registration shall, in the case of a partly paid Share be affected unless the Company gives notice of the application to the transferee in the manner prescribed under the Act, and subject to the provisions of these Articles, the Company shall, unless objection is made by the transferee, within 2 (two) weeks from the date of receipt of the notice, enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee. On giving not less than 7 (seven) days previous notice in accordance with the Act or any other time period as may be specified by Law, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine, *provided that* such registration shall not be suspended for more than 30 (thirty) days at any one time or for more than 45 (forty five) days in the aggregate in any year.
62. Subject to the provisions of the Act, these Articles, the Securities Contracts (Regulation) Act, 1956, as amended, any listing agreement entered into with any recognized stock exchange and other applicable provisions of the Act or any other Law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within thirty days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. *Provided that* the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares or other Securities.
63. Only fully paid Shares or Debentures shall be transferred to a minor acting through his/her legal or natural guardian. Under no circumstances, Shares or Debentures be transferred to any insolvent or a Person of unsound mind.
64. The instrument of transfer shall after registration be retained by the Company and shall remain in their custody. All instruments of transfer which the Directors may decline to register, shall on demand be returned to the Persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine.
65. The Board may, subject to the right of appeal conferred by Section 58 of the Act decline to register—

- (i) the transfer of a Share, not being a fully paid Share, to a person of whom they do not approve; or
  - (ii) any transfer of Shares on which the Company has a lien.
66. The Board may decline to recognize any instrument of transfer unless—
- (i) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of Section 56 of the Act;
  - (ii) the instrument of transfer is accompanied by the certificate of the Shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
  - (iii) the instrument of transfer is in respect of only one class of Shares.
67. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other documents.
68. The Company may close the Register of Members or the register of debenture-holders or the register of other Security holders for any period or periods not exceeding in the aggregate forty-five days in each year, but not exceeding thirty days at any one time, subject to giving of previous notice of at least 7 (seven days) or such lesser period as may be specified by SEBI.

## **XII. TRANSMISSION OF SHARES**

69. Subject to the provisions of the applicable Law, on the death of a Member, the survivor or survivors where the Member was a joint holder of the Shares, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only Person(s) recognised by the Company as having any title to his interest in the Shares. Nothing in this Article shall release the estate of the deceased joint holder from any liability in respect of any Share which had been jointly held by him with other Persons.
70. Any Person becoming entitled to a Share in consequence of the death or insolvency of a Member may, upon such evidence being produced as the Board may from time to time require, and subject as hereinafter provided, elect, either:
- (i) to be registered as holder of the Share; or
  - (ii) to make such transfer of the Share as the deceased or insolvent Member could have made.

All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of Shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

71. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent Member had transferred the Share before his death or insolvency.
72. If the Person so becoming entitled shall elect to be registered as holder of the Shares, such person shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
73. If the Person aforesaid shall elect to transfer the Share, he shall testify his election by executing an instrument of transfer in accordance with the provisions of these Articles relating to transfer of Shares.

74. A Person becoming entitled to a Share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the Share, except that he shall not, before being registered as a Member in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to the General Meetings of the Company, provided 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 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Share, until the requirements of the notice have been complied with.

The provisions as mentioned above, to the extent relevant, shall be also applicable on Debentures and other securities of the Company, *mutatis mutandis*.

75. **Share Warrant**

- (i) Share warrants may be issued as per the provisions of Applicable Law.
- (ii) Power to issue share warrants

The Company may issue share warrants subject to, and in accordance with the provisions of the Act, and accordingly the Board may in its discretion, with respect to any share which is fully paid-up on application in writing signed by the persons registered as holder of the share, and authenticated, by such evidence (if any) as the Board may, from time to time, require as to the identity of the person signing the application, and on receiving the certificate (if any) of the share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.

(iii) **Deposit of share warrant**

- (a) The bearer of a share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit as if his name were inserted in the Register of Members as the holder of the share included in the deposited warrant.
- (b) Not more than one person shall be recognised as depositor of the share warrant.
- (c) The Company shall, on two days' written notice, return the deposited share warrant to the depositor.
- (iv). Privileges and disabilities of the holders of share warrant
  - (a) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant sign a requisition for calling a meeting of the Company, or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notices from the Company.
  - (b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he was named in the Register of Members as the holder of the share included in the warrant, and shall be a Member of the Company.

- (v). Issue of new Share Warrant or Coupon

The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction

### **XIII. FORFEITURE OF SHARES**

76. If a Member fails to pay any call, or instalment of a call or any part thereof, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
77. The notice issued under Article 76 shall:
- (i) name a further day (not being earlier than the expiry of 14 (fourteen) days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - (ii) state that, in the event of non-payment on or before the day so named, the Shares in respect of which the call was made will be liable to be forfeited.
78. If the requirements of any such notice as aforesaid is not complied with, any Share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
79. A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
80. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
81. A Person whose Shares have been forfeited shall cease to be a Member in respect of the forfeited Shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by the Person to the Company in respect of the Shares.
82. The liability of such Person shall cease if and when the Company shall have received payment in full of all such monies in respect of the Shares.
83. A duly verified declaration in writing that the declarant is a Director, the manager or the Secretary of the Company, and that a Share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Person claiming to be entitled to the Share.
84. The Company may receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute a transfer of the Share in favour of the Person to whom the Share is sold or otherwise disposed of.
85. The transferee shall there upon be registered as the holder of the Share.
86. The transferee shall not be bound to ascertain or confirm the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity to invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.



87. The provision of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, become payable at a fixed time, whether on account of the nominal value of the Share or by way of premium, as the same had been payable by virtue of a call duly made and notified.

#### **XIV. SHARES AND SHARE CERTIFICATES**

88. The Company shall cause to be kept a Register of Members in accordance with Section 88 of the Act. The Company shall be entitled to maintain in any country outside India a “foreign register” of Members or Debenture holders resident in that country
89. Subject to provision of applicable Law, a Person subscribing to Shares of the Company shall have the option either to receive certificates for such Shares or hold the Shares with a Depository in electronic form. Where Person opts to hold any Share with the Depository, the Company shall intimate such Depository of details of allotment of the Shares to enable the Depository to enter in its records the name of such Person as the Beneficial Owner of such Shares. Where a Person opts to hold any Share with the Depository, the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification thereto or re-enactment thereof. Such a Person who is the Beneficial Owner of the Shares can at any time opt-out of a Depository, if permitted by the Law, in respect of any Shares in the manner provided by the Depositories Act and the regulations made thereunder and the Company shall in the manner and within the time prescribed, issue to the Beneficial Owner the required certificate of Shares.
90. Unless the Shares have been issued in dematerialized form, every person whose name is entered as a Member in the Register of Members shall be entitled to receive within two Months after incorporation, in case of subscribers to the Memorandum or after allotment or within one Month after the application for the registration of transfer or transmission or sub-division or consolidation or renewal of any of its Shares as the case may be or within a period of six Months from the date of allotment in the case of any allotment of Debenture or within such other period as the conditions of issue shall be provided –
- (i) one certificate for all his Shares without payment of any charges; or
  - (ii) several certificates, each for one or more of his Shares, upon payment of twenty rupees for each certificate after the first.
91. Every certificate of Shares shall be under the Seal of the Company, if any, and shall specify the number and distinctive numbers of Shares to which it relates and amount paid-up thereon and shall be signed by two Directors or by a Director and the Company Secretary. The common Seal shall be affixed in the presence of the Persons required to sign the certificate. Further, out of the two Directors there shall be at least one Director other than managing or whole-time Director, where the composition of the Board so permits. *Provided that* in respect of a Share or Shares held jointly by several Persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate for a Share to one of several joint-holders shall be sufficient delivery to all such holders.
92. If any Share stands in the names of 2 (two) or more Persons, the Person first named in the Register of Members of the Company shall as regards voting at General Meetings, service of notice and all or any matters connected with the Company, except the transfer of Shares and any other matters herein otherwise provided, be deemed to be sole holder thereof but joint holders of the Shares shall be severally as well as jointly liable for the payment of all deposits, instalments and calls due in respect of such Shares and for all incidents thereof according to these Articles.

93. The Board may subject to the provisions of the Act, accept from any member on such terms and conditions as they think fit, a surrender of his Shares or stock or any part thereof.
94. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of Shares, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued without payment of fee if the Board so decides, or on payment of such fee (not exceeding Rs. 20 for each certificate) as the Directors shall prescribe. *Provided that* no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is not further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of Shares.

*Provided that notwithstanding what is stated above, the Directors shall comply with such rules or regulations and requirements of any stock exchange including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, or the rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, as amended or any other act or rules applicable in this behalf.*

The provisions of this Article shall *mutatis mutandis* apply to issue of certificates for any other Securities, including Debentures, of the Company.

95. Subject to the provisions of Section 89 of the Act, a Person whose name is entered in the Register of Members of the Company as the holder of the Shares but who does not hold the beneficial interest in such Shares shall file with the Company, a declaration to that effect in the form prescribed under the Act and the Company shall make necessary filings with the Registrar as may be required, within a prescribed period as set out in the Act and the rules framed thereunder.
96. Subject to provisions of Section 90 of the Act, every individual, who acting alone or together, or through one or more persons or trust, including a trust and Persons resident outside India, holds beneficial interests, of not less than twenty-five per cent. or such other percentage as may be prescribed under the Act, in Shares of the Company or the right to exercise, or the actual exercising of significant influence or control as defined in clause (27) of Section 2 of the Act, over the Company shall make a declaration to the Company, specifying the nature of his interest and other particulars, in such manner and within such period of acquisition of the beneficial interest or rights and any change thereof. The Company shall maintain a register of the interest declared by such individuals and changes therein which shall include the name of individual, his date of birth, address, details of ownership in the Company and such other details as may be prescribed under the Act.
97. Notwithstanding anything contained hereinabove, a Member has a right to nominate one or more persons as his/her nominee(s) to be entitled to the rights and privileges as may be permitted under the law of such member in the event of death of the said member/s subject to the provisions of the Companies Act, 2013, and other applicable Laws.

## **XV. SHAREHOLDERS' MEETINGS**

98. An Annual General Meeting shall be held each year within the period specified by the Law. Not more than 15 (fifteen) Months shall elapse between the date of one Annual General Meeting

of the Company and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96 of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called during business hours on a day that is not a national holiday (**declared as such by the Central Government**), and shall be held either at the registered Office or at some other place within the city in which the registered Office of the Company is situate, as the Board may determine. Every Member of the Company shall be entitled to attend every General Meeting either in person or by Proxy.

99. All notices of, and other communications relating to, any General Meeting shall be forwarded to the Auditor of the Company, and the Auditor shall, unless otherwise exempted by the Company, attend either by himself or through his authorised representative, who shall also be qualified to be an Auditor, any General meeting and shall have right to be heard at such meeting on any part of the business which concerns him as the Auditor.
100. All General Meetings other than the Annual General Meeting shall be called extraordinary General Meetings.
101. Subject to the provisions of the Act, the business of an Annual General Meeting shall be the consideration of financial statements and the reports of the Board of Directors and auditors; the declaration of any Dividend; the appointment of Directors in place of those retiring; the appointment of, and the fixing of the remuneration of, the Auditors; in the case of any other meeting, all business shall be deemed to be special.
102. No business shall be discussed at any General Meeting except election of a Chairperson while the chair is vacant.
103.
  - (i) The Board may, whenever it thinks fit, call an extraordinary General Meeting.
  - (ii) The Board shall on the requisition of such number of Member or Members of the Company as is specified in Section 100 of the Act, forthwith proceed to call an extraordinary General Meeting of the Company and in respect of any such requisition and of any meeting to be called pursuant thereto, all other provisions of Section 100 of the Act shall for the time being apply.
  - (iii) A General Meeting of the Company may be convened by giving not less than clear 21 (twenty-one) days' notice either in writing or through electronic mode in such manner as prescribed under the Act, *provided that* a General Meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode (a) in the case of an Annual General Meeting, by not less than 95% (ninety-five percent) of the members entitled to vote thereat; and (b) in the case of any other General Meeting, by majority in number of members entitled to vote and who represent not less than 95% (ninety-five percent) of such part of the paid-up Share Capital of the Company as gives a right to vote at such General Meeting. Provided that where any Member of the Company is entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those Members shall be taken into account for the purposes of this Article in respect of the former resolution or resolutions and not in respect of the latter.
  - (iv) Notice of every General Meeting shall be given to the Members and to such other Person or Persons as required by and in accordance with Sections 101 and 102 of the Act and it shall be served in the manner authorized by Section 20 of the Act.
  - (v) Any accidental omission to give notice to, or the non-receipt of such notice by, any Member or other Person who is entitled to such notice for any meeting shall not

invalidate the proceedings of the meeting.

