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**MEMORANDUM OF ASSOCIATION**

**AND**

**ARTICLES OF ASSOCIATION**

**OF**

**MONARCH NETWORTH CAPITAL LIMITED**

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सत्यमेव जयते

GOVERNMENT OF INDIA

MINISTRY OF CORPORATE AFFAIRS

Office of the Registrar of Companies

RoC Bhavan, Opp Rupal Park Society Behind Ankur Bus Stop, Ahmedabad, Gujarat, India, 380013

Corporate Identity Number: L65920GJ1993PLC120014

SECTION 13(5) OF THE COMPANIES ACT, 2013

Certificate of Registration of Regional Director order for Change of State

M/s MONARCH NETWORK CAPITAL LIMITED having by special resolution altered the provisions of its Memorandum of Association with respect to the place of the Registered Office by changing it from the state of Maharashtra to the Gujarat and such alteration having been confirmed by an order of Regional Director bearing the date 12/01/2020.

I hereby certify that a certified copy of the said order has this day been registered.

Given under my hand at Ahmedabad this Fifth day of February Two thousand twenty-one.



MANOJA KUMAR SAHU

Registrar of Companies

RoC - Ahmedabad

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

MONARCH NETWORK CAPITAL LIMITED

Unit No. PO4-01D, 4th Floor, Tower A WTC GIFT CITY, Block No. 51, Road 5E,  
Zone-5, GIFT City, Gandhinagar, Gandhinagar, Gujarat, India, 382355





GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS  
Registrar of Companies, Mumbai  
Everest , 100 , Marine Drive Mumbai - 400002, Maharashtra, INDIA

**Certificate of Incorporation pursuant to change of name**  
**[Pursuant to rule 29 of the Companies (Incorporation) Rules, 2014]**

Corporate Identification Number (CIN): : L65920MH1993PLC075393

I hereby certify that the name of the company has been changed from NETWORKTH STOCK BROKING LIMITED to Monarch Network Capital Limited with effect from the date of this certificate and that the company is limited by shares.

Company was originally incorporated with the name NETWORKTH STOCK BROKING LIMITED

Given under my hand at Mumbai this Thirteenth day of October Two Thousand Fifteen.

RAJENDER SINGH MEENA  
Deputy Registrar of Companies  
Registrar of Companies  
Mumbai

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

Monarch Network Capital Limited  
Office no.901/902, 9th Floor, Atlanta Centre,, Opp.Udyog Bhavan, Sonawala Road, Goregaon  
(East),,  
Mumbai - 400063,  
Maharashtra, INDIA

भारत सरकार-कॉर्पोरेट कार्य मंत्रालय  
कम्पनी रजिस्ट्रार कार्यालय, महाराष्ट्र, मुंबई

कम्पनी अधिनियम, 1956 की धारा 18 (1) (क)

उद्देश्य-खंडों में परिवर्तन की पुष्टि हेतु विशेष विनिश्चय के पंजीकरण का प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : L65920MH1993PLC075393

नेतृत्व NETWORK STOCK BROKING LIMITED

के अंशधारकों ने दिनांक 07/07/2010 को आयोजित की गई वार्षिक / असाधारण बैठक में एक विशेष विनिश्चय पारित करके कम्पनी अधिनियम, 1956 (1956 का 1) की धारा 18 (1) का अनुपालन करते हुए अपने संगम-ज्ञापन के प्रावधानों में परिवर्तन कर लिया है।

मैं, एतद्वारा सत्यापित करता हूँ कि उक्त विशेष विनिश्चय की प्रतिलिपि, यथा परिवर्तित संगम-ज्ञापन के साथ, आज पंजीकृत कर ली गई है।

मेरे हस्ताक्षर द्वारा मुंबई में यह प्रमाण-पत्र, आज दिनांक अट्ठाईस जुलाई दो हजार दस को जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS  
Registrar of Companies, Maharashtra, Mumbai

SECTION 18(1)(A) OF THE COMPANIES ACT, 1956

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

Corporate Identity Number : L65920MH1993PLC075393

The share holders of M/s NETWORK STOCK BROKING LIMITED having passed Special Resolution in the Annual/Extra Ordinary General Meeting held on 07/07/2010 altered the provisions of its Memorandum of Association with respect to its objects and complied with the Section (18)(1) of the Companies Act, 1956 (No. 1 of 1956).

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

Given under my hand at Mumbai this Twenty Eighth day of July Two Thousand Ten.



  
(PADMAVATHI BALAKRISHNAN)

सहायक कम्पनी रजिस्ट्रार / Assistant Registrar of Companies  
महाराष्ट्र, मुंबई  
Maharashtra, Mumbai

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :

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

NETWORK STOCK BROKING LIMITED

2nd Floor, C. C. Silk Mills Compound, Khandivita Road, Andheri (East),

Mumbai - 400059,

Maharashtra, INDIA



भारत सरकार-कॉर्पोरेट कार्य मंत्रालय  
कम्पनी रजिस्ट्रार कार्यालय, महाराष्ट्र, मुंबई

कम्पनी अधिनियम, 1956 की धारा 18 (1) (क)

उद्देश्य-खंडों में परिवर्तन की पुष्टि हेतु विशेष विनिश्चय के पंजीकरण का प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : L65920MH1993PLC075393

संस्था : NETWORTH STOCK BROKING LIMITED

कई अस्थावरकों ने दिनांक 05/04/2008 को आयोजित की गई वार्षिक / असाधारण बैठक में एक विशेष विनिश्चय पारित करके कम्पनी अधिनियम, 1956 (1956 का 1) की धारा 18 (1) का अनुपालन करते हुए अपने संगम-ज्ञापन के प्रावधानों में परिवर्तन कर लिया है।

मैं, रजिस्ट्रार सत्यापित करता हूँ कि उक्त विशेष विनिश्चय की प्रतिलिपि, यथा परिवर्तित संगम-ज्ञापन के साथ, आज पंजीकृत कर ली गई है।

मेरे हस्ताक्षर द्वारा मुंबई में यह प्रमाण-पत्र, आज दिनांक बाईस अप्रैल दो हजार आठ को जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS  
Registrar of Companies, Maharashtra, Mumbai

SECTION 18(1)(A) OF THE COMPANIES ACT, 1956

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

Corporate Identity Number : L65920MH1993PLC075393

The share holders of M/s NETWORTH STOCK BROKING LIMITED having passed Special Resolution in the Annual/Extra Ordinary General Meeting held on 05/04/2008 altered the provisions of its Memorandum of Association with respect to its objects and complied with the Section 18(1) of the Companies Act, 1956 (No. 1 of 1956).

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

Given under my hand at Mumbai this Twenty Second day of April Two Thousand Eight.

(SHRIRAM MOTIRAM SAINDA NE)

उप कम्पनी रजिस्ट्रार / Deputy Registrar of Companies

महाराष्ट्र, मुंबई

Maharashtra, Mumbai

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पता का पता :

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

NETWORTH STOCK BROKING LIMITED

5, CHURCHGATE HOUSE, 2ND FLOOR, 32/34, VEER NARIMAN ROAD,,

URAN, 400001,

Maharashtra, India



सत्यमेव जयते TRUE EXTRACT

6-1-2008

कम्पनी रजिस्ट्रार/उप कम्पनी रजिस्ट्रार  
Addl./Asstt. Registrar of Companies

महाराष्ट्र, मुंबई

Maharashtra, Mumbai

2205108

No.11-75393

# FRESH CERTIFICATE OF INCORPORATION CONSEQUENT ON CHANGE OF NAME

IN THE OFFICE OF THE REGISTRAR OF COMPANIES, MAHARASHTRA,  
MUMBAI.

In the matter of NETWORTH FINANCE LIMITED

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

NETWORTH FINANCE LIMITED

to  
NETWORTH STOCK BROKING LIMITED

and I hereby certify that NETWORTH FINANCE LIMITED

which was originally incorporated on SECOND  
day of DECEMBER, <sup>93</sup> under the Companies Act, 1956 and under the name  
NETWORTH FINANCE LIMITED having  
duly passed the necessary resolution in terms of section 21 ~~23(1)~~  
(b) of the Companies Act, 1956 the name of the said Company is this day  
changed to NETWORTH STOCK BROKING LIMITED

and this

certificate is issued pursuant to Section 23(1) of the said Act/

Given under my hand at MUMBAI this THIRTIETH

SEPTEMBER

one thousand nine hundred

nineteen ~~EVEN~~

*R. Vasudevan*

(R. VASUDEVAN)

Registrar ~~Register~~ of Companies  
Maharashtra, Mumbai.







भा.क.प. जा.ई. जा.र.  
Form I. R.

निगमन का प्रमाण-पत्र

# CERTIFICATE OF INCORPORATION

ता. .... का ई. ....  
No. 11-75393 ..... of 1993 .....

मैं एतद्द्वारा प्रमाणित करता हूँ कि आज .....

कम्पनी अधिनियम 1956 (1956 का 1) के अर्धीन निगमित की गई है और यह  
कम्पनी पंजीकृत है।

I hereby certify that NETWORTH FINANCE LIMITED .....

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

मेरे हस्ताक्षर से आज ता. .... को दिया गया।

Given under my hand at ... BOMBAY ... this ... SECOND ...

day of DECEMBER ... One thousand nine hundred and NINETYTHREE

(S.R.V.V. SATYANARAYANA)

कम्पनियों का रजिस्ट्रार

ADDL. Registrar of Companies  
Maharashtra



No.11-75393



कारबार प्रारम्भ करने के लिए प्रमाण-पत्र  
Certificate for Commencement of Business

कम्पनी अधिनियम, 1956 की धारा 149(3) के अन्तर्गत में  
Pursuant of Section 149(3) of the Companies Act, 1956

मैं हस्ताक्षर प्रमाणित करता हूँ कि .....

जो कम्पनी अधिनियम, 1956 के अधीन तारीख ..... को नियमित की गई  
थी और जिसने आज विहित प्रमाण में सत्यता रूप से सत्यापित घोषणा कादम कर दी है कि  
उक्त अधिनियम की धारा 149(1) (क) से लेकर (ग) तक/149(2) (क) से लेकर (ग)  
तक की शर्तों का अनुपालन किया गया है, कारबार प्रारम्भ करने की इच्छा है।

I hereby certify that the... **NEINORTH FINANCE LIMITED**...

which was incorporated under the Companies Act, 1956, on the... **SECOND** ... day  
of... **DECEMBER** ... 19 **93** and which has this day filed a duly verified declara-  
tion in this prescribed form that the conditions of Section 149(1)(a) to (d)/149(2)(a) to (g)  
of the said Act, have been complied with is entitled to commence business.

मेरे हस्ताक्षर से, यह तारीख ..... को  
दिया गया।

Given under my hand at... **BOMBAY** ...  
this... **SIXTH** ... day of... **DECEMBER** ...  
and... **NINETYTHREE** ...

(S.K.MANDAL)

ADDL. **अध्यक्षों का रजिस्ट्रार**  
Registrar of Companies



प्रमाणित - 220/वि.प्र. 66-67-मास नं. 71 - 14-7-89 - 5,000.  
प्रमाणित - 220/वि.प्र. 66-67-मास नं. 71 - 14-7-89 - 5,000.



THE COMPANIES ACT, 1956  
COMPANY LIMITED BY SHARES  
**MEMORANDUM OF ASSOCIATION**  
**OF**  
**MONARCH NETWORK CAPITAL LIMITED\*\*\***

- I. The name of the Company is **MONARCH NETWORK CAPITAL LIMITED\***
- II. The registered office of the company will be situated in the State of Gujarat.†††
- III. The objects for which the Company is established are :

**A. OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE†††:**

1. To undertake and carry on the business of consultancy in the field of finance, capital market, commodity market, foreign exchange market, to act as Managers to issues and offers, to act as financial consultants, joint managers, lead managers, co-managers, advisers and counsellors in investment and capital market, to underwrite, sub- underwrite, or to provide stand by or procurement, arrangement, to issue guarantees.
2. (i) To acquire and hold memberships or dealership rights in stock exchanges, securities exchanges, clearing houses, and associations in India or globally, to undertake the business of bankers, merchant bankers, underwriters, sub-underwriters, stock brokers, registrars, investment advisory services, research analyst services, custodial services, asset management services, portfolio managers, investment managers, financial consultants, management consultants, and to provide advisory services, including support and incidental services to clients in India and abroad for dealing in securities, shares, stocks, debentures, bonds, funds, units, deposit receipts, currency, deposit certificates, commercial papers, warrants, other securities of all kinds, depository receipts, derivatives of all kinds, alternative investment funds, exchange traded funds and commodity derivatives and other commodities of all kinds and all other instruments and products of all kinds issued including but not limited to by Companies, Statutory Corporations, Central Government, State Government(s), Municipalities, Public authority, financial institutions, banks or anybody corporate directly or through brokers or its sub-brokers.

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\*\*\* Altered vide Special Resolution passed by the members of the Company at 22<sup>nd</sup> Annual General Meeting held on 30<sup>th</sup> September, 2015, the result of which is declared on 3<sup>rd</sup> October, 2015.

††† Altered vide Special Resolution passed by the members of the Company through Postal Ballot on 01<sup>st</sup> November, 2020, the result of which is declared on 02<sup>nd</sup> November, 2020

††† Altered vide Special Resolution passed by the members of the Company through Postal Ballot on 18<sup>th</sup> January, 2025, the result of which is declared on 20<sup>th</sup> January, 2025

- (ii) To conduct business in securities and related activities through e-broking, ecommerce, or other media, and to acquire and hold memberships in associations, exchanges, or entities that facilitate the Company's business operations in securities.
3. To act as full-fledged money changers, foreign exchange brokers, foreign exchange money transfer agents, subject to the approval and regulations of the concerned authority or authorities as required under applicable laws.
  4. (i) To act as a sponsor, trustee, or investment manager for various asset management, mutual funds, offshore mutual funds, pooled investment vehicles, including domestic alternative investment funds and offshore investment funds. Additionally, the Sponsor Company will promote or incorporate companies or entities to engage in asset management, mutual funds, and offshore mutual funds.
    - (ii) acting as sponsor or trustee or investment managers to retail and institutional distribution of the schemes of mutual funds, unit trust, investment funds or any other pool or portfolio of securities, properties, assets or investments of any kind including any pension, provident fund as per the Employee Provident Fund Act, 1952 or superannuation fund as per the Income Tax Act, 1961 formed or established by the Company or any other person, or by any government, state, local authority, association, institution or any other agency or organization.
    - (iii) promoting, sponsoring, preparing, undertaking, administering business of asset management, mutual funds including offshore mutual fund, retail and institutional distribution of the schemes of mutual funds, unit trust, investment funds or any other pool or portfolio of securities and to issue units to issue units or participation certificates therein to investors and to distribute, redeem or revoke such funds and to distribute the proceeds thereof amongst the investors, beneficiaries, pensioners or other persons entitled to it of any proceeds of such funds including of any income, capital or annuity, property and asset and whether in money or specie, in furtherance of any discretion, obligation or permission.
    - (iv) to act as principals, agents, contractors, trustees in order to render and offer consultancy/advisors to banks, institutions, bodies corporate, government or any other person for setting up mutual funds, investment pools.
  5. (i) to promote, incorporate companies to undertake, carry on and transact, whether in India or in any part of the world, all or any kinds of insurance, reinsurance, or assurance.
    - (ii) to promote, incorporate companies to undertake, carry on and transact business of soliciting or procuring insurance business as an insurance agent and to act as an insurance intermediary or broker.