- (vi) Subject to the provisions contained under Section 115 of the Act, where, by any provision contained in the Act or in these Articles, special notice is required of any resolution, notice of the intention to move such 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 five lakh rupees, has been paid-up and the Company shall immediately after receipt of the notice, give its members notice of the resolution at least 7 (seven) days before the meeting, exclusive of the day of dispatch of notice and day of the meeting, in the same manner as it gives notice of any General Meetings.

## **XVI. PROCEEDINGS AT SHAREHOLDERS' MEETINGS**

104. The Chairman of the Board of Directors shall be entitled to take the chair at every General Meeting, or if there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting, or shall decline to take the chair, the Directors present shall elect one of them as Chairman and if no Director be present or if the Directors present decline to take the chair, then the Members present shall elect one of their Members to be a Chairman. If a poll is demanded on the election of the Chairman it shall be taken forthwith in accordance with the provisions of the Act and the Chairman elected on show of hands shall exercise all the powers of the Chairman under the said provisions. If some other person is elected as a result of the poll he shall be the Chairman for the rest of the meeting.
105. No business shall be discussed at any General Meeting except the election of a Chairman whilst the chair is vacant.
106. No business shall be transacted at any General Meeting, unless a quorum of Members is present at the time when the meeting proceeds to transact business.
107. Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in Section 103 of the Act.
108. In the event a quorum as required herein is not present within 30 (thirty) minutes of the appointed time, then subject to the provisions of Section 103 of the Act, the General Meeting shall stand adjourned to the same place and time 7 (seven) days later or to such other date and such other time and place as the Board may determine, *provided that* the agenda for such adjourned General Meeting shall remain the same. The said General Meeting if called by requisitionists under Section 100 of the Act shall stand cancelled.
109. In case of an adjourned meeting or of a change of day, time or place of meeting, the Company shall give not less than 3 (three) days' notice to the Members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered Office of the Company is situated.
110. The required quorum at any adjourned General Meeting shall be the same as that required at the original General Meeting.
111. If at the adjourned meeting also a quorum is not present within 30 (thirty) minutes from the time appointed for holding such meeting, the Members present shall be the quorum and may transact the business for which the meeting was called.
112. The Chairperson may, with the consent of Members at any meeting at which a quorum is present, and shall, if so directed at the meeting, adjourn the meeting, from time to time and

from place to place.

113. No business shall be transacted at any adjourned General Meeting other than the business left unfinished at the meeting from which the adjournment took place.
114. When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
115. Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
116. Before or on the declaration of the results of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairperson of the meeting on his/her own motion and shall be ordered to be taken by him/her on a demand made in accordance with Section 109 of the Act.
117. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
118. Notwithstanding anything contained elsewhere in these Articles, the Company:
  - (i) shall, in respect of such items of business as the Central Government may, by notification, declare or which are under any other applicable Law required to be transacted only by means of postal ballot; and
  - (ii) may, in respect of any item of business, other than ordinary business and any business in respect of which Directors or auditors have a right to be heard at any meeting, transact by means of postal ballot,

in such manner as may be prescribed, instead of transacting such business at a General Meeting and any resolution approved by the requisite majority of the Members by means of such postal ballot, shall be deemed to have been duly passed at a General Meeting convened in that behalf and shall have effect accordingly.

119. Directors may attend and speak at General Meetings, whether or not they are Shareholders.
120. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act and the Articles.
121. The Chairperson of the Board of Directors or in his absence the vice-Chairperson of the Board shall, preside as chairperson at every General Meeting, annual or extraordinary.

## **XVII. VOTES OF MEMBERS**

122. Subject to any rights or restrictions for the time being attached to any class or classes of Shares:
  - (i) on a show of hands, every Member present in person shall have one vote; and
  - (ii) on a poll, the voting rights of Members shall be in proportion to their Share in the paid-up Share Capital.
123. In the case of an equality of votes, the Chairman shall, on a poll (if any) have casting vote in addition to the vote or votes to which he may be entitled as a Member.
124. A Member paying the whole or a part of the amount remaining unpaid on any share held by

them although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the monies so paid by him until the same would but for such payment become presently payable.

125. No Member shall exercise any voting rights in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien or which have been transferred to IEPF.
126. At any General Meeting, a resolution put to vote of the meeting shall be decided as per the provisions of the Act and applicable SEBI Regulations, unless a poll is (before or on the declaration of the result of the voting on any resolution on show of hands) demanded by any Member or Members present in Person or by Proxy, and having not less than one-tenth of the total voting power or holding Shares on which an aggregate sum of not less than Rs. 5,00,000 (Rupees five lakh) or such higher amount as may be prescribed has been paid up.
127. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
128. A Member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.
129. In case of joint holders, the vote of the senior who tenders a vote, whether in Person or Proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names are stated in the Register of Members of the Company.
130. A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction, 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.
131. No Member shall be entitled to exercise any voting rights either personally or by Proxy at any General Meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any Shares registered in his/her name on which any calls or other sums presently payable by him in respect of Shares in the Company have not been paid.
132. No objection shall be raised to the qualification of any voter except at the General Meeting or adjourned General Meeting at which the vote objected to is given or tendered, and every vote not disallowed at such General Meeting and whether given personally or by Proxy or otherwise shall be deemed valid for all purpose. Any such objection made in due time shall be referred to the Chairperson of the General Meeting whose decision shall be final and conclusive.
133. A declaration by the Chairperson of the meeting of the passing of a resolution or otherwise by show of hands and an entry to that effect in the books containing the minutes of the meeting of the Company shall be conclusive evidence of the fact of passing of such resolution or otherwise.
134. Any poll duly demanded on the question of adjournment shall be taken forthwith. A poll demanded on any other question (not being a question relating to the election of a Chairperson or adjournment of the meeting) shall be taken at such time not exceeding 48 hours from the time when the demand was made, as the Chairperson may direct.
135. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question of which a poll has been demanded.
136. Where a poll is to be taken, the Chairperson of the meeting shall appoint two scrutinisers to scrutinise the votes given on the poll and to report thereon to him/her in accordance with Section

109 of the Act.

137. The Chairperson shall have power, at any time before the result of the poll is declared to remove a scrutiner from office and to fill vacancies in the office of scrutiner arising from such removal or from any other cause.
138. The Chairperson of the meeting shall have power to regulate the manner in which a poll shall be taken.
139. The result of the poll shall be deemed to be decision of the meeting on the resolution on which the poll was taken.
140. The Chairperson of any meeting shall be the sole judge of the validity of every vote tendered at such meeting.
141. On a poll taken at 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.
142. Where a resolution is passed at an adjourned meeting of the Company, the resolution shall, for all purposes, be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.
143. At every Annual General Meeting of the Company, there shall be laid on the table the Directors' report, audited statements of accounts, auditor's report (if not already, incorporated in the audited statements of accounts), the Proxy register with proxies and the register of Directors' holdings.
144. A body corporate (whether a company within the meaning of the Act or not) may,
  - (a) if it is member of the Company by a resolution of its board of directors or other governing body, authorize such Person as it thinks fit to act as its representative at any meeting of the Company, or at any meeting of any class of Members of the Company;
  - (b) if it is a creditor, (including a holder of Debentures of the Company) by a resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of any creditors of the Company held in pursuance of the Act or of any rules made thereunder, or in pursuance of the provisions contained in any Debenture or trust deed, as the case may be.

A Person authorised by resolution as aforesaid shall be entitled to exercise the same rights and power (including the right to vote by Proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member, creditor or holder of Debentures of the Company.

### **XVIII. PROXY**

145. Subject to the provisions of the Act and these Articles, any Member of the Company entitled to attend and vote at a General Meeting of the Company shall be entitled to appoint a Proxy to attend and vote instead of himself and the Proxy so appointed shall have no right to speak at the meeting.
146. The Proxy shall not be entitled to vote except on a poll.
147. The instrument appointing a Proxy and the power of attorney or other authority, if any, under

which it is signed or a notarised copy of that power or authority, shall be deposited at the registered Office not less than 48 (forty eight) hours before the time for holding the meeting or adjourned meeting at which the Person named in the instrument proposes to vote; or in the case of a poll, not less than 24 (twenty four) hours before the time appointed for the taking of the poll; and in default the instrument of Proxy shall not be treated as valid.

148. An instrument appointing a Proxy shall be in the form as prescribed under the Act and the rules framed thereunder.
149. A vote given in accordance with the terms of an instrument of Proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the Proxy or of the authority under which the Proxy was executed, or the transfer of the Shares in respect of which the Proxy is given; *provided that* no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its Office before the commencement of the meeting or the adjourned meeting at which the Proxy is used.

## **XIX. DIRECTORS**

150. The business of the Company shall be managed by the Directors who may exercise all such powers of the Company as are not restricted by the Act or by these Articles.
151. Subject to the provisions of the Act, the number of Directors shall not be less than 3 (three) and more than 15 (fifteen) *provided that* the Company may appoint more than 15 (fifteen) directors after passing a Special Resolution. At least one Director shall reside in India for a total period of not less than 182 (one hundred and eighty-two) days or for such number of days as may be notified by the Government from time to time in each Financial Year.
152. The Directors need not hold any qualification Shares in the Company.
153. Subject to the provisions of the Act, each Director shall be paid sitting fees for each meeting of the Board or a Committee thereof attended by him, subject to the ceiling prescribed under the Act and other applicable Law.
154. The Directors shall also be paid travelling and other expenses for attending and returning from meeting of the Board of Directors (including hotel expenses) and any other expenses properly incurred by them in connection with the business of the Company, in accordance with the provisions of the Act.
155. Subject to the applicable provisions of the Act and Law, if any Director, being willing shall be called upon to perform extra services for the purposes of the Company, the Company shall remunerate such Director by such fixed sum or percentage of profits or otherwise as may be determined by the Directors and such remuneration may be either in addition to or in substitution for his remuneration provided above.
156. Subject to the provisions of Section 197 and the other applicable provisions of the Act, the remuneration of Directors may be fixed at a particular sum or a percentage of the net profits or partly by one way and partly by the other.
157. In the event that a Director is absent for a continuous period of not less than 3 (three) Months from India (an “**Original Director**”), subject to these Articles, the Board may appoint another person (an “**Alternate Director**”), not being a person holding any alternate directorship for any other Director or holding directorship in the Company, for and in place of the Original Director. The Alternate Director shall be entitled to receive notice of all meetings and to attend and vote at such meetings in place of the Original Director and generally to perform all functions of the Original Director in the Original Director’s absence. No Person shall be appointed as an



Alternate Director to an Independent Director unless such Person is qualified to be appointed as an Independent Director of the Company. Any Person so appointed as Alternate Director shall not hold office for a period longer than that permissible to the Original Director and shall vacate the office if and when the Original Director returns to India. If the term of the office of the Original Director is determined before he so returns to India, any provisions in the Act or in these Articles for automatic re-appointment shall apply to the Original Director and not to the Alternate Director.

158. The office of a Director shall automatically become vacant, if he is disqualified under any of the provisions of the Act. Further, subject to the provisions of the Act, a Director may resign from his office at any time by giving a notice in writing to the Company and the Board shall on receipt of such notice take note of the same and the Company shall intimate the Registrar and also place the fact of such resignation in the report of Directors laid in the immediately following General Meeting. Such Director may also forward a copy of his resignation along with detailed reasons for the resignation to the Registrar within 30 (thirty) days of resignation. The resignation of a Director shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the Director in the notice, whichever is later.
159. Not less than two-thirds of the total number of Directors shall (a) be persons whose period of the office is liable to determination by retirement of Directors by rotation and (b) save as otherwise expressly provided in the Articles or the Act, be appointed by the Company in General Meeting.
160. Subject to the provisions Section 169(5) and 169(6) of the Act, 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 a multiple of three the number nearest to one-third, shall retire from office. The Independent Directors and Managing Director (till such person's term ends as per applicable law or term of appointment) shall not be subject to retirement under this Article and shall not be taken into account in determining the number of Directors to retire by rotation. In these Articles a "**Retiring Director**" means a Director retiring by rotation.
161. The Directors who retire by rotation under Article 160 at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between those who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement amongst themselves, be determined by lot.
162. At any Annual General Meeting at which a Director retires, the Company may fill up the vacancy by appointing the Retiring Director who is eligible for re-election or some other Person if a notice for the said purpose has been left at the office of the Company in accordance with the provisions of the Act.
163. No Person shall be appointed as a Director unless he furnishes to the Company his Director Identification Number under Section 154 of the Act or any other number as may be prescribed under Section 153 of the Act and a declaration that he is not disqualified to become a Director under the Act.
164. No Person appointed as a Director shall act as a Director unless he gives his consent to hold the office as a Director and such consent has been filed with the Registrar within 30 (thirty) days of his appointment in the manner prescribed in the Act.
165. Subject to the provisions of the Act, the Directors shall have the power, at any time and from time to time to appoint any Persons as additional Director in addition to the existing Directors

so that the total number of Directors shall not at any time exceed the number fixed for Directors in these Articles. Any Director so appointed shall hold office only until the next following Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier, but shall be eligible for re-appointment as Director.