(iii) to promote, incorporate companies to undertake, carry on and transact business of distribution of insurance products and / or to act as an insurance consultant and / or to act as surveyors and loss assessors.

(iv) including life insurance business, health insurance, general insurance, indemnity or guarantee business of all kinds, classes, nature and description including fire, marine, accident, aviation, transit, motor vehicles, engineering and miscellaneous insurances, convention or agreement, subject to the provisions of the Insurance Regulatory & Development Authority Act, 1999, Insurance Act, 1938 and other relevant Acts.

6. to act as a sponsor, promoter or as a person controlling companies propose to undertake the financial services businesses including those specified in clauses 2, 3, 4 and 5.

**B. MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III(A) ARE<sup>§§§</sup>:**

7. To buy, acquire, hold, sell and deal in shares, bonds, stocks, debentures, units, participation, certificates, certificate of deposits, notes, bills or any other instruments whether or not transferable or negotiable commercial or other papers or scripts.
8. To enter into agreement with any company or person for obtaining by grant of licence or on such other terms of all types formulae and such other rights and benefits, technical information, know-how and expert guidance and equipment and machinery for these production and manufacturing in India of the articles and things mentioned herein above and to arrange facilities for training of technical personnel by them.
9. To acquire by concession, grant, purchase, barter, lease, licence or otherwise either absolutely or conditionally and either alone or jointly with others land, buildings, machinery, plants, utensils, works, conveniences and such other movable and immovable properties of any description and any patents, trademarks, concessions, privileges, brevets d'invention, licences, protections and concessions conferring any exclusive or limited rights to any inventions, secrets or such other information which may seem necessary for any of the objects of the Company and to construct, maintain and after any building or work, necessary or convenient for the business of the Company and to pay for such land, buildings, works, property or rights or any such other property and rights purchased or acquired by or for the Company by shares, debentures, debenture stock, bonds or such other securities of the Company or otherwise and manage, develop, let on lease or for hire or otherwise dispose off or turn to account the same at such time or times and in such manner and for such consideration as may be deemed proper or expedient.
10. To enter into any arrangement with any Government or Authorities, Municipal, local or otherwise or any person or company in India or abroad, that may seem conducive to the objects of the company or any of them and to obtain from any such Government,

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<sup>§§§</sup> Altered vide Special Resolution passed by the members of the Company through Postal Ballot on 18<sup>th</sup> January, 2025, the result of which is declared on 20<sup>th</sup> January, 2025



Authority persons or company any rights, privileges, charters, contracts, licences and concessions including in particular rights in respect of waterways, roads and highways, which the Company may carry out, exercise and comply therewith.

11. To apply for and obtain any order of Central/State or such other Authority for enabling the Company to carry on any of its objects into effect or for effecting any modifications of the Company's constitution or any other such purpose, which may seem expedient and to make representations against any proceedings or applications which may seem calculated directly or indirectly to prejudice the company's interests.
12. To enter into partnership or into any arrangement for sharing profits, union of interest, co-operation, joint-venture, reciprocal concessions or otherwise with any person, firm or company carrying on or engaged in any business or transaction which this Company is authorised to carry on and subject to Chapter XV Compromises, Arrangements and Amalgamations, sections 230 to 240 of the Companies Act, 2013, to amalgamate with any other such Company, having objects altogether or in part similar to those of the Company.\*\*\*\*
13. To purchase or otherwise acquire and undertake the whole or any part of the business, property, rights and liabilities of any company or person carrying on business which this company is authorised to carry on.
14. To do all or any of the above things as principals, agents, contractors, trustees or otherwise and by or through trustees, agents or otherwise and either alone or in conjunction with others and to do all such other things as are incidental or as may be conducive to the attainment of the main objects or any of them.
15. To promote, form and register, aid in the promotion, formation and registration of any company or companies, subsidiary or otherwise for the purpose of acquiring all or any of the properties, rights and liabilities of this Company and to transfer to any such company any property of this Company and to be interested in or take or otherwise acquire hold, sell or otherwise dispose off shares stocks debentures and such other securities of all types in or of any such company, subsidiary or otherwise for all or any of the objects mentioned in this Memorandum of Association and to assist any such company and to undertake the management and secretarial or such other work, duties and business on such terms as may be arranged.
16. To open accounts with any bank or financial institutions and to draw, make, accept endorse, discount, execute and issues promissory notes, bills of exchanges hundis, bills of lading, warrants, debentures and such other negotiable or transferable instruments of all types and to buy, sell and deal in the same.

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\*\*\*\* Altered vide Special Resolution passed by the members of the Company through Postal Ballot on 18<sup>th</sup> January, 2025, the result of which is declared on 20<sup>th</sup> January, 2025

17. Subject to Chapter V, Acceptance of Deposits by Companies Section 73 to 76 and 76A of the Companies Act, 2013 and Chapter XII, Meetings of Board and its Powers Section 179 and the Regulations made therein and the directives issued by Reserve Bank of India to borrow, raise or secure the payment of money or to receive money as loan, at interest for any of the objects of the Company and at such time or times as may be expedient, by promissory notes, bills of exchange, hundies, bills of lading, warrants or such other negotiable instruments of all types or by taking credit in or opening current accounts or over-draft accounts with any person, firm, bank or company and whether with or without any security or by such other means, as may deem expedient and in particular by the issue of debentures or debenture stock, perpetual or otherwise and in security for any such money so borrowed, raised or received and of any such debentures or debenture stock so issued, to mortgage, pledge or charge the whole or any part of the property and assets of the Company, both present and future, including its uncalled capital by special assignment or otherwise or to transfer to convey the same absolutely or in trust and to give the lenders power of sale and such other powers as may seem expedient and to purchase, redeem or pay off such securities, provided that the Company shall not carry on the business of banking within the meaning of the Banking Regulation Act, 1949.<sup>†††</sup>
18. To invest in other than investment in company's own shares and deal with moneys of the Company immediately required, in such shares or upon such securities or investments and in such manner as may, from time to time, be determined.
19. To lend and advance money not immediately required by the Company or give credit to such persons, firms or companies and on such terms with or without security as may seem expedient and in particular to customers of and such others having dealings with the Company and to give guarantees or securities of any such persons, firms, or companies as may appear proper or reasonable provided that the Company shall not carry on the business of banking within the meaning of Banking Regulation Act, 1949.
20. To sell, improve, alter, manage, develop, exchange, lease, mortgage, enfranchise dispose of, turn to account or otherwise deal with all or any part of the land, properties, assets and rights and the resources and undertakings of the Company, in such manner and on such terms as the Company may determine.
21. To remunerate any person or company, for services rendered or to be rendered in or about the formation or promotion of the Company or the conduct of its business.
22. To create any depreciation fund, reserve fund, sinking fund, provident fund, super-annuation fund or any special or other such fund, whether for depreciation or for repairing, improving, extending or maintaining any of the properties of the Company or for redemption of debentures or redeemable preference shares, workers welfare or for any other such purpose conducive to the interest of the Company.