166. The Company, may by Ordinary Resolution, of which special notice has been given in accordance with the Section 169 of the Act, remove any Director including the Managing Director, if any, before the expiration of the period of his office. Notwithstanding anything contained in these Articles or in any agreement between the Company and such Director, such removal shall be without prejudice to any contract of service between him and the Company.
167. If the office of any Director appointed by the Company in General Meeting, is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled up by the Board at a meeting of the Board but any Person so appointed shall retain his office so long only as the vacating Director would have retained the same if such vacancy had not occurred.
168. In the event of the Company borrowing any money from any financial corporation or institution or government or any government body or a collaborator, bank, Person or Persons or from any other source, while any money remains due to them or any of them the lender concerned may have and may exercise the right and power to appoint, from time to time, any Person or Persons to be a Director or Directors of the Company and the Directors so appointed, shall not be liable to retire by rotation, subject however, to the limits prescribed by the Act and as permitted under applicable Law. Any Person so appointed may at any time be removed from the office by the appointing authority who may from the time of such removal or in case of death or resignation of Person, appoint any other or others in his place. Any such appointment or removal shall be in writing, signed by the appointee and served on the Company. Such Director need not hold any qualification Shares.
169. The Company may, subject to the provisions of the Act and Law, take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly or reasonably.

## **XX. MANAGING DIRECTOR, WHOLE TIME DIRECTOR AND KEY MANAGERIAL PERSONNEL**

170. The Board may, from time to time, subject to Section 196 and other applicable provisions of the Act, appoint one or more of their Directors to the office of the managing director or whole time Director for such period not exceeding five years at time as they may think fit to manage the affairs and business of the Company and on such remuneration and other terms, as they think fit and subject to the terms of any agreement entered into in any particular case, may revoke such appointment.
171. The Managing Director or Managing Directors or wholetime Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.
172. Subject to the provisions of the Act, the Directors, may from time to time entrust and confer upon a Managing Director, whole time director(s), executive director(s) or managers for the time being such of the powers exercisable upon such terms and conditions and with such

restrictions as they may think fit either collaterally with or to the exclusion of and in substitution for all or any of their own powers and from time to time revoke, withdraw, alter or vary all or any of such powers

173. Subject to the provisions of any contract between him and the Company, the managing director/ whole-time director, shall be subject to the same provisions as to resignation and removal as the other Directors and his appointment shall automatically terminate if he ceases to be a Director.
174. Subject to the provisions of the Act, a Managing Director or whole time Director may be paid such remuneration (whether by way of salary, commission or participation in profits or partly in one way and partly in other) as the Board may determine subject to the approval of the Shareholders at the next General Meeting and as per the applicable provisions of the Act and SEBI Regulations.
175. The Board, subject to Section 179 and any other applicable provisions of the Act, may entrust to and confer upon a Managing Director or whole time Director any of the powers exercisable by them upon such terms and conditions and with such transfers, as they may think fit and either collaterally with or to the exclusion of their own powers and may, from time to time, revoke, withdraw or alter or vary all or any of such powers.
176. Subject to the provisions of the Act, the Board and/or any committee, duly constituted by the Board and/or any director, duly empowered by the Board of Directors in this regard, shall be eligible to appoint such Key Managerial Personnel other than the Managing Director and whole time Director already specified in Articles 170 to 175, on such terms and conditions including the remuneration as may be appropriate and required for the proper functioning of the business of the Company. Such Key Managerial Personnel shall be governed by the terms of engagement and shall be responsible for all such things as may be required by the terms of engagement or the Act or any other Law time being in force.

## **XXI. MEETINGS OF THE BOARD**

177. The Board may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit, subject to the provisions of the Act and applicable SEBI Regulations.
178. A Director may, and the manager or the Secretary of the Company upon the requisition of a Director shall, at any time convene a meeting of the Board, subject to the provisions of the Act.
179. Subject to the provisions the Act, the Board shall meet at least 4 (four) times in a year in such a manner that not more than 120 (one hundred and twenty) days shall intervene between 2 (two) consecutive meetings of the Board.
180. The quorum for the meeting of the Board shall be one third of its total strength or 2 (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 purpose of quorum. *Provided that* where at any time the number of interested Directors is equal to or exceeds two-thirds of the total strength of the Board, the number of remaining Directors, that is to say the number of Directors who are not interested and present at the meeting being not less than 2 (two), shall be the quorum during such time.
181. The continuing Directors may act notwithstanding any vacancy in the Board; but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a General Meeting of the Company, but for no other purpose.

182. If quorum is found to be not present within 30 (thirty) minutes from the time when the meeting should have begun or if during the meeting, valid quorum no longer exists, the meeting shall be reconvened at the same time and at the same place 7 (seven) days later. At the reconvened meeting, the Directors present and not being less than 2 (two) Persons shall constitute the quorum and may transact the business for which the meeting was called and any resolution duly passed at such meeting shall be valid and binding on the Company.
183. Subject to the provisions of the Act allowing for shorter notice periods, a meeting of the Board shall be convened by giving not less than 7 (seven) days' notice in writing to every Director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means.
184. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
185. The Board may elect a Chairperson for its meetings and determine the period for which he is to hold office. The Board may likewise appoint a vice-chairman of the Board of Directors to preside over the meeting at which the chairman shall not be present. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the Directors present may choose one of their member to be Chairperson of the meeting.
186. In case of equality of votes, the Chairperson of the Board shall have the casting vote to decide the matter.
187. The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such Member or Members of its body as it thinks fit.
188. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board and applicable under Law.
189. A committee may elect a chairperson of its meetings and may also determine the period for which he is to hold office. If no such chairperson is elected, or if at any meeting the chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the members present may choose one of their members to be chairperson of the meeting.
190. A committee may meet and adjourn as it thinks fit.
191. Questions arising at any meeting of a committee shall be determined by a majority of votes of the Directors present. The Chairperson of the committee, if any, shall not have any second or casting vote.
192. Subject to these Articles and Sections 175, 179 and other applicable provisions of the Act, a circular resolution in writing, executed by or on behalf of a majority of the Directors or members of the Committee, shall constitute a valid decision of the Board or committee thereof, as the case may be, *provided that* a draft of such resolution together with the information required to make a fully-informed good faith decision with respect to such resolution and appropriate documents required to evidence passage of such resolution, if any, was sent to all of the Directors or members of the committee (as the case may be) at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be prescribed under the Act, and has been approved by a majority of the Directors or members who are entitled to vote on the resolution.
193. All acts done in any meeting of the Board or of a committee thereof or by any Person acting as

a Director shall, notwithstanding that it may be afterwards discovered that his appointment was invalid by reason of any defect for disqualification or had terminated by virtue of any provisions contained in the Act, or in these Articles, be as valid as if every such Director or such Person had been duly appointed and was qualified to be a Director.

194. Subject to the provisions of the Act, no Director shall be disqualified from his office for contracting with the Company, nor shall any such contract entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided, nor shall any Director contracting or being so interested be liable to account to the Company for any profit realized by any such contract by reason only of such Director holding that office or of the fiduciary relations thereby established; *provided that* every Director who is in any way whether directly or indirectly concerned or interested in a contract or arrangement, entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board and shall not participate in such meeting as required under Section 184 and other applicable provisions of the Act, and his presence shall not be counted for the purposes of forming a quorum at the time of such discussion or vote.
195. Subject to the provisions of the Act, the Board shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolutions passed at the meeting of the Board:
- a. to make calls on Shareholders in respect of money unpaid on their shares;
  - b. to authorise buy-back of securities under Section 68 of the Act;
  - c. to issue securities, including debentures, whether in or outside India;
  - d. to borrow money(ies);
  - e. to invest the funds of the Company;
  - f. to grant loans or give guarantee or provide security in respect of loans; and
  - g. any other matter which may be prescribed under the Act, Companies (Meetings of Board and its Powers) Rules, 2014 and the SEBI Listing Regulations to be exercised by the Board only by resolutions passed at the meeting of the Board.

The Board may, by a resolution passed at a meeting, delegate to any Committee of Directors, the Managing Director, or to any person permitted by Law the powers specified in sub clauses (d) to (f) above. In respect of dealings between the company and its bankers the exercise by the company of the powers specified in clause (d) shall mean the arrangement made by the company with its bankers for the borrowing of money by way of overdraft or cash credit or otherwise and not the actual day to day operation on overdraft, cash credit or other accounts by means of which the arrangement so made is actually availed of.

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

## **XXII. POWERS OF THE DIRECTORS**

197. The Directors shall have powers for the engagement and dismissal of managers, engineers, clerks and assistants and shall have power of general directions, management and superintendence of the business of the Company with full power or do all such acts, matters and things deemed necessary, proper or expedient for carrying on the business of the Company and to make and sign all such contracts, and other government papers and instruments that shall be necessary, proper or expedient, for the authority and direction of the Company except only such of them as by the Act or by these Articles are expressly directed to be exercised by the Members in the General Meeting.
198. Subject to Section 179 of the Act, the Directors shall have the right to delegate any of their

powers covered under Section 179(3)(d) to Section 179(3)(f) to any committee of the Board, managers, or any other principal officer of the Company as they may deem fit and may at their own discretion revoke such powers.

199. The Board of Directors shall, or shall authorize Persons in their behalf, to make necessary filings with governmental authorities in accordance with the Act and other applicable Law, as may be required from time to time.
200. Subject to the provisions of the Act, these Articles and other applicable provisions of Law, the Board 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, whether by the Act, or any other statute or by the Memorandum of Association or by these Articles or otherwise, to be exercised or done by the Company in a General Meeting; provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of Association of the Company or in these Articles, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in General Meeting, but 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.
201. Subject to the provisions of the Act and any other applicable Law for the time being in force, the Directors shall have the power, from time to time and at their discretion, to borrow, raise or secure the payment of any sum of money for and on behalf of the Company in such manner and upon such terms and conditions in all respects as they think fit and through the issue of Debentures or bonds of the Company or by mortgage or charge upon all or any of the properties of the Company both present and future including its uncalled capital then available.
202. The Directors shall have the power to open bank accounts, to sign cheques on behalf of the Company and to operate all banking accounts of the Company and to receive payments, make endorsements, draw and accept negotiable instruments, *hundies* and bills or may authorise any other Person or Persons to exercise such powers.
203. All acts done by any meeting of the Board or by a committee of the Board 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 one or more of such Directors or any person acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them is deemed to be terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director. Provided nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

### **XXIII. SPECIAL NOTICE**

204. Where by any provision contained in the Act or in these Articles special notice is required for 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 percent of total voting power or holding shares on which such aggregate sum not exceeding five lakh rupees, as may be prescribed, has been paid-up and the Company shall give its members notice of the resolution in such manner as may be prescribed.

### **XXIV. BORROWING POWERS**

205. Subject to the provisions of the Act and these Articles the Board may from time to time, at their

discretion raise or borrow or secure the payment of any sum or sums of money for and on behalf of the Company. Any such money may be raised or the payment or repayment thereof may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit by promissory notes or by opening loan or current accounts or by receiving deposits and advances at interest with or without security or otherwise and in particular by the issue of bonds, perpetual or redeemable Debentures of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, machinery, plant, goods or other property and Securities of the Company or by other means as the Board deems expedient.

206. The Board of Directors shall not except with the consent of the Company by way of a Special Resolution, borrow moneys where the moneys to be borrowed 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 paid-up Share Capital, free reserves and securities premium of the Company.

## **XXV. DIVIDEND AND RESERVES**

207. The Company in a General Meeting may declare Dividends, to be paid to Members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 123-126 of the Act, but no Dividend shall exceed the amount recommended by the Board., However, the Company may declare a smaller dividend in General Meeting
208. Subject to the provisions of the Act, the Board may from time to time pay to the Members such interim Dividends as appear to it to be justified by the profits of the Company.
209. The Board may, before recommending any Dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising Dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Board may, from time to time, think fit. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
210. No Member shall be entitled to receive payment of any interest or Dividend or bonus 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 however, either alone or jointly with any other Person or Persons) and the Board of Directors may deduct from the interest or Dividend payable to any Member all such sums of money so due from him to the Company.
211. A transfer of Shares does not pass the right to any Dividend declared thereon before the registration of the transfer.
212. Subject to the rights of Persons, if any, entitled to Shares with special rights as to Dividends, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the Dividend is paid, but if and so long as nothing is paid upon any of the Shares in the Company, Dividends may be declared and paid according to the amounts of the Shares.
213. No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of these Articles as paid on the Share.
214. All Dividends shall be apportioned and paid proportionately to the amounts, paid or credited

as paid on the Shares during any portion or portions of the period in respect of which the Dividend is paid, but if any Share is issued on terms providing that it shall rank for Dividend as from a particular date such Share shall rank for Dividend accordingly.

215. The Board may deduct from any Dividend payable to any Member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the Shares.
216. Any Dividend, interest or other monies payable in cash in respect of Shares may be paid by electronic mode or by cheque, demand draft or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register of Members of the Company, or to such Person and to such address as the holder or joint holders may in writing direct.
217. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent.
218. Any one of two or more joint holders of a Share may give effectual receipts for any Dividends, bonuses or other payments in respect of such Share.
219. Notice of any Dividend, whether interim or otherwise, that may have been declared shall be given to the Persons entitled to Share therein in the manner mentioned in the Act.
220. No Dividend shall bear interest against the Company.
221. A Shareholder can waive/forgo the right to receive the Dividend (either final and/or interim) to which he is entitled, on some or all the Shares held by him in the Company. However, the Shareholder cannot waive/forgo the right to receive the Dividend (either final and/or interim) for a part of percentage of Dividend on Share(s).
222. Where a Dividend has been declared by the Company but has not been paid or claimed within thirty days from the date of the declaration to any Shareholder entitled to the payment of the dividend, the Company shall, within seven days from the date of expiry of the said period of thirty days, transfer the total amount of Dividend which remains unpaid or unclaimed to a special account to be opened by the Company in that behalf in any scheduled bank to be called the 'Unpaid Dividend Account'.
223. Any money transferred to the 'Unpaid Dividend Account' of a company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the fund known as Investor Education and Protection Fund established under Section 125 of the Act. *There shall be no forfeiture of unclaimed Dividends before the claim becomes barred by law.*
224. All Shares in respect of which the Dividend has not been paid or claimed for 7 (seven) consecutive years or more shall be transferred by the Company in the name of Investor Education and Protection Fund along with a statement containing such details as may be prescribed. Provided that any claimant of Shares so transferred shall be entitled to claim the transfer of Shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be prescribed.

The Company shall comply with the provisions of the Act in respect of any Dividend remaining unpaid or unclaimed with the Company.

## XXVI. INSPECTION OF ACCOUNTS

225. (i) The Board shall cause proper books of account to be maintained under Section 128 and



other applicable provisions of the Act.

- (ii) The Board shall, from time to time, in accordance with the Act, determine whether and to what extent and at what times and places and under what conditions or regulations all books of the Company or any of them, shall be open to the inspection of Members not being Directors.
- (iii) No Member (not being a Director) or other Person shall have any right of inspecting any account book or document of the Company except as conferred by Law or authorised by the Board or by the Company in General Meetings.
- (iv) Each Director shall be entitled to examine the books, accounts and records of the Company, and shall have free access, at all reasonable times and with prior written notice, to any and all properties and facilities of the Company.
- (v) The books containing the minutes of the proceedings of any General Meeting of the Company, or a resolution passed by postal ballot shall:
  - (a) be kept at the registered/corporate Office of the Company; and
  - (b) be open to inspection of any Member without charge, during business hours on all working days other than Saturdays and Sundays or public holiday between 11:00 a.m. to 5:00 p.m.

## **XXVII.DOCUMENTS AND NOTICES**

### 226. Service of documents or notices on Members by the Company

1. A document or notice may be served by the Company on any Member thereof either personally or by sending it by registered post or by speed post or by courier service or by leaving it at his registered address or if he has no registered address in India, to the address if any, within India supplied by him to the Company for serving documents or notice on him or by means of such electronic or other mode as may be prescribed under the Act.
2. A document or notice advertised in a newspaper circulating in the neighbourhood of the registered Office of the Company shall be deemed to be duly served on the day on which the advertisement appears, on every Member of the Company who has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him.
3. A document or notice may be served by the Company on the joint holders of a Share by serving it on the joint holder named first in the Register in respect of the Share.
4. The signature to any document or notice to be given by the Company may be written or printed or lithographed, facsimile or through digital means.
5. Document or notice of every General Meeting shall be served or given in the same manner hereinbefore authorised on or to (a) every Member, (b) every Person entitled to a Share in consequence of the death or insolvency of a Member and (c) the Auditor or Auditors for the time being of the Company d) any other Person or authority as may be applicable under the Act or SEBI Regulations.
6. A document may be served on the Company or an officer thereof by sending it to the Company or officer at the registered Office of the Company by registered post or by speed post or by courier service or by leaving it at its registered Office or by means of such

electronic or other mode as may be prescribed. Provided that where Securities are held with a Depository, the records of the Beneficial Ownership may be served by such Depository on the Company by means of electronic or other mode.

7. Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the Company may be signed by a Director, the Manager, or Secretary or any other authorised Officer of the Company and need not be under the common Seal of the Company.

## **XXVIII. REGISTERS AND DOCUMENTS TO BE MAINTAINED BY THE COMPANY**

227. The Company shall keep and maintain registers, books and Documents as required by the Act or these Articles, including the following:

- (1) Register of Investments made by the Company but not held in its own name, as required by Section 187(3) of the Act, and shall keep it open for inspection by any Member or Debenture Holder of the Company without charge.
- (2) Register of Charges and copies of instrument creating any charge requiring registration according to Section 85 of the Act, and shall keep them open for inspection by any creditor or Member of the Company without fee and for inspection by any person on payment of a fee of rupee ten for each inspection.
- (3) Register and Index of Members as required by Section 88 of the Act, and shall keep the same open for inspection during business hours, at such reasonable time on every working day as the Board may decide by any member, Debenture Holder, other security holder or Beneficial Owner without payment of fee and by any other person on payment of a fee of rupees fifty for each inspection.
- (4) Register and Index of Debenture Holders or Security Holders under Section 88 of the Act, and keep it open for inspection during business hours, at such reasonable time on every working day as the Board may decide by any Member, Debenture Holder, other security holder or Beneficial Owner without payment of fee and by any other person on payment of rupees fifty for each inspection.
- (5) Foreign Register, if so thought fit, as required by Section 88 of the Act, and it shall be open for inspection and may be closed and extracts may be taken therefrom and copies thereof as maybe required in the manner, mutatis mutandis, as is applicable to the Principal Register.
- (6) Register of Contracts with related parties and companies and firms etc. in which Directors are interested as required by Section 189 of the Act, and shall keep it open for inspection at the registered Office of the Company during business hours by any Member of the Company. The Company shall provide extracts from such register to a Member of the Company on his request, within seven days from the date on which such request is made upon the payment of fee of ten rupees per page.

- (7) Register of Directors and Key Managerial Personnel etc., as required by Section 170 of the Act and shall keep it open for inspection during business hours and the Members of the Company shall have a right to take extracts therefrom and copies thereof, on a request by the Members, be provided to them free of cost within thirty days. Such register shall also be kept open for inspection at every Annual General Meeting of the Company and shall be made accessible to any person attending the meeting.
- (8) Register of loans, guarantee, security and acquisition made by the Company as required by Section 186 (9) of the Act. The extracts from such register may be furnished to any member of the Company on payment of fees of ten rupees for each page.
- (9) Books recording minutes of all proceedings of meetings in accordance with the provisions of Section 118 of the Act.
- (10) Copies of Annual Returns prepared under Section 92 of the Act, together with the copies of certificates and documents required to be annexed thereto.

Provided that any Member, Debenture Holder, security holder or Beneficial Owner or any other Person may require a copy of any such register referred to sub-clause (3), (4) or (5), or the entries therein or the copies of annual returns referred to in this sub-clause (10) on payment of a fee of ten rupees for each page. Such copy or entries or return shall be supplied within seven days of deposit of such fee.

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

228. The Company shall subject to the payment of the fee prescribed under Section 17 of the Act, or its statutory modification for the time being in force, on being so required by a member, send to him with seven days of the requirement, a copy of each of the following documents as in force for the time being.
  - (a) The Memorandum,
  - (b) The Articles, and
  - (c) Every agreement and every resolution referred to in sub-section (1) of Section 117 of the Act, if and in so far as they have not been embodied in the Memorandum of the Company or these Articles.

#### **XXX. SECRECY**

229. Every manager, Auditor, trustee, Member of a committee, officer, servant, agent, accountant or other Persons employed in the business of the Company shall, if so required by the Board, before entering upon the duties, sign a declaration pledging himself to observe strict secrecy respecting all *bona fide* transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by any General Meeting or by the Law of the country and except so far as may be necessary in order to comply with any of the provisions in these Articles, the provisions of the Act and the Law.
230. No Member or other Person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts

of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.

### **XXXI. DIRECTOR, OFFICER NOT RESPONSIBLE FOR ACTS OF OTHERS**

231. Subject to the provisions of Section 197 of the Act, no Director, Auditor or other officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested, or for any loss or damages arising from insolvency or tortuous act of any person, firm or company to or with whom any monies, securities or effects shall be entrusted or deposited or any loss occasioned by any error of judgement, omission, default or oversight on his part or for any other loss, damage, or misfortune whatever which shall happen in relation to the execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.

### **XXXII. WINDING UP**

232. Subject to the provisions of Chapter XX of the Act and rules made thereunder—
- (i) If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide amongst the Members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
  - (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.
  - (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no Member shall be compelled to accept any Shares or other Securities whereon there is any liability.
233. The Company may be wound up in accordance with the Act and the Insolvency and Bankruptcy Code, 2016, as amended (to the extent applicable).

### **XXXIII. THE SEAL**

234. (i) The Board shall provide for the safe custody of the Seal, if any, of the Company.
- (ii) The Seal shall not be affixed to any instrument except by the authority of resolution of the Board or a committee of the Board authorised by it in that behalf, and except in the presence of at least 1 (one) Director or Company Secretary or any other official of the Company as the Board may decide and that 1 (one) Director or Company Secretary or such official shall sign every instrument to which the Seal of the Company is so affixed in their presence. The Share certificates will, however, be signed and sealed in accordance with Rule 5 of the Companies (Share Capital and Debentures) Rules, 2014, as amended.

- (iii) The Board shall provide a common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a committee of the Board previously given.
- (iv) The Company shall also be at liberty to have an official Seal in accordance with of the Act, for use in any territory, district or place outside India.

#### **XXXIII. AUDIT**

- 235. Subject to the provisions of the Act, the Company shall appoint an Auditor at an Annual General Meeting to hold office from the conclusion of that Annual General Meeting until a continuous period of five years or such time as permitted under the Act and Law, and every Auditor so appointed shall be informed of his appointment.
- 236. The Directors may fill up any casual vacancy in the office of the Auditors within 30 (thirty) days subject to the provisions of Sections 139 and 140 of the Act and the rules framed thereunder.
- 237. The remuneration of the Auditors shall be fixed by the Company in the Annual General Meeting or in such manner as the Company may in the General Meeting determine.

#### **XXXIV. UNDERWRITING**

- 238. Subject to the provisions of Section 40 of the Companies Act, 2013, the Company may at any time pay commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares or Debentures or Debenture stock in the Company, or procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any Shares, Debentures or Debenture-stock of the Company, but so that the commission shall not exceed in the case of Shares five per cent of the price at which the Shares are issued and in the case of Debentures two and a half per cent of the price at which the Debentures are issued. Such commission shall be paid either out of the proceeds of the issue or the profit of the Company or both. Subject to the provisions of the Act, any commission payable as aforesaid may be satisfied by payment of cash or by allotment of fully or partly paid Shares or Debentures as the case may be or partly in one way and partly in the other.