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<sup>†††</sup> Altered vide Special Resolution passed by the members of the Company through Postal Ballot on 18<sup>th</sup> January, 2025, the result of which is declared on 20<sup>th</sup> January, 2025

23. To provide for the welfare of employees or ex-employee (including Directors and other officers) of the Company and the wives and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwellings or chawls or by grants of money, pensions, allowances, bonus or other such payments or by creating and from time to time, subscribing or contributing to provident fund and the associations, institutions, funds or trusts and/or any providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and such other attendance and assistance as the Company shall determine.
24. To undertake and execute any trusts, the undertaking of which may seem desirable either gratuitously or otherwise for the attainment of the main objects of the Company.
25. To procure the recognition of the Company in the Country, State or place outside India and to establish and maintain local registers and branch places of the main business in any part of the world.
26. To adopt such means of making known the business 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 or holding exhibitions.
27. To guarantee the payment or performance of any contracts or obligations or become surety for any person, firm or company for any purpose and to act as agents for the collection, receipt or payment of money and to act as agents for and render services to customers and others and to give guarantees and indemnities.
28. [To undertake the activities of Depository Participant or such other intermediary in terms of the Depositories Act, 1996 and the regulations made thereunder or any modification or re- enactment thereof and for that purpose to obtain the membership of the National Security Depository Limited, Central Depository Services (India) Limited or such other Depository as may be recognised by the Government from time to time under that Act.
29. To carry on the business of advisors on problems relating to the administration and organisation of industry and business and to advise upon the means and methods for extending, developing and improving all types of business or industries and all systems and processes relating to the production, storage, distribution, marketing and sale of goods and of relating to the rendering of the services.
30. To engage in research in all problems relating to industrial and business management and distribution, marketing and selling and to collect, prepare and distribute information and statistics relating to any type of business or industry.]<sup>\*\*\*\*</sup>

#### **C. OTHER OBJECTS<sup>§§§§</sup>**

#### **IV. The liability of the members is limited.**

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<sup>\*\*\*\*</sup> Altered vide Special Resolution passed by the members of the Company through Postal Ballot on 18<sup>th</sup> January, 2025, the result of which is declared on 20<sup>th</sup> January, 2025

<sup>§§§§</sup> Altered vide Special Resolution passed by the members of the Company through Postal Ballot on 18<sup>th</sup> January, 2025, the result of which is declared on 20<sup>th</sup> January, 2025



- V. \*\*\*\*\*The Authorized Share Capital of the Company is Rs. 100,00,00,000/- (Rupees one hundred crores only) divided into 8,90,00,000 (Eight crores ninety lacs) equity shares of Rs. 10/- (Rupees ten only) each; and 5,00,000 (Five lacs) 6% cumulative redeemable preference shares of Rs. 100/- (Rupees hundred only) each and 60,00,000 (Sixty lacs) preference shares of Rs. 10/- (Rupees ten only) each subject to being increased or reduced as hereinafter provided and in accordance with the regulation of the Company and the legislative provisions for the time being in force. Subject to the provisions of the said Act, the shares in the capital of the Company, for the time being whether original or increased or reduced may be divided into classes with any preferential or other rights, privileges, conditions or restrictions attached thereto whether in regard to dividend, voting return on capital or otherwise.”

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\*\*\*\*\* Altered pursuant to sanction of the Scheme of Amalgamation between Monarch Research and Brokerage Private Limited (‘MRBPL’) and Monarch Projects and Finmarkets Limited (‘MPFL’) with Networth Stock Broking Limited (‘NSBL’) by the Hon’ble High Court of judicature at Bombay vide order dated 7<sup>th</sup> August, 2014.

Further altered pursuant to sanction of the Scheme of Amalgamation between Networth Insurance Broking Private Limited (‘NIBPL’), Networth Softtech Limited (‘NSL’), Networth Wealth Solution Limited (‘NWSL’), Monarch Networth Comtrade Limited (‘MNCTL’) (Transferor companies) with Monarch Networth Capital Limited (‘MNCL’) (Transferee Company) by the Hon’ble National company Law Tribunal, Mumbai Bench vide order dated 9<sup>th</sup> May, 2019.

Further altered vide ordinary resolution passed by the members of the Company in Extra-ordinary General meeting held on 22<sup>nd</sup> August, 2024.

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

Names, addresses, descriptions, and occupation of each subscriber	No. of equity Shares taken by each subscriber	Signature of Subscriber	Name, address, description & occupation of witness
<b>1. Premchand Surana</b>  S/o. Fatehchand Surana 205, Standard House, 83, M. K. Road, Marine Lines, Bombay - 400 002. Chartered Accountant	100 (One Hundred)	Sd/-	<p style="text-align: center;">Witness to all : Sd/- <b>Sejal Doshi</b> D/o. Mansukhlal Doshi 205-6, Standard House, 83, M. K. Road, Marine Lines, Bombay - 400 002. Service</p>
<b>2. Suresh P. Jain</b>  S/o. Pukhraj Jain 301, Aashiana, 11th Road, T. P. S. 111, Santacruz (East), Bombay - 400 055. Chartered Accountant	100 (One Hundred)	Sd/-	
<b>3. Rajendra F. Mutha</b>  S/o. Late Shri Fatechand Mutha, C/303, Koteswar Palace, Kole Dongri Lane No. 4, Andheri (East), Bombay-400 069. Service	100 (One Hundred)	Sd/-	
<b>4. Tilokchand P. Ostwal</b>  S/o. Punamchand Ostwal 103, Falcon's Crest, G. D. Ambedkar Marg, Parel, Bombay - 400 012. Chartered Accountant	100 (One Hundred)	Sd/-	
<b>5. B. Vinayaka Rama Rao</b>  S/o. B. Bhaskararao, 212, Jolly Bhavan No. 2, Bombay - 400 020. Chartered Accountant	100 (One Hundred)	Sd/-	

<b>6. Vijay C. Kothari</b>  S/o. Chandragupta Kothari, Calcot House, 1st Floor, 8/10, Tamarind street, Fort, Bombay- 400 001. Chartered Accountant	100 (One Hundred)	Sd/-	Witness to all : Sd/- <b>Sejal Doshi</b> D/o. Mansukhlal Doshi 205-6, Standard House, 83, M. K. Road, Marine Lines, Bombay - 400 002. Service
<b>7. Vijay P. Jain</b>  S/o. Pukhraj Jain, 301, Aashiana, 11th Floor, T.P.S.III, Santacruz(East), Bombay - 400 001. Business.	100 (One Hundred)	Sd/-	
<b>Total</b>	<b>700</b> <b>(Seven</b> <b>Hundred)</b>		

Bombay, Dated 24<sup>th</sup> November, 1993.



The regulations comprised in these Articles of Association were adopted pursuant to the Special Resolution passed by the members of the Company in the Annual General Meeting of the Company held on 31<sup>st</sup> December, 2014 in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company.

**\*Altered vide special resolution passed by the members of the Company at 22<sup>nd</sup> Annual General Meeting held on 30<sup>th</sup> September, 2015, the result of which is declared on 3<sup>rd</sup> October, 2015.**

**THE COMPANIES ACT, 2013  
(18 OF 2013)**

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

**ARTICLES OF ASSOCIATION  
OF**

**\*MONARCH NETWORK CAPITAL LIMITED**

**Preliminary**

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

1. No regulations contained in Table 'F' in the First Schedule to the Companies Act, 2013, shall apply to this Company, but the regulations for the management of the Company and for the observance of the Members thereof and their representatives, shall subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of, or additional to, its regulation by Special Resolution, as prescribed by the Companies Act, 2013, be such as are contained in these Articles.

**Interpretation**

2. In the interpretation of these Articles, unless repugnant to the subject or context:-

The Company or this Company

The "**Company**" or **this "Company"** means "**MONARCH NETWORK CAPITAL LIMITED**"\*

The Act

The "**Act**" means the "Companies Act, 2013" or any statutory modification or re-enactment thereof for the time being in force.

Annual General Meeting

**"Annual General Meeting"** means a general meeting of the Members held in accordance with the provisions of Section 96 of the Act and any adjourned holding thereof.

Auditors

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

Board or Board of Directors

**"Board" or "Board of Directors"** means the duly constituted Board of Directors of the Company.

Bye-Laws

**"Bye-laws"** means bye-laws made by a Depository under Section 26 of the Depositories Act.

Beneficial Owner

**"Beneficial Owner"** means a person whose name is recorded as such with a Depository.

Capital	" <b>Capital</b> " means the Share capital for the time being raised or authorised to be raised, for the purpose of the Company.
Debenture	" <b>Debenture</b> " includes Debenture-stock.
Depositories Act	" <b>Depositories Act</b> " means the Depositories Act, 1996, including any statutory modifications or re-enactment thereof for the time being in force.
Depository	" <b>Depository</b> " means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.
Directors	" <b>Directors</b> " means the Directors for the time being of the Company, appointed in terms of these Articles.
Dividend	" <b>Dividend</b> " includes interim dividend.
Extraordinary Meeting	General "Extraordinary General Meeting" means an extraordinary general meeting of the Members duly called and constituted and any adjourned holding thereof.
In writing and written	" <b>In writing</b> " and " <b>Written</b> " include printing, lithography and any or all other modes of representing or reproducing words in visible form duly authenticated.
Key Managerial Personal	" <b>Key Managerial Personal</b> " means an individual as defined under Section 2(51) of the Act.
Manager	" <b>Manager</b> " means an individual as defined under Section 2(53) of the Act.
Managing Director	" <b>Managing Director</b> " means an individual as defined under Section 2(54) of the Act.
Member	" <b>Member</b> " means the duly registered holder, from time to time, of the shares of the Company and includes every person whose name is entered as a Beneficial Owner as defined in clause (a) of Sub-section (1) of Section 2 of the Depositories Act, 1996.
Meeting or General Meeting	" <b>Meeting</b> " or " <b>General Meeting</b> " means a meeting of Directors or Members or creditors as the case may be.
Month	" <b>Month</b> " means a calendar month.
*Monarch Capital	Networth " <b>MNCL</b> " means " <b>Monarch Networth Capital Limited</b> "
Non-retiring Director	" <b>Non-retiring Director</b> " means a director not subject to retirement by rotation includes an Independent Director appointed pursuant to the provisions of Section 149(4) of the Act.
Office	" <b>Office</b> " means the registered office for the time being of the Company.

Paid up	" <b>Paid up</b> " includes capital credited as paid up.
Participant	" <b>Participant</b> " means a person registered as such under Section 12(1A) of the Securities and Exchange Board of India Act, 1992.
Person	" <b>Person</b> " means any natural person, firm, company, governmental authority, joint venture, partnership, association or any other entity (whether or not having a separate legal personality)
Register of Members	" <b>Register of Members</b> " means the Register of Members to be kept pursuant to Section 88 of the Act.
The Registrar	" <b>The Registrar</b> " means the Registrar of Companies of the State in which the office of the Company is for the time being situated.
Record	" <b>Record</b> " includes the records maintained in the form of books or stored in Computer or in such other form as may be determined by regulations made by SEBI in relation to the Depositories Act, 1996.
Regulations	" <b>Regulations</b> " means the regulations made by the SEBI.
Seal	" <b>Seal</b> " means the Common Seal for the time being of the Company.
Share	" <b>Share</b> " means a share in the share capital of the Company and includes stock except where a distinction between stock and shares is expressed or implied.
SEBI	" <b>SEBI</b> " means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992.
Security	" <b>Security</b> " means such security as may be specified by the SEBI.
Words	" <b>Words</b> " importing the singular number include, where the context admits or requires, the plural number and vice versa.
Ordinary Resolution and Special Resolution	" <b>Ordinary Resolution</b> " and " <b>Special Resolution</b> " shall have the meanings assigned thereto by Section 114 of the Act.
Year	" <b>Year</b> " means the calendar year and " <b>Financial Year</b> " shall have the meaning assigned thereto by Section 2 (41) of the Act.
Words bear same meaning as defined under Act	Subject as aforesaid, any words or expression defined in the Act, shall, except where the subject or context forbids, bear the same meaning in these Articles.
Gender	Words importing the masculine gender also include the feminine gender and neuter gender.
Marginal Notes shall not	The marginal notes and catch lines used in these

affect construction

Articles shall not affect the constructions hereof.

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

### Capital Increase and Reduction of Capital

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|---|----|--|
| Capital   | 3. | The Authorised Share Capital of the Company shall be as per Clause V of the Memorandum of Association of the Company with rights to alter the same in whatever way as deemed fit by the Company. The company may increase or decrease the Authorised Share Capital in accordance with Company's regulations and legislative provisions for the time being in that behalf.  |
| Increase of capital by the Company and how carried into effect. | 4. | <p>The Company in General Meeting may, from time to time, increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amount as the resolution shall prescribe. Subject to the provisions of the Act, any share of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction is given, as the Directors shall determine; and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with a right of voting at general meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of these Articles, the Directors shall comply with the provisions of Section 64 of the Act.</p> <p>Subject to the applicable provisions of the Act and/or any other applicable Rules, Guidelines or any other statutory provisions, the Company acting through its Board of Directors shall have power to issue equity share capital with differential rights as to dividend, voting and/or otherwise in such manner and on such terms and conditions as may be prescribed by the resolution authorising such issue.</p> |
| New Capital same as existing capital                            | 5. | Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise. Provided however that all the equity shares issued by the Company to the Members shall be of the same class and shall be alike ranking <i>pari -passu</i> in all respect and the holders thereof shall be entitled to identical rights and privileges including, without limitation, to identical rights and privileges  |

with respect to dividend, voting rights, payment of calls, liens, transfers, transmission, forfeiture, and the distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company on a *pro rata* basis. Provided that the above provision does not prohibit the Company from issuing redeemable preference shares. Subject to the provisions of Section 63, the Company in general meeting may also, from time to time, by special resolution capitalise the undistributed profits standing to the credit of the Company's Free Reserves or Securities Premium Account and to apply the same in paying up new equity shares in the share capital of the Company and to appropriate the same as capital and not as income and allot and distribute as fully paid-up bonus shares to and amongst the persons registered in the Register of Members as the holders of equity shares of the Company on such date and in such proportion as may be decided by the Board of Directors.

Redeemable Preference Shares

6. Subject to the provisions of Section 55 of the Act, the Company shall have the power to issue Preference Shares which are, or at option of the company, liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.

Provisions to apply on issue of Redeemable Preference Shares

7. On the issue of Redeemable Preference Shares under the provisions of Article 6 hereof the following provisions shall take effect: -

- (a) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption;
- (b) no such shares shall be redeemed unless they are fully paid;
- (c) the premium, if any, payable on redemption must have been provided for out of the profits of the Company or the Company's Securities Premium Account before the shares are redeemed;
- (d) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called the "Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed and the provisions of the Act, relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company;

- (e) subject to the provisions of Section 55 of the Act, the redemption of preference share hereunder may be effected in accordance with the terms and conditions of their issue and the absence of any specific terms and conditions in that behalf in such manner as the Directors determine;
- (f) whenever the Company redeems any redeemable preference shares, the Company shall, within one month thereafter, give notice thereof to the Registrar of Companies as required by Section 64 of the Act.

#### Reduction of Capital

8. Subject to the provisions of Section 66 of the Act, as may be applicable from time to time, the Company may, from time to time by Special Resolution, reduce its share capital and any capital Redemption Reserve Account or Securities Premium Account in any manner for the time being authorised by law and in particular capital may be paid off on the footing that it may called upon again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted.

#### Sub-division and consolidation of shares

9. Subject to the provisions of Section 61 of the Act, the Company, in General Meeting, may, from time to time, sub-divide or consolidate its shares, or any of them or any part of them, and the resolution whereby any share is sub-divided, may determine that as between the holder of the shares resulting from such sub-division, one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others or other. Subject to aforesaid, the Company, in General Meeting, may also cancel shares, which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

#### Modification of rights

10. a) Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Sections 106 and 107 of the Companies Act, 1956 read with Section 48 of the Act, be varied, modified, commuted, affected or abrogated, or dealt with by Agreement between the Company and any person purporting to contract on behalf of that class provided such agreement is ratified in writing by holders of at least three fourths in nominal value of the issued shares of the class or is confirmed by a Special Resolution passed at a separate General Meeting of the holders of shares of that class. This Article is not to derogate from any power the Company would have if this Article were omitted.