#### **XXXV. GENERAL AUTHORITY**

- 239. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company cannot carry out any transaction unless the Company is so authorized by its Articles then in that case, these Articles hereby authorize and empower the Company to have such rights, privilege or authority and to carry out such transaction as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

#### **XXXVI. INDEMNITY**

- 240. Every officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the court or the National Company Law Tribunal.
- 241. Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for

joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects 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 damage 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 dishonesty.

We, the several persons, whose names and addresses are hereunder subscribed, are desirous of being formed into a company, in pursuance of this Articles of Association and we respectively agree to take Shares in the capital of the Company.

Sr. No	Names, Addresses, Occupation and description of subscribers	Signature of subscriber	Signature, Names, Addresses, Descriptions and occupations of witnesses
1.	<b>KDDL Limited</b> Regd Office : Plot No. 3, Sector III Parwanoo-173220 Himachal Pradesh Company	Sd/- Yashovardhan Saboo Chief Executive Officer	I witness the signature of all the subscriber Sd/- <b>Vishal Arora</b> S/o Dr H.K. Lall COMPANY SECRETARY, C.P. NO. 3645 # 651, TOP FLOOR, SECTOR 8-B, CHANDIGARH
2.	<b>Rajendra Kumar Saboo</b> S/o Late Shri Tara Chand Saboo 1, Sector 5, Chandigarh <b>Industrialist</b>	Sd/- R.K. Saboo	
3.	<b>Yashovardhan Saboo</b> S/o Shri Rajendra Kumar Saboo 1, Sector 5, Chandigarh <b>Industrialist</b>	Sd/- Yashovardhan Saboo	
4.	<b>Usha Devi Saboo</b> W/o Shri Rajendra Kumar Saboo 1, Sector 5, Chandigarh <b>Housewife</b>	Sd/- Usha Devi Saboo	
5.	<b>Anuradha Saboo</b> W/o Shri Yashovardhan Saboo 1, Sector 5, Chandigarh <b>Executive</b>	Sd/- Anuradha Saboo	
6.	<b>Pranav Shankar Saboo</b> S/o Shri Yashovardhan Saboo 1, Sector 5, Chandigarh <b>Student</b>	Sd/- Pranav Shankar Saboo	
7.	<b>Satvika Saboo</b> D/o Shri Yashovardhan Saboo 1, Sector 5, Chandigarh <b>Service</b>	Sd/- Satvika Saboo	

**Date: 18.10.2007**

**Place: Chandigarh**

IN THE HON'BLE HIGH COURT OF HIMACHAL PRADESH AT SHIMLA  
(ORIGINAL COMPANY JURISDICTION)  
COMPANY PETITION NO. 11 OF 2008  
CONNECTED WITH  
COMPANY PETITION NO. 4 OF 2008  
IN THE MATTER OF COMPANIES ACT, 1956  
AND  
IN THE MATTER OF SECTIONS 391/394 OF  
THE COMPANIES ACT, 1956;  
AND  
IN THE MATTER OF SCHEME OF ARRANGEMENT  
BETWEEN

MEMO OF PARTIES

KDDL Limited , a company incorporated under the Companies Act, 1956 and having its registered office at Plot no 3, Sector-III, Parwanoo, Dist. Solan, Himachal Pradesh- 173220, Through (Ms. Priya Manoj Jaswani, Company Secretary of the Transferor Company, authorized to Present this Petition)

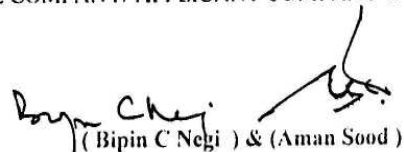
.....TRANSFEROR COMPANY/ APPLICANT COMPANY-I

AND

Kamla Retail Limited, a company incorporated under the Companies Act, 1956 and having its registered office at: Plot No 3, Sector-III, Parwanoo, Dist. Solan, Himachal Pradesh- 173220, Through (Mr. C. Raja Sekhar, Authorised Signatory, authorized to present the Petition )

....TRANSFEREE COMPANY/ APPLICANT COMPANY-II



  
( Bipin C Negi ) & ( Aman Sood )

(ADVOCATES FOR THE APPLICANT COMPANIES)



IN THE HON'BLE HIGH COURT OF HIMACHAL PRADESH AT SHIMLA  
(ORIGINAL COMPANY JURISDICTION)  
COMPANY PETITION NO. 11 OF 2008  
CONNECTED WITH  
COMPANY PETITION NO. 4 OF 2008  
IN THE MATTER OF COMPANIES ACT, 1956  
AND  
IN THE MATTER OF SECTIONS 391/394 OF  
THE COMPANIES ACT, 1956;  
AND  
IN THE MATTER OF SCHEME OF ARRANGEMENT  
BETWEEN

KDDL Limited , a company incorporated under the Companies Act, 1956 and having its registered office at Plot no 3, Sector-III, Parwanoo, Distt. Solan, Himachal Pradesh- 173220, Through (Ms. Priya Manoj Jaswani, Company Secretary of the Transferor Company, authorized to Present this Petition)

.....TRANSFEROR COMPANY/  
APPLICANT COMPANY-I

AND

Kamla Retail Limited, a company incorporated under the Companies Act, 1956 and having its registered office at: Plot No 3, Sector-III, Parwanoo, Distt. Solan, Himachal Pradesh- 173220, Through (Mr. C. Raja Sekhar, Authorised Signatory, authorized to present the Petition )

....TRANSFEEE COMPANY  
APPLICANT COMPANY-II

BEFORE HON'BLE MR. JUSTICE SANJAY KAROL, JUDGE  
DATED THIS THE 26<sup>TH</sup> SEPTEMBER, 2008

Order under section 394 of the companies act, 1956

The above petition came up for hearing on March 11, 2008 for sanction of Scheme of Arrangement proposed to be made of M/s KDDL Limited (hereinafter referred to as the Transferor Company) with M/s Kamla Retail Limited (hereinafter referred to as the Transferee Company). The Court examined the petition; the order dated March 11, 2008 was passed in Company Petition no. 4 of 2008. whereby the meetings of equity shareholders, secured and unsecured creditors of the Transferor Company were ordered to be convened for the purpose of considering and ,if thought fit, approving with or without modification Scheme of Arrangement and the meeting of equity shareholders and unsecured creditors of the Transferee company was dispensed with in view of the consent



letters received by the Transferee Company. The Transferee Company has no secured creditors. The Scheme of Arrangement was annexed along with the Company Petition No 4 of 2008 which was duly signed on affidavit by the authorized signatories of both the Transferor and Transferee Company. Pursuant to the order of this court, the publication in the newspapers, containing the notice convening the said meetings directed to be held vide order dated 11 March 2008, were published in Hindustan Times English edition on dated 5<sup>th</sup> April 2008, Amar Ujala Hindi Edition dated on 5<sup>th</sup> April 2008 both published from Chandigarh and in the Himachal Pradesh government Gazette Rajpatra on 28<sup>th</sup> March 2008. The affidavits/ reports dated May 9, 2008 of Shri Naresh Kumar Sood, Shri HKS Thakur, Shri Sandeep Sharma, Chairpersons appointed by the Court for the purpose of court convening of meetings were filed within time and the said affidavits incorporated the details as to publication of notices in newspapers, dispatch of the notices convening the said meetings and the outcome of the said meetings. The Court also examined the report filed by Sh.Dhan Raj, Regional Director, Northern Region, Ministry of Corporate Affairs, Noida on behalf of Central Government vide affidavit dated 3.7.2008 stating that balance sheet of both the Transferor Company and Transferee Company as at 31.03.2008 were not available when the board of directors and shareholders of both the companies approved the Scheme of Arrangement. The official liquidator filed its affidavit dated 17<sup>th</sup> June 2008 stating that since KDDL Limited is not going to be dissolved, the report of Official Liquidator under section 394(1) of the Companies Act 1956 is not necessary in the matter. The court vide order dated 7<sup>th</sup> August 2008 dismissed the objections of the Learned Regional Director and directed the companies to issue notice under Rule 80 of the Companies(Court) Rules, 1959 for advertising the publication of notices. As per the directions of the Hon'ble Court the notices were duly published in Hindustan Times on 27<sup>th</sup> August 2008, in Amar Ujala on August 28, 2008 and in Himachal Pradesh official Gazette Rajpatra on 2<sup>nd</sup> September 2008. Thereafter second motion petition was heard on 26<sup>th</sup> September 2008 and the court sanction the scheme of Arrangement

**THIS COURT DOTH HEREBY SANCTION THE SCHEME OF Arrangement** set forth in Schedule-I annexed hereto and doth hereby declare the same to be binding on all the shareholders and creditors of the Transferor and Transferee Companies and all concerned and doth approve the said Scheme of Arrangement with effect from the appointed date i.e. 1<sup>st</sup> April 2008.

**THIS COURT DOTH ORDER**

(1) That all the property, rights and powers of the Transferred Undertaking of the Transferor Company specified in the first, second and third parts of the Schedule hereto and all other property, rights and powers of the Transferred Undertaking of the Transferor Company be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to section 394(2) of the Companies Act, 1956, be transferred to and vest in the Transferee Company for all the estate and interest in the Transferred Undertaking of the Transferor Company therein but subject nevertheless to all



charges now affecting the same [other than (here set out any charges which by virtue of the compromise or arrangement are to cease to have effect)]; and

(2) That all the liabilities and duties of the of the Transferred Undertaking of the Transferor Company be transferred without further act or deed to the Transferee Company and accordingly the same shall, pursuant to section 394(2) of the Companies Act, 1956, be transferred to and become the liabilities and duties of the Transferee company; and

(3) That all proceedings now pending by or against of the Transferred Undertaking the Transferor Company be continued by or against the Transferee Company; and

(4) That the Transferee Company do without further application allot to the Transferor Company as is required by clause 4.1.(ii) of the Scheme of Arrangement herein the shares in the transferee company to which the Transferor Company is entitled under the said arrangement; and

(5) That the Transferor Company and Transferee Company do within 14 days after the date of this order cause a certified copy of the order to be delivered to the Registrar of Companies for registration.

(6) That any person interested shall be at liberty to apply to the Court in the above matter for any actions that may be necessary.

#### SCHEDULE

##### PART-I

(A SHORT DESCRIPTION OF THE FREEHOLD PROPERTY OF THE TRANSFERRED UNDERTAKING OF THE TRANSFEROR COMPANY- KDDL LIMITED)

<u>SL. NO.</u>	<u>PARTICULARS OF LAND</u>	<u>AREA</u>	<u>MUTATION</u>
	NIL		



##### PART-II

(A SHORT DESCRIPTION OF THE LEASEHOLD PROPERTY OF THE TRANSFERRED UNDERTAKING TRANSFEROR COMPANY -KDDL LIMITED)

<u>SL. NO.</u>	<u>PARTICULARS OF LAND</u>	<u>AREA</u>	<u>MUTATION</u>
	NIL		

**PART-III**

**SHORT DESCRIPTION OF ALL STOCKS, SHARES, DEBENTURES AND OTHER CHARGES IN ACTION OF THE TRANSFERRED UNDERTAKING OF TRANSFEROR COMPANY, KDDL LIMITED**

All investments, current assets, sundry debtors, loans and advances, cash/bank balances and other miscellaneous assets as per the books of accounts of the Transferor Company and the agreements, registrations, licenses, leases, tenancy and other rights, liberties, easements and advantages, lending/guarantee contracts, benefit of any security arrangements, account opening form including agreement with clients, intellectual property rights, rights to use, telephones, telexes, V-Sats, computer software's licenses, facsimile connections and installations, furniture, fixture and office equipments, vehicles, jetty platforms, plant and machinery, salt pans, reservoirs and condensers, utilities, electricity and other services, reserves, provisions, funds, goodwill, benefits of all agreements and all other interests including but not limited to the following :

	<b>Investment in securities</b>	<b>·Rupees</b>
<b>I.</b>	<b>Investment in Shares :-</b>	
	1. NIL	
<b>II.</b>	<b>Investments in Mutual Fund :-</b>	
	1. NIL	



Dated this 3<sup>rd</sup> day of November, 2008.

  
 REGISTRAR (Inspector)

## SCHEME OF ARRANGEMENT

Between

**KDDL LIMITED**

AND

**KAMLA RETAIL LIMITED**

### PART-I

#### 1. INTRODUCTION, DEFINITIONS AND INTERPRETATION

##### 1.1 Introduction

##### 1.1.1 KDDL Limited

(i) KDDL Limited (the "Transferor Company") is a public limited company incorporated under the Companies Act, 1956 with CIN number L33302HP1981PLC008123 having its registered office at Plot No. 3, Sector III, Parwanoo Distt. Solan, Himachal Pradesh-173220.