- b) The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise the shares of that class be deemed to be varied by the creation or issue of further shares ranking *paripassu* therewith.

Prohibition on issue of Shares at discount	11.	Except as provided in Section 54 of the Act, the Company shall not issue shares at a discount.
Shares without voting rights	12.	Subject to the provisions of the Act, the Company may issue shares without voting right attached to them, upon such terms and conditions and with such rights and privileges attached thereto, as the Board may deem fit.

### Shares and Certificates

Register and Index of Members	13.	<p>The Company shall cause to be kept a Register and Index of Members in accordance with Sections 88 the Act. The Company shall be entitled to keep in any State or country outside India a Foreign Register of Members resident in that State or Country.</p> <p>(a) Notwithstanding anything herein contained, a person, whose name is at any time entered in the Register of Members of the Company as the holder of a share in the Company, but who does not hold the beneficial interest in such share, shall, within such time and in such form as may be prescribed, make a declaration to the Company specifying the name and other particulars of the person or persons, who hold the beneficial interest in such share in the manner provided in Section 89 of the Act;</p> <p>(b) A person who holds a beneficial interest in a share or a class of shares of the Company shall, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in Section 89 of the Act;</p> <p>(c) Whenever there is a change in the beneficial interest in a share referred to above, the beneficial owner shall, within the time prescribed from the date of such change, make a declaration to the Company in such form and containing such particulars as may be prescribed as provided in Section 89 of the Act;</p> <p>(d) Where any declaration referred hereinabove is made to the Company, the Company shall make a note of such</p>
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declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Registrar with regard to such declaration.

Shares to be numbered progressively and no share to be sub-divided

14. Save and except for dematerialisation of Share or Shares held in fungible form with a Depository, the shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

Further Issue of sharecapital

15. (a) Subject to the provisions of the Act, where at any time after the formation of the Company, it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unissued share capital or out of increased share capital, then such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on these shares at the date. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. Such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to above hereof shall contain this statement of this right, provided that the directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as it thinks most advantageous to the shareholders and the Company.
- (b) Notwithstanding anything contained in the preceding sub-clause, the Company may by a special resolution offer further shares to any person whether or not include the persons who at the date of the offer, are the holders of the equity shares of the Company.
- (c) Notwithstanding anything contained in sub-clause (a) above, but subject, however, to Section 62(3) of the Act, the Company may increase its subscribed capital on

exercise of an option attached to the debentures issued or loans raised by the Company to convert such debenture or loans into shares, or to subscribe for shares in the Company, provided however that the terms of the debentures or loans include a term providing for such option is in conformity with the rules, if any made by the Central Government in this behalf and has also been approved by a special resolution in the General Meeting.

Shares under control of Directors

16. Subject to the provisions of these Articles and of the Act, the shares (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors; who may allot or otherwise dispose of the same to such persons in such proportion on such terms and conditions and at such times as the Directors think fit and subject to the sanction of the Company in General Meeting with full power, to give any person the option to call for or be allotted shares of any class of the Company either (subject to the provisions of Sections 52 and 54 of the Act) at premium or at par or a discount and such option being exercisable for such time and for such consideration as the Directors think fit. The Board shall cause to be filed the returns as to allotment provided for in Section 39(4) of the Act.

17. The Board shall observe the restrictions as to allotment of shares to the public contained in Sections 26 and 39 of the Act, and shall cause to be made the returns as to allotment provided for in Section 39(4) of the Act.

Power also to Company to issue shares in General Meeting

18. In addition to and without derogating from the powers for that purpose conferred on the Board under Articles 15 and 16 the Company in General Meeting may, subject to the provisions of Section 62 of the Act, determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such person (whether members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 52 and 54 of the Act) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person (whether a member or not) the option to call for or be allotted shares of any class of the Company either (subject to compliance with the provisions of Section 52 and 54 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment, or disposal of any shares.

Acceptance of Shares

19. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these

Articles, and every person who thus or otherwise accepts any shares and whose name is entered on the Register of Members shall, for the purposes of these Articles, be a Member.

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| Deposit and call etc. to be a debt payable immediately | 20. | The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.  |
| Liability of Members                                   | 21. | Every Member, or his heirs, executors, or administrator shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require or fix for the payment thereof.  |
| Share Certificates                                     | 22. | (a) Every Member or allottee of shares shall be entitled, with or without payment, within two months after the allotment of shares and within one month after the application for the registration of transfer of any shares, the certificate in respect of such shares, unless the conditions of issue of shares otherwise provide. Every Member or allottee of shares shall be entitled, with or without payment, to receive one share certificate specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid-up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in case of issues against letters of acceptance or of renunciation or in case of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose, and two Directors or their Attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating the date of issue, provided however that no share certificate(s) shall be |

issued for shares held by a Depository.

- (b) Any two or more joint allottees of a share shall, for the purpose of this Article, be treated as a single Member, and the certificate of any share, which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupee 50. The Company shall comply with the provisions of Section 56 of the Act.
- (c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.
- (d) The Company shall not be bound to register more than 3 persons as the joint holders of any share except in the case of executors or trustees of a deceased member and in respect of a share held jointly by several persons, the Company shall not issue more than one certificate and the delivery of a certificate for a share to any one of several joint holders shall be sufficient delivery to all such holders.
- (e) Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued indicating the date of issue.
- (f) The provisions stated above shall not be applicable to dematerialised Shares and shares held in fungible form with a Depository.

#### Renewal of Share Certificate

23.

- (a) No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the cages on the reverse for recording transfers have been duly utilised unless the certificate in lieu of which it is issued is surrendered to the Company.
- (b) When a new share certificate has been issued in pursuance of clause (a) of this Article, it shall state on the face of it and the stub or counterfoil to the effect that it is "issued in lieu of share certificate No. And sub-divided/ replaced/on consolidation of shares".
- (c) If a share certificate is lost or destroyed, a

new certificate in lieu thereof shall be issued only with the prior consent of the Board or its duly constituted Committee and on such terms, if any, as to evidence and indemnity as to the payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit.

- (d) When a new share certificate has been issued in pursuance of clause (c) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "duplicate issued in lieu of share certificate No." The word "Duplicate" shall be stamped or punched in bold letters across the face of the share certificate.
- (e) Where a new share certificate has been issued in pursuance of clause (a) or clause (c) of this Article, particulars of every such share certificate shall be entered in a Register of Renewal and Duplicate Certificates indicating against the name of the persons to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross reference in the "Remarks" Column.
- (f) All blank forms to be issued for issue of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may appoint for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
- (g) The Managing Director of the Company for the time being or, if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates except the blank forms of shares certificates referred to in Clause (f) of this Article.

First named holder is deemed to be sole owner

- 24. If any share stands in the names of two or more persons, the person first named in the Register of Members shall as regards receipt of dividends or bonus or service of notices, subject to the provisions of Article 22 and all or any other matter connected with Company, except voting at meetings, and the transfer of the shares, be deemed the sole holder thereof but the



joint-holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share and for all incidents thereof according to the Company's regulations.

Company not bound to recognize any interest in share other than that of registered holder

25. Save as herein otherwise provided, 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 and accordingly shall not (except as ordered by a Court of competent jurisdiction or as by law required) be bound to recognise any benami trust or equity or equitable, contingent or other claim or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

Funds of the Company not to be applied in the purchase of shares of the company

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

Dematerialisation of Securities

27. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing securities, rematerialise its securities held in the Depositories and / or offer its fresh securities in a dematerialised form pursuant to the Depositories Act, and the rules framed thereunder, if any.

Option to receive Securities certificates or hold Securities with Depository

28. Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository.

29. If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records the name of the allottees as the Beneficial Owner of the security.

Securities in Depositories

30. All securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 88, 89 and 186 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owner.