(ii) The Transferor Company is engaged in the business of manufacturing/dealing in watches and watch components, packaging boxes and high precision stamped parts and tools thereof. The Transferor Company has substantial market share of high quality watch dials and watch hands in India and is also exporting to the overseas markets. The manufacturing facilities of Transferor Company are situated in Parwanoo, Chandigarh, Bangalore and Derabassi. The Transferor Company is also running a retail business of watches, crystal, jewelry, mobile phones, etc. under the brand name "ETHOS" across India. The main objects of the Transferor Company as per its Memorandum of Association, inter alia, include:

"To carry on the business of manufacturing, buying, selling, indenting, exchanging, converting, assembling, fabricating, altering, importing, exporting, processing, or otherwise handling or dealing in wrist watches, watch cases, watch dials, straps, measuring instruments, precision instruments, clocks, time measuring devices, electronic instruments of all types and descriptions, and all components, parts and accessories, materials required, directly and directly for the manufacturing of the same."



(iii) The equity shares of the Transferor Company are listed on The Bombay Stock Exchange Limited.

1.1.2. Kamla Retail Limited

(i) Kamla Retail Limited ("Transferee Company"<sup>1</sup>) is a public limited company incorporated under the Companies Act, 1956 with CIN number U52300HP2007PLC030800, having its registered office at Plot No. 3, Sector III, Parwanoo Distt. Solan, Himachal Pradesh-173220.

(ii) The Transferee Company is authorized to carry on retail business similar to that of the Transferor Company. The main objects of the Transferee Company as per its Memorandum of Association, inter alia, include:

"To carry on trade, distribution or retail business in India or abroad through retail formats and including but not limited to hyper markets, super markets, mega stores/discount stores, cash & carry, departmental stores, shoppers plaza, direct to home, phone order and mail order, catalogue through internet and other forms and multi level channels for all products and services, dealing and acting as franchises under various brand names for all kinds. materials and items including but not limited to watches and their accessories, jewellery, packaging boxes, cell phones, accessories for cell phones, telecom products, consumer durables, home improvements products, footwear, books and stationery, toys and music and acquiring and running retail centres, entertainment centres including but not limited to multiplexes, cinemas, gaming centres, amusement parks, restaurants and food courts and acquiring of land or building on lease or freehold or any commercial or industrial or residential building for running and management of retail business and to acquire flats, offices and retail spaces for carrying on retail business and to sell them, lease or sublet them and to undertake and execute civil, mechanical, electrical and structural works contracts and sub-contracts in all their respective branches to carry on retailing business."

(iii) The entire issued and paid-up share capital of the Transferee Company is beneficially held by the Transferor Company

1.1.3. The retail business of the Transferor company has the potential of being developed into a parallel and independent business segment in future. Keeping in view the potential of retail business of the Transferor Company being developed into an independent business segment and in order to carry on the respective businesses, viz. manufacturing and retail, in a more focused and competent manner, in the interest and to the benefit of all stakeholders, it is proposed that the retail business (more particularly defined under the Definitions as "Transferred Undertaking") be transferred to the Transferee Company as a going concern with effect from the Appointed Date through this Scheme (as hereinafter defined).



### 1.2.1 Definitions

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning as mentioned hereinbelow: -

- (i) "Act" means the Companies Act, 1956, and will include any statutory modifications or re-enactment thereof.
- (ii) "Appointed Date" means 1<sup>st</sup> April 2008 or such other date as the Board of Directors of the Transferor and Transferee Company deem fit and proper in the interest of both the companies or such other date as may be directed by the Hon'ble High Court.
- (iii) "Board of Directors" in relation to Transferee Company and Transferor Company, as the case may be, shall include a committee of Directors or any person authorized by the Board of Directors or such committee of Directors.
- (iv) "Effective Date" shall mean the date of filing of the Scheme as approved by the High Court along with Form 21 with the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh or the Appointed Date, whichever ever is later.
- (v) "Employees" means all the employees of Transferor Company including contractual employees, employees under probation as well as confirmed employees who are engaged in the Transferred Undertaking at their respective offices branches, depots, shops at their current terms and conditions.
- (vi) "High Court" means the Hon'ble High Court of Himachal Pradesh at Shimla.
- (vii) "Residual Business" is the term used to refer to the residual of the Transferor Company, as would emerge immediately after the transfer to and vesting of the Transferred Undertaking in the Transferee Company.
- (viii) "ROC" means Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh.



- (ix) "Scheme" means this Scheme of Arrangement, in its present form, with or without modifications, as may be sanctioned by the Hon'ble High Court.
- (x) "Transferee Company" shall have the meaning assigned to it in Clause 1.1.2(i) above and the reference of which shall, unless it be repugnant to the context or otherwise, include its successors and assigns.
- (xi) "Transferor Company" shall have the meaning assigned to it in Clause 1.1.1(i) above and the reference of which shall, unless it be repugnant to the context or otherwise, include its successors and assigns.
- (xii) "Transferred Undertaking" means the retail business of the Transferor Company being carried on under the brand name "Ethos", on a going concern basis, and shall mean and include (without limitation):
- (a) all assets whether movable or immovable, tangible or intangible, including all rights, title, interest, covenant, undertakings, including continuing rights, title and interest in connection with the land and the buildings thereon whether corporeal, incorporeal, leasehold or otherwise, plant and machinery, fixed or moveable, and whether leased or otherwise, including inventory and work in progress, together with all present and future liabilities including contingent liabilities and debts appertaining thereto, of the Transferor Company all of which relate to the Transferred Undertaking excluding the Trade Marks "ETHOS" and "KAMLA" which shall remain the property of the Transferor Company.
  - (b) all investments, debtors, loans and advances, and other current assets including accrued interest thereon, earnest monies and/or security deposits, payment against warrants or other entitlements, of the Transferor Company pertaining to the Transferred Undertaking;
  - (c) all debts, borrowings and liabilities, including contingent liabilities, present or future, whether secured or unsecured, if any, pertaining to the Transferred Undertaking;
  - (d) all permits, quotas, rights, entitlements, licenses, approvals, consents, tenancies, offices and depots, privileges and benefits of all contracts, agreements, including the agreements in relation to contract labour, and all other rights including lease rights, rights





under leave and license agreements, storage & warehousing agreements, commission agreements, retail agreements, franchisee agreements, easements, powers and facilities of every kind and description whatsoever pertaining to the Transferred Undertaking and all rights, obligations, benefits available under any rules, regulations, statutes including direct and indirect taxes and particularly sales tax/VAT benefits/ exemptions, Income tax exemptions,

- (e) all the Employees engaged in the Transferred Undertaking at their respective offices branches, depots, shops at their current terms and conditions; and

It is intended that all property, assets and liabilities with their attached rights and obligation relating to the Transferred Undertaking be transferred to the Transferee Company pursuant to this Scheme.

1.2.2 Any references in this Scheme to "upon this Scheme becoming effective" or "effectiveness of this Scheme" shall mean the Effective Date.

1.2.3 The expressions, which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the Regulations made thereunder), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time. In particular, wherever reference is made to the Hon'ble High Court in this Scheme, the reference would include, if appropriate, reference to the National Company Law Tribunal or such other forum or authority, as may be vested with any of the powers of a High Court under the Act.



PART -II

Share Capital

2.1. Transferor Company

Particulars	As on 1 <sup>st</sup> November, 2007 (Rupees)
AUTHORISED CAPITAL	

12,000,000 Equity Shares of Rs. 10/- each		120,000,000
		<u>120,000,000</u>
<b>ISSUED, SUBSCRIBED CAPITAL</b>		
7,323,500 equity shares of Rs. 10/- each		73,235,000
<b>PAID UP SHARE CAPITAL</b>		
7,149,220 Equity shares of Rs. 10/- each	71,492,200	
Add : Forfeited Shares	<u>871,400</u>	72,363,600

2.2 Transferee Company

Particulars	As at 5 <sup>th</sup> November, 2007 (Rupees)
<b>AUTHORISED SHARE CAPITAL</b>	
10,000,000 Equity Shares of Rs. 10/- each	100,000,000
<b>ISSUED, SUBSCRIBED AND PAID UP</b>	
1,000,000 Equity Shares of Rs. 10/- each	10,000,000

**PART-III**

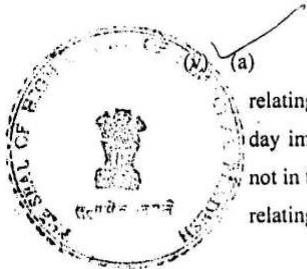
**3. TRANSFER AND VESTING OF THE TRANSFERRED UNDERTAKING  
IN THE TRANSFEE COMPANY**

3.1 Upon this Scheme becoming effective and with effect from the Appointed Date, the Transferred Undertaking shall stand vested in the Transferee Company, as a going concern, without any further deed or act, together with all its properties, assets, rights, benefits and interest therein. To reiterate the property in the trademarks "ETHOS" and "Kamla" shall continue to belong to the Transferor Company.



3.2 Without prejudice to the generality of the foregoing clauses, upon the Scheme becoming Effective, with effect from the Appointed Date:

- (i) any and all assets relating to the Transferred Undertaking, as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and acknowledgement of possession pursuant to this Scheme, shall stand transferred and vested as such by the Transferor Company to the Transferee Company and shall become the property and an integral part of the Transferee Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.
- (ii) any and all movable properties of the Transferor Company relating to the Transferred Undertaking, other than those specified in sub-clause (i) above, including sundry debtors, outstanding loans and advances and other current assets, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, shall without any further act, instrument or deed, become the property of the Transferee Company.
- (iii) any and all immovable properties (including land together with the buildings and structures standing thereon) of the Transferor Company relating to the Transferred Undertaking, whether freehold or leasehold and any documents of title, rights and easements in relation thereto, shall stand transferred to and be vested in the Transferee Company, without any act or deed done by the Transferor Company or the Transferee Company. With effect from the Appointed Date, the Transferee Company shall be entitled to exercise all rights and privileges and be liable to fulfill all obligations, in relation to or applicable to such immovable properties.
- (iv) In the event that the Effective date is subsequent to the Appointed Date, all assets, estate, rights, title, interest and authorities acquired by the Transferor Company after the Appointed Date and prior to the Effective Date pertaining to the Transferred Undertaking shall also stand transferred to and vested in the Transferee Company upon coming into effect of the Scheme.



(a) All debts, liabilities and obligations of the Transferor Company relating to the Transferred Undertaking, as on the close of business on the day immediately preceding the Appointed Date, whether provided for or not in the books of account of the Transferor Company and other liabilities relating to the Transferred Undertaking which may accrue or arise on or

after the Appointed Date, but which relate to the period upto the day immediately preceding the Appointed Date, (hereinafter referred to as the **Transferred Liabilities**) shall become the debts, liabilities, duties and obligations of the Transferee Company, upon the Scheme becoming effective, who shall undertake to meet, discharge and satisfy the same to the exclusion of the Transferor Company. The Transferee Company undertakes to meet, discharge and satisfy the same and keep the Transferor Company indemnified against all costs, losses, etc. in future in respect of such debts, liabilities and obligations.

(b) Where any of the liabilities and obligations of the Transferred Undertaking as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been taken for and on account of the Transferee Company and all loans raised and used and all liabilities and obligations incurred by the Transferor Company for the operations of the Transferred Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date shall also without any further act or deed be and stand transferred to the Transferee Company and shall become liabilities of the Transferee Company which shall meet, discharge and satisfy the same. Such liabilities shall also form part of the Transferred Liabilities as defined hereinabove.

(c) In so far as the existing security in respect of the Transferred Liabilities of the Transferred Undertaking is concerned, such security shall continue to extend to and operate over the assets comprised in the Residual Business and/or assets comprised in the Transferred Undertaking, as the case may be, which have been charged and secured in respect of the Transferred Liabilities as transferred to the Transferee Company pursuant to this Scheme. Provided, however, that if any of the assets comprised in the Transferred Undertaking which have not been charged or secured in respect of the Transferred Liabilities, such assets shall be transferred to the Transferee Company as unencumbered assets and in the absence of any formal amendment, which may be required by a lender or third party, shall not affect the operation of the above and this Scheme shall not operate so as to require any charge or security to be created on such assets in relation to the Transferred Liabilities.