Rights of Depositories and Beneficial Owners

31. Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be registered owner for the purpose of effecting transfer of ownership of security on behalf of the Beneficial Owner.

32. Save as otherwise provided in Article 31 above, the Depository, as the registered owner of the securities, shall not have any voting rights or any other rights in respect of the security held by it.

33. Every person holding securities of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a member of the Company. The Beneficial Owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a Depository.
- Beneficial Owner deemed as absolute owner 34. Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or where the name appears as the Beneficial Owner of shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise any benami trust or equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has express or implied notice thereof, but the Board shall be entitled at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.
- Depository to furnish information 35. Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and by the Company in that behalf.
- Cancellation of certificates upon surrender by a person 36. Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a Participant, the Company shall cancel such certificate and substitute in its records the name of Depository as the registered owner in respect of the said securities and shall also inform the Depository accordingly.
- Option to opt out in respect of any security 37. If a Beneficial Owner seeks to opt out of a Depository in respect of any security, the Beneficial Owner shall inform the Depository accordingly.
38. The Depository shall, on receipt of information as above, make appropriate entries in its records and subsequently inform the Company.
39. The Company shall within thirty (30) days of the receipt of the intimation from the Depository and on fulfillment of such conditions and payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.
- Service of Documents 40. Notwithstanding anything in the Act, or these Articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

Provisions of Articles to apply to shares held in Depository	41.	Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares in physical form subject to the provisions of the Depository Act.
Allotment of Securities dealt with in a Depository	42.	Notwithstanding anything in the Act, or these Articles where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.
Distinctive number of securities held in a Depository	43.	The shares in the capital shall be numbered progressively according to their several denominations provided, however, that the provision relating to progressive numbering shall not apply to the shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.
Register and Index of Beneficial Owners	44.	The Company shall cause to keep a Register and Index of Members and a Register and Index of Debenture holders and a Register and Index of other Security holders in accordance with Section 88 of the Act and the Depositories Act, with details of shares and debentures held in material/physical and dematerialised form in any media as may be permitted by law including in any form of electronic media. The Register and Index of Beneficial Owners maintained by a Depository under Section 11 of the Depositories Act, 1996 shall be deemed to be Register and Index of Members and Register and Index of Debentureholders and Register and Index of other Security holders, as the case may be, for the purpose of the Act. The Company shall have the power to keep in any state or country outside India a Foreign Register of Members resident in that state or country.
Register of Members	45.	The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share held in material form.
<b>Underwriting and Brokerage</b>		
Commission may be paid	46.	Subject to the provisions of Section 40(6) of the Act, the Company may, at any time, pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any securities in the Company, or procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any securities in 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 and other securities, two and a half per cent of the price at which the debentures are issued, or such higher rate or rates as may be permissible under any statutory provision for

the time being in force. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid securities or partly in one way and partly in the other.

Brokerage on issue of Shares or Debentures

47. The Company may pay a reasonable sum for brokerage.

### **Calls**

Directors may make calls

48. The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by resolution by circulation) make such call as it thinks fit upon the Members in respect of all moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the person or persons and at all times and places appointed by the Board. A call may be made payable by installments.

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

Notice of Calls

50. At least Fourteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to who such call shall be paid.

Call to date from resolution

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

Call may be revoked or postponed

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

Liability of joint holders

53. The joint-holder of a share shall be jointly and severally liable to pay all calls in respect thereof.

Directors may extend time

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

Calls to carry interest

55. If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to

time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member.

Proof on trial of suit for  
money due to shares

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

Partial payment not to  
preclude forfeiture

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

Payment in anticipation of  
calls may carry interest

58. (a) The Board may, if it thinks fit, agree to and receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board may pay or allow interest, at such rate as the Member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time the amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing. Provided that moneys paid in advance of calls on any shares may carry interest but shall not confer a right to dividend or participate in profits.

Voting rights in respect of  
calls in advance

- (b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until

the same would but for such payment become presently payable.

Provisions to apply  
to Debentures

59. The provisions of these articles shall *mutatis mutandis* apply to the calls on debentures or other securities of the Company.

## LIEN

Company's Lien on shares  
/ debentures

60. The Company shall have a first and paramount lien upon all the shares and/or debentures (other than fully paid-up shares and/or debentures) registered in the name of each Member and/or Debentureholder (whether held singly or jointly with others) in respect of all monies, whether presently payable or not and shall extend to all dividends, interest rights and bonuses from time to time declared in respect of such shares and/or debentures. Unless otherwise agreed the registration of transfer of shares and/or debentures shall operate as a waiver of Company's lien, if any, on such shares and/or debentures.

The Directors may at any time declare any share and/or debenture wholly or in part exempt from the provisions of this Article. Notwithstanding anything contained hereinabove, Company shall have lien on fully paid shares or debentures and such lien shall extend only in respect of payment of excess dividend/interest or any sums owing to the Company by a member/debentureholder.

As to enforcing lien  
by sale

61. For the purpose of enforcing such lien, the Board may sell the shares/debentures subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such share and/or debentures and may authorise one of their member or appoint any officer or Agent to execute a transfer thereof on behalf of and in the name of such member/debentureholder. No sale shall be made until such period, as may be stipulated by the Board from time to time, and until notice in writing of the intention to sell shall have been served on such member and/or debentureholder or his legal representatives and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.

Application of proceeds of  
sale

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

Outsiders lien not  
to affect Company's  
lien

63. The Company shall be entitled to treat the registered holder of any share or debenture as the absolute owner thereof and accordingly shall not



(except as ordered by a court of competent jurisdiction or by statute required) be bound to recognise equitable or other claim to, or interest in, such shares or debentures on the part of any other person. The Company's lien shall prevail notwithstanding that it has received notice of any such claims.

### Forfeiture of Shares

- |  |     |   |
|--|-----|---|
| If money payable on shares not paid notice to be given to Members              | 64. | If any Member fails to pay any call or installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter, during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.  |
| Form of notice   | 65. | The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or installment and such interest thereon at such rate as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited. |
| In default of payment, shares to be forfeited                                  | 66. | If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share not actually paid before the forfeiture.  |
| Notice of forfeiture to a Member   | 67. | When any share has been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members but no forfeiture shall be in any manner invalidated by any commission or neglect to give such notice or to make any such entry as aforesaid.  |
| Forfeited Share to be property of the Company and may be sold etc.             | 68. | Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.   |
| Members still liable to pay calls owing at the time of forfeiture and interest | 69. | Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand, all calls, installments, interest and   |

expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.

Effect of forfeiture	70.	The forfeiture of a share shall involve extinction, at the time of the forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.
Evidence of forfeiture	71.	A declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares or debentures.
Validity of sale under Articles 61 and 68	72.	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and may cause the purchaser's name to be entered in the Register of Members in respect of the shares sold, and the Purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
Cancellation of share certificate and debenture Certificate in respect of forfeited shares and debentures	73.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect. Where any shares under the powers in that behalf herein contained are sold by the Board of Directors and the certificate in respect thereof has not been delivered to the Company by the former holder of such shares, the Board of Directors may issue a new certificate for such shares distinguishing it in such manner as it may think fit from the certificate not so delivered.
Power to annul forfeiture	74.	The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof, upon such conditions as it think fit.
Joint-holders	75.	Where two or more persons are registered as the holders of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint holders with benefits of survivorship subject to the following and other provisions contained

in these Articles:-

- (a) The Company shall be entitled to decline to register more than three persons as the holders of any share.
- (b) The joint-holders shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of the share.
- (c) On the death of any one or more of such joint- holders, the survivor or survivors shall be the only person or persons recognised by the Company as having any title to the share but the directors may require such evidence of death as may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

Receipts

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

Delivery of Certificate and giving of notice to first named holder

- (e) Only the person whose name stands first in the Register of Members as one of the joint-holders shall be entitled to delivery of the certificates relating to the share or to receive notices. In the case of shares held in a dematerialised or fungible form every beneficial owner in the records of the Depository shall be entitled to receive notices.