(d) Further, in so far as the assets comprised in the Transferred Undertaking are concerned, the security and charge over such assets relating to any loans or borrowings which are not transferred pursuant to this Scheme (and which shall continue with the Residual Business), shall without any further act or deed be released from such encumbrance and shall no longer be available as security in relation to such liabilities.

(e) Without prejudice to the provisions of the foregoing clauses and upon the Scheme becoming effective, the Transferor Company and the Transferee Company, if required, may execute any instruments or documents or do all 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 above provisions..

(f) Upon the coming into effect of this Scheme, the Transferee Company alone shall be liable to perform all obligations in respect of the Transferred Liabilities, and the Transferor Company shall not have any obligations in respect of the Transferred Liabilities, and the Transferee Company shall indemnify the Transferor Company in this behalf.

(g) It is expressly provided that, save as mentioned in this Clause, no other term or condition of the Transferred Liabilities is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

(h) Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions

(vi) any and all contracts, agreements, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, tenancy or leasehold agreements and other instruments of whatsoever nature in relation to the Transferred Undertaking, to which the Transferor Company is a party or to the benefits of which, the Transferred Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date shall be in full force and effect, on or against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto;



- (vii) all permits, quotas, rights, entitlements, licenses including those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature, leave and licence agreements, storage & warehousing agreements, commission agreements, retail agreements, Lease agreements, franchisee agreements in relation to the Transferred Undertaking to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date shall be and remain in full force and effect in favour of or against Transferee Company as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto;
- (viii) any and all statutory licenses, no-objection certificates, permissions, approvals, consents, quotas, rights, entitlements, licenses including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto, in relation to the Transferred Undertaking shall stand transferred to or vested in the Transferee Company, without any further act or deed done by the Transferor Company and the Transferee Company and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company upon the vesting and transfer of the Transferred Undertaking pursuant to this Scheme.

With effect from the Appointed Date, any such statutory and regulatory no-objection certificates, licenses, permissions, consents, approvals, authorisations or registrations, as are jointly held for Transferred Undertaking and the Residual Business, including the statutory licenses, permissions or approvals, registrations under Sales tax/VAT, Service Tax, Shops and Establishments Act or consents required to carry on the operations in the Residual Business, shall be deemed to constitute separate licenses, permissions, no-objection certificates, consents, approvals, authorities, registrations or statutory rights and the relevant or concerned statutory authorities and licensors shall endorse and/or mutate or record the separation, pursuant to the filing of this Scheme as sanctioned by the Hon'ble High Court, with such authorities and licensors after the same becomes effective, so as to facilitate the continuation of operations in the Transferee Company without hindrance or let from the Appointed Date.

The benefit of all statutory and regulatory permissions, licenses and consents including the statutory licenses, permissions or approvals or



consents required to carry on\* the operations of the Transferred Undertaking shall vest in and become available to the Transferee Company pursuant to the Scheme.

- (ix) (a) The services of all Employees of the Transferor Company employed in the Transferred Undertaking shall stand transferred to the Transferee Company with effect from the Effective Date on the same terms and conditions at which these Employees are engaged by the Transferor Company without any interruption of service as a result of the transfer. The Transferee Company also undertakes to accept and abide by any change in terms and conditions that may be agreed/effected by the Transferor Company with all such Employees between the Appointed Date and Effective Date.
- (b) The Transferee Company undertakes to continue to abide by any agreements / settlements entered into by the Transferor Company in respect of Transferred Undertaking with any union / representatives of the Employees of the Transferor Company. The Transferee Company agrees that the services of all such Employees with the Transferor Company upto the Effective Date shall be taken into account for the purpose of all retirement benefits payable by the Transferee Company to such Employees subsequently. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits, such past services with the Transferor Company shall also be taken into account and agrees and undertakes to pay the same as and when payable.
- (c) In so far as the existing provident fund, gratuity fund and pension and/or superannuation fund, employees state insurance schemes, trusts, retirement fund or benefits and any other funds or benefits created by the Transferor Company for the Employees related to the Transferred Undertaking (collectively referred to as the "Funds"), the Funds and such of the investments made by the Funds which are referable to the Employees related to the Transferred Undertaking being transferred to the Transferee Company in terms of Clause (viii) (a) above shall be transferred to the Transferee Company and shall be held for their benefit pursuant to this Scheme. The Transferee Company in its sole discretion, will establish necessary Funds to give effect to the above transfer or deposit the same in the schemes governed under the applicable laws and rules made thereunder, as amended from time to time, namely Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and/or Employees State Insurance Act, 1948 and/or Payment of Gratuity



Act,1972. In the event that the Transferee Company does not have its own funds in respect of any of the above, the Transferee Company may, subject to necessary approvals and permissions, continue to contribute to the relevant Funds of the Transferor Company, until such time that the Transferee Company creates its own fund, at which time the Funds and the investments and contributions pertaining to the Employees related to Transferred Undertaking shall be transferred to the funds created by the Transferee Company .

- (x) all contractors hitherto engaged by the Transferor Company in relation to the Transferred Undertaking shall be deemed to be engaged by the Transferee Company for the same purpose on the same terms and conditions.
- (xi) if any suit, appeal or other proceedings relating to the Transferred Undertaking, of whatsoever nature by or against the Transferor Company is pending, the same shall not abate, be discontinued or in anyway be prejudicially affected by reason of this Scheme and the proceedings may be continued, prosecuted and enforced, by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Company, as if this Scheme had not been made. The Transferee Company shall get such legal or other proceedings relating to or in connection with the Transferred Undertaking, initiated by or against the Transferor Company, transferred in its name and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company. The Transferee Company shall also deal with all legal or other proceedings, which may be initiated by or against the Transferred Undertaking or the Transferee Company after the Effective Date but relating to the Transferred Undertaking, in respect of the period up to the Effective Date, in its own name and account and to the extent possible, to the exclusion of the Transferor Company. The Transferee Company shall pay all amounts including interest, penalties, damages, etc.. which the Transferor Company may be called upon to be paid or secured in respect of any liability or obligation relating to the Transferred Undertaking for the period commencing on the Appointed Date and ending on the Effective Date. Any reasonable costs incurred by the Transferor Company, in respect of the proceedings started by or against it relating to the Transferred Undertaking and for the period commencing on the Appointed Date and ending on the Effective Date shall be reimbursed by the Transferee Company. upon submission of





necessary evidence of having incurred such costs by the Transferor Company to the Transferee Company; and

- (xii) all taxes, duties, cess payable by the Transferor Company relating to the Transferred Undertaking and all or any refunds/credit/claims including but not limited to Sales Tax/VAT, service tax relating to Transferred Undertaking shall be treated as the liability or refunds/credit/claims, as the case may be, of the Transferee Company.
- (xiii) In terms of the above clauses, any of the Directors of the Transferor Company or any person authorized by the Board of Directors of the Transferor Company is empowered to certify a statement of affairs detailing the assets and liabilities of the Transferred Undertaking which shall be further verified and certified by a Chartered Accountant in order to determine and identify the assets and liabilities of the Transferred Undertaking being transferred and vested in the Transferee Company as on the Appointed Date and/or between the Appointed Date and the Effective Date.

3.3 The Transferor Company and the Transferee Company may, after the Scheme becomes effective, for the sake of good order, execute amended and re-stated arrangements or confirmations or other writings, for the ease of the Transferor Company, the Transferee Company and the counter party concerned in relation to the Residual Business and the Transferred Undertaking, without any obligation to do so and without modification of any commercial terms or provisions in relation thereto.

3.4 Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, Sales Tax / VAT remissions, tax holidays, incentives, concessions and other authorizations pertaining to Transferred Undertaking, shall stand vested by the order of sanction of the Hon'ble High Court in the Transferee Company, the Transferee Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file and make the necessary mutations and modifications for the benefit of the Transferee Company.



5 Upon the Scheme becoming effective, the Transferee Company shall secure the change in record of rights and any other records relevant for mutating the legal ownership of any immovable property vested with the Transferee Company and relating to the Transferred Undertaking. The Transferor Company and the Transferee Company are jointly and severally

authorized to file such declarations and other writings to give effect to this Scheme and to remove any difficulties in implementing the terms hereof.

### 3.6 Conduct of business

**If the Effective date is subsequent to the Appointed Date:**

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

(i) the Transferor Company shall be deemed to have been carrying on all business and activities relating to the Transferred Undertaking for and on behalf of and in trust for the Transferee Company; and

(ii) all income, expenditures including management costs, profits accruing to the Transferor Company and all taxes thereof or losses arising or incurred by it relating to the Transferred Undertaking shall, for all purposes, be treated as the income, expenditures, profits, taxes or losses, as the case may be, of the Transferee Company.

3.6.2 (i) With effect from the Effective Date, the Transferee Company shall be duly authorized to carry on the business of the Transferred Undertaking, previously carried on by the Transferor Company.

(ii) The Transferee Company unconditionally and irrevocably agrees and undertakes to pay, discharge and satisfy all the liabilities and obligations of the Transferred Undertaking with effect from the Appointed Date, in order to give effect to the foregoing provisions.

3.7 The Transferor Company and the Transferee Company are expressly permitted to revise their Income Tax, Wealth Tax, Sales Tax, VAT and all other statutory returns, including without limitation TDS certificates and the right to claim refund, advance tax credits etc., upon the Scheme becoming effective. It is specifically declared that the taxes paid by the Transferor Company relating to the period on or after the Appointed Date whether by way of deduction at source or advance tax, which pertains to the Transferred Undertaking, shall be deemed to be the taxes paid by the Transferee Company and the Transferee Company shall be entitled to claim credit for such taxes deducted/paid against its tax liabilities notwithstanding that the certificates/challans or other documents for payment of such taxes are in the name of the Transferor Company.



## PART-IV

### 4. CONSIDERATION

4.1 (i) Upon the Scheme becoming effective, all the assets and liabilities forming part of the Transferred Undertaking shall be transferred to the Transferee Company at the book values as on the Appointed Date.

(ii) In consideration of the vesting of the Transferred Undertaking pursuant to the Scheme, the Transferee Company shall issue its equity shares of Face Value of Rs. 10/- at par for an amount equivalent to the book value of the net assets (all assets transferred pursuant to the Scheme as reduced by the book value of liabilities taken over) of the Transferred Undertaking as on the Appointed Date, duly certified by a Chartered Accountant..

(iii) Any fractional entitlement arising on account of issuance of new shares of Rs. 10/- each by the Transferee Company in terms of Clause 4.1(ii) above, in consideration of Transferred Undertaking shall be rounded of to nearest one share.

(iv) The difference between the book value of the net assets as on the Appointed Date as referred to in Clause 4.1(ii) above and the book value of the net assets as on the Effective Date shall be recorded as receivable by the Transferor Company from the Transferee Company or payable by the Transferor Company to the Transferee Company, as the case may be.

(v) The new equity shares of the Transferee Company to be issued and allotted in terms of Clause 4.1 (ii) hereinabove, shall rank pari passu in all respects with the existing equity shares of the Transferee Company .

(vi) The new equity shares to be issued in terms hereof shall be subject to the Memorandum and Articles of Association of the Transferee Company.

(vii). It is hereby clarified that for the purposes of Clause 4.1, the consent of the shareholders of the Transferee Company to the Scheme shall be deemed to have the consent for the purposes of issuance of shares in accordance with clause 4.1(ii) and no further resolution under Section 81(1A) or any other applicable provisions of the Act would be required to be separately passed



- 4.2 (i) Upon coming into effect of the Scheme, the Authorised Equity Share Capital of Transferee Company shall stand increased by Rs. 5 crores and accordingly the Memorandum of Association of Transferee Company shall automatically stand amended and words and figures in Clause V of the Memorandum of Association shall be substituted to read as follows:

The authorized Share Capital of the Company is Rs. 15,00,00,000/- (Rupees Fifteen Crores only) divided into 1,50,00,000 (one crore fifty lac only) equity shares of Rs. 10/- (Rupees Ten) each.

(ii) The Transferee Company shall pay the requisite filing fee and stamp duty on the Authorised Equity Share Capital so increased. Further, Transferee Company shall also file the amended copy of its Memorandum and Articles of Association with ROC within 30 days from the Effective Date and the ROC shall take the same on record.

(iii) It is hereby clarified that for the purposes of Clause 4.2, the consent of the shareholders of the Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and no further resolution under Section 16, Section 94 or any other applicable provisions of the Act would be required to be separately passed.

#### PART-V

#### 5. License/Assignment of Trade Marks "ETHOS" and "KAMLA"

- 5.1 Transferor Company has adopted and is using the Trade Marks "ETHOS" and "KAMLA", which are being used with respect to the Transferred Undertaking. The said Trade Marks have been registered with the Registrar of Trade Marks, Mumbai vide Trade Mark Registration No. 1266736, dated 13.02.2004, and 642582 dated 10.10.94 respectively which are valid and subsisting. The property of the said Trade Marks shall continue to belong to the Transferor Company and will not form part of the Transferred Undertaking.



Upon Scheme becoming effective, the Board of Directors of the Transferor Company may license or assign the said Trade Marks to the

Transferee Company on such terms and conditions as may be considered fit and proper.

## PART-VI

### 6. GENERAL TERMS AND CONDITIONS

- 6.1 The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make applications to the Hon'ble High Court, under Sections 391 to 394 and other applicable provisions of the Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of the classes of their respective members and/or creditors and for sanctioning this Scheme, with such modifications as may be approved by the Hon'ble High Court.
- 6.2 Upon this Scheme being approved by the requisite majority of the respective members and creditors of the Transferor Company and the Transferee Company (as may be directed by the Hon'ble High Court), the Transferor Company and the Transferee Company shall, with all reasonable dispatch, apply to the Hon'ble High Court, for sanction of this Scheme under Sections 391 to 394 and other applicable provisions of the Act, and for such other order or orders, as the said Hon'ble High Court may deem fit for carrying this Scheme into effect.
- 6.3 On approval of this Scheme by the members and creditors of the Transferor Company and the Transferee Company, pursuant to Sections 391 to 394 of the Act, it shall be deemed that all consents required from the shareholders and/or creditors, as the case may be, of the said companies under the provisions of the Act as may be applicable, have been accorded to.
- 6.4 Upon this Scheme becoming effective, the respective shareholders of the Transferor Company and the Transferee Company shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in this Scheme.
- 6.5 The Transferor Company and the Transferee Company (acting through their respective Boards of Directors) may assent to any modifications or amendments to this Scheme, which the Hon'ble High Court and/or any other authorities 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 this



Scheme. The Transferor company and the Transferee Company (acting through their respective Boards of Directors) be and are hereby authorized to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of the order of the Hon'ble High Court or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.

- 6.6 The Transferor Company and the Transferee Company shall have the discretion to withdraw their applications and/or petitions from the Hon'ble High Court, if any onerous terms or other terms not acceptable to them are introduced in the Scheme whether at the meetings or at the time of sanction of the Scheme. They shall also be at liberty to render the Scheme ineffective by not filing the certified orders of sanction of the Scheme with the ROC but they shall do so after intimating Hon'ble High Court of their decision of not to file.
- 6.7 All costs, charges, taxes, including duties, levies and fees and all other expenses, if any, arising out of or incurred in carrying out and implementing the terms and conditions or provisions of this Scheme and incidental thereto shall be borne by the Transferee Company.
- 6.8 The Scheme is conditional upon and is subject to
- (i) The Scheme being agreed to by the respective requisite majorities of the members and/or creditors of the Transferor Company and the Transferee Company, if required, in accordance with Section 391 of the Act and the requisite orders of the Hon'ble High Court sanctioning this Scheme in exercise of the powers vested in it under the Act; and
- (ii) All necessary certified copies of the order of the Hon'ble High Court sanctioning this Scheme being filed with the ROC.
- 6.9 The transfer of properties and liabilities to and the continuance of proceedings by or against the Transferee Company, with respect to the Transferred Undertaking shall not affect any transaction or proceedings already concluded by the Transferor Company, respectively on or before the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company, as the case may be, in respect thereto as done and executed on behalf of itself.



- 6.10 In the event of this Scheme failing to take effect finally, this Scheme shall become null and void and in that case no rights and liabilities whatsoever shall accrue to or be incurred inter-se by the parties or their shareholders or creditors or employees or any other person.
- 6.11 If any part of this Scheme is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected there by, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in this Scheme as will best preserve for the parties the benefits and obligations of this Scheme, including but not limited to such part.





IN THE HIGH COURT OF HIMACHAL PRADESH  
SHIMLA

Company Petition No.9 of 2010.

Date of decision:02.11.2010.

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Mahen Boutiques Limited ... ..Transferor Company

Versus

Kamla Retail Limited ... ..Transferee Company

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*Coram*

**The Hon'ble Mr. Justice Dev Darshan Sud, J.**

*Whether approved for reporting ?<sup>1</sup> No.*

**For the Petitioner: Ms. Shilpa Sood, Advocate.**

**For Official Liquidator: Mr. Sanjeev Kuthiala, Advocate.**

**For the Union of India: Mr. Sandeep Sharma, Assistant  
Solicitor General of India.**

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**Dev Darshan Sud, J.**

This petition has been instituted by the petitioner-Transferee Company, namely, Kamla Retail Limited, under Sections 391/394 of the Companies Act, 1956 (hereinafter referred to as the 'Act') praying for an order to sanction the Scheme of Amalgamation (Annexure P-1).

2. It is undisputed before me that Company Petition No.6 of 2010 was instituted by the petitioner herein praying that meeting etc. of the Preference Shareholders, Equity Shareholders, Secured Creditors and Unsecured Creditors etc. be convened for the

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<sup>1</sup> *Whether the reporters of Local Papers may be allowed to see the judgement?* Yes.

ATTES TED

Section Officer (Judicial)  
High Court of Himachal Pradesh



purposes of sanctioning of the amalgamation scheme. By an order dated 1.6.2010, this Court granted the prayers:-

"Heard. I have gone through the petition and the documents filed with it. Prayer for convening four meetings, as referred to in clauses (A), (B), (C) and (D) of Para-30 regarding prayer clause, is allowed.

Meeting of Preference Shareholders of the Company, i.e. Kamla Retail Limited, be held on 17<sup>th</sup> July, 2010 at 12 p.m. at Hotel Timber Trail, near Parwanoo.

Meeting of Equity Shareholders of the aforesaid company be held on the aforesaid date at 12.30 p.m. at the same venue.

Meeting of Secured Creditors of the aforesaid company be held on the same date at 1 p.m.

Meeting of Unsecured Creditors of the said company be held on the same date at 2.30 p.m.

In all the four meetings, the participants shall deliberate and consider the proposed scheme of amalgamation and will vote for or against the proposed scheme.

For all the four meetings, Shri K.D. Sood, Advocate, will be the Chairman and Mrs. Devyani Sharma, Advocate, will be the Co-Chairman. Fees of the Chairman shall be Rs.50,000/- plus traveling expenses and fees of the Co-Chairman shall be Rs.35,000/- plus traveling expenses.

ATTESTED

Section Officer (Judicial)  
High Court of Himachal Pradesh



*Notice of all the four meetings shall be published in two newspapers, i.e. The Tribune (English) and Amar Ujala (Hindi), and also in the official Gazette of Himachal Pradesh.*

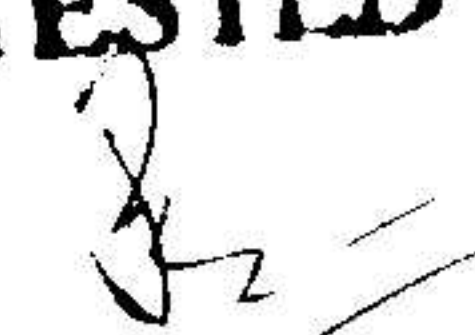
*Chairman shall submit his reports, within a fortnight of the date of meetings. Matter be listed on 2<sup>nd</sup> August, 2010.*

*Copy dasti."*

3. Subsequently on 2.8.2010, the report of the Chairman was received which was taken on the record and the petition disposed of. It is after this that the present petition has been instituted by the Transferee Company for sanctioning of the Scheme of Amalgamation. Notices of this petition were issued to the Official Liquidator as also the Regional Director, Northern Region, Ministry of Corporate Affairs, Noida. Replies have been filed and no opposition has been expressed to the amalgamation.

4. The petitioner prays for amalgamation with the respondent Mahen Boutiques Limited. The averments made in the petition are that the Board of Directors of the Transferor Company at its meeting held on 26<sup>th</sup> April, 2010 approved the Scheme of Amalgamation which was also accepted by the Board of Directors of the Transferee Company on 15<sup>th</sup> May, 2010. Their consent Annexures P-2 and P-3 are already filed on the record. The Scheme in detail has been filed as Annexure P-1.

**ATTESTED**

  
Section Officer (Financial)  
High Court of Himachal Pradesh




5. The objects of amalgamation have been mentioned as under:-

(a) The Transferor Company was incorporated to set up high end mono brand boutiques/retail stores for retailing watches, jewellery, crystal wares, articles made of precious and semiprecious metals and stones. Only one such retail boutique has been set up which is operating in Bangalore, which deals in the retail of Rolex Watches. However, the entire operations, staff and all related procedures of this boutique are controlled by the Transferee Company itself.

(b) The Transferee Company was also incorporated for the same purposes as the Transferor Company, and provides essentially the same services through various multi brand retail stores located in different cities.

(c) Under the proposed Scheme, the Transferor Company would be merged into the Transferee Company. After the amalgamation the amalgamated company will be in a better position to operate on a larger scale resulting in larger resources and lower debts. The Transferee Company would thus, get an immediate access to the existing and well-developed business and a well-established customer network of the Transferor Company. In the present economic context and scenario,

ATTESTED


  
Section Officer (Judicial)  
High Court of Himachal Pradesh



there is a need to consolidate these companies under one management and administrative control in order to achieve the optimum size of business which is essential for facing the emerging global challenges. The amalgamated company with a sound financial position having more networks, higher turnover, diversified business activities, operations synergies, better utilization of manpower can meet the market and customers needs with greater flexibility and further strengthen its position in the market. The enlarged enterprise will enable the company to expand its operations in both the domestic and overseas market.

- (d) Reduction of overheads and multiple organizational costs would benefit the share holders through increased profitability. By virtue of the amalgamation, the operations of both the companies shall be ideally brought under single control thereby leading to considerable savings by eliminating duplication of administration and legal expenses, overheads and other service charges.
- (e) The proposed amalgamation will enable the amalgamated Company to achieve optimum size of business which is essential for better utilization of the available resources thereby ensuring long term economic and financial benefits of the company,

ATTESTED

  
Section Officer (Judicial)  
High Court of Himachal Pradesh



their shareholders and employees. The amalgamated company with a wider capital base and improved financial ratios like profits, assets etc. will be in a stronger position to mobilize the required funds for expansion by way of availing credit facilities from banks, public issue of shares, debentures, acceptance of public deposits etc. The amalgamated Company will have greater flexibility to meet the market and customer needs and will be able to compete more effectively, thus further strengthening its market position in the domestic and international markets.

(f) Both, the Transferor Company and the Transferee Company are part of the same promoter group. The objective of the Scheme is to consolidate the group entitles of the promoters in India. This would help the promoter group to streamline its operations in India."

6. It is also pleaded that no investigation proceedings against the Transferee Company or the Transferor Company under Sections 235 to 251 of the Act are pending.

7. Notice of this petition was issued to the general public by publication in the newspaper as also in the official gazette and to the Official Liquidator as also the Regional Director. No objections have been filed. The Official Liquidator in his reply states

ATTESTED

*[Signature]*  
Section Officer (Judicial)  
High Court of Himachal Pradesh



that the statutory records including the Annual Returns and Balance Sheets etc. of the Transferee Company, M/s.Kamla Retail Limited, were examined and M/s.Mahen Boutiques Limited which is the Transferor Company is wholly owned subsidiary of Transferee Company. Regional Director also states in his affidavit that there is no objection. However, one condition imposed is:-

*"3. That the Deponent craves leave to submit that as per Clause 10.1 of Part-b OF THE Scheme of Amalgamation, all the employees of the Transferor Company shall become the employees of the Transferee Company without an break or interruption in their services upon sanctioning of the Scheme of amalgamation by the Hon'ble Court".*

8. In this view of the matter, this petition is allowed sanctioning the grant for amalgamation of the Scheme Annexure P-1 annexed with this petition in accordance with law and the condition reproduced above. This will be subject to any order passed by any other Court of law of Company jurisdiction in India. This petition is disposed of.

November 2, 2010  
(aks)

*Sud*  
(Dev Darshan Sud)  
Judge.

**ATTESTED**  
*h.*  
Section Officer (Judicial)  
High Court of Himachal Pradesh

*h.*  
23/02/11.