Votes of Joint-holders

76. Any one of two or more joint-holders may vote at any meeting either personally or by an agent duly authorised under a power of attorney or by proxy in respect of a share as if he were solely entitled thereto and if more than one of such persons be present, that person whose name stands first or higher (as the case may be) on the Register in respect of such share shall alone be entitled to vote.

Provided always that a person present at any meeting personally shall be entitled to vote in preference to a person present by an agent, duly authorised under power of attorney or by proxy although the name of such person present by an agent or proxy stands first or higher in the Register. Several executors of a deceased member in whose (deceased member's) name any share stands shall for the purposes of this sub clause be deemed joint-holders.

## Transfer and Transmission of Shares

Register of Transfers

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

Form of Transfer

78. A Common Form of Transfer shall be used.

The instrument of transfer shall be in writing and all the provisions of Section 56 of the Act, and or any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and their restrictions thereof.

Execution and Registration of transfer etc.

79. The Instrument of transfer duly stamped and executed by the Transferor and the Transferee shall be delivered to the Company in accordance with the provisions of the Act. The Instrument of Transfer shall be accompanied by such evidence as the Board may require to prove the title of Transferor and his right to transfer the shares and every registered Instrument of Transfer shall remain in the custody of the Company until destroyed by order of the Board. The Transferor shall be deemed to be the holder of such shares until the name of the Transferee shall have been entered in the Register of Members in respect thereof. Before the registration of a transfer, the certificate or certificates of the shares must be delivered to the Company.

Closure of Register of Members or Debenture holders or Other Securities Holders

80. The Board shall have power on giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situate to close the Transfer Books, the Register of Members or Register of Debenture-holders or Register of other Securities holders at such time or times and for such period or periods, not exceeding in the aggregate forty-five days in each year, and thirty days at one time.

Director's power to refuse to register a transfer

81. Subject to the provisions of Section 58 of the Act, the Board may, at its own absolute and uncontrolled discretion and without assigning any reason, decline to register or acknowledge any transfer of shares (whether fully paid or not and notwithstanding that the proposed Transferee be already a member), but in such case it shall, within one month from the date on which the instrument of transfer was lodged with the Company, send to the Transferee and the Transferor notice of the refusal to register such transfer provided that the registration of a transfer shall not be refused on the ground that the Transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on shares.

Notice of application when to be given

82. Where, in the case of partly paid share, an application for registration is made by the transferor, the company shall give notice of the application to the Transferee in accordance with the provisions of Section 56 of the Act.

Death of one or more joint-holders of shares

83. In the case of the death of any one or more of the persons named in the Register of Members as the joint holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from an liability on shares held by him

jointly with any other person.

Title to shares of deceased holders	84.	In absence of a nomination recorded in accordance with Section 72 of the Act, which shall, in any event, have precedent, the executors or administrators of holders of a Succession Certificate or the legal representatives of a deceased member (not being one or two or more joint-holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such Member and the Company shall not be bound to recognise such executors or administrators or holders of a Succession Certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be, from a duly constituted court in the Union of India; provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of Probate or Letters of Administration or Succession Certificate, upon such terms as to indemnify or otherwise as the Board in its absolute discretion may think necessary and under Article 86 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a Member.
Restriction of transfer	85.	No share shall in any circumstances be transferred to any minor, insolvent or person of unsound mind.
Transmission Clause	86.	Subject to the provisions of the Act and Articles 84 and 85, any person becoming entitled to share in consequence of the death, lunacy, bankruptcy, insolvency of any Member or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the share or elect to have some person nominated by him and approved by the Board registered as such holder; provided nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an Instrument of Transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the shares. This clause is hereinafter referred to as the "transmission clause".

87. A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends or money as hereinafter provided, be entitled to receive, and may give a discharge for, any dividends or other moneys payable in respect of the share.
88. There shall be no fee paid to the Company, in respect of the transfer or transmission of any number of shares, registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.
- The Company is not liable for disregard of notice prohibiting registration of transfer
89. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound to be required to regard or attend to give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.
90. The Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in the case of a transfer of shares presented for registration.
- Right of successors
91. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividend and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a Member in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company provided that the directors shall, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares and if the notice is not complied with within ninety days, the directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the shares until the requirements of the notice have been complied with.
- Nomination
92. Every shareholder or debenture holder of the Company, may at anytime, nominate, in the



prescribed manner, a person to whom his shares in, or debentures of the Company shall vest in the event of his or her death. A member may revoke or vary his or her nomination, at any time, by notifying the company to that effect.

93. Where the shares in, or debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company as the case may be, shall vest in the event of death of all the joint holders.
94. Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in or debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the shareholder or debenture holder or, as the case may be, on the death of the joint holders, become entitled to all the rights in such shares or debentures or, as the case may be, all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied, cancelled in the prescribed manner.
95. Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint, in the prescribed manner, any person to become entitled to shares in or debentures of the Company, in the event of his death, during the minority.

## Transmission of Securities by Nominee

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

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

## Buy back of Shares

97. Subject to the provisions of Section 68 of the Act, the Company is hereby authorised to buy-back the Company's shares or other specified securities out of its free reserves or its securities premium account or from the proceeds of any shares or other specified securities; Provided that no buy-back of any kind of shares or other specified securities shall be made out of the proceeds of an earlier issue of the same kind of shares or the same kind of other specified securities.

## Splitting of shares

98. The Company may, subject to the Act and these Articles, in general meeting, alter the conditions of its Memorandum as follows:
- a. Consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares.

- b. Sub-divide its shares, or any of them, into shares of smaller amounts than those originally fixed by the Memorandum, subject nevertheless to the provisions of the Act and of these Articles. The resolution whereby any share is sub-divided may determine that as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preference or special advantage as regard dividend, capital or otherwise over or as compared with the others.
    - c. Cancel any shares, which, at the date of such general meeting, have not been taken or agreed to be taken by any Person, and diminish the amount of its share capital by the amount of the shares so cancelled.
99. Whenever the share capital of the Company, by reason of the issue of preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to written consent or a Special Resolution under the provisions of Section 48 and the right of dissident Members comprising not less than 10% of the issued capital of that class to apply to the Tribunal to have a variation of Shareholders rights cancelled under section 48 of the Act and these Articles be varied, modified or dealt with, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class, or with the sanction of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class, and all the provisions contained in these Articles as to general meetings, (including the provisions relating to quorum at such meetings), shall *mutatis mutandis* apply to every such meeting.
100. 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 the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *paripassu* therewith.

101. All equity shares shall be of the same class and shall rank *paripassu* and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including, without limitation, to identical rights and privileges with respect to dividend, voting rights, and the distribution of the assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company. If two or more persons are registered as joint holders of any shares, any of such persons may give effectual receipts for any dividends or other moneys payable in respect of such shares.
102. All further issues of shares or increases in the share capital of the Company shall require the prior approval of the Board.
103. The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting resolving upon the creation thereof shall direct and if no direction is given on the directions as the Board shall determine, and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with special or without any voting rights.

#### **Copies of Memorandum and Articles to be sent to Members**

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| Copies of Memorandum and Articles to be sent by the Company | 104. A copy of the Memorandum and Articles of Association of the Company and other documents referred to in Section 17 of the Act shall be sent by the Company to every member at his request within seven days of the request on payment of the sum of Rupee Ten for each copy. |
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#### **Borrowing Powers**

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| Borrowing Powers | 105. Subject to the provisions of Sections 73, 179 and 180 of the Act, the Board may, from time to time at its discretion by a resolution passed at a meeting of the Board, accept deposit from members either in advance of calls or otherwise and generally raise or borrow or secure the repayment of any sum or sums of money for the purposes of the Company. Provided, however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of the business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the Company in General Meeting. Subject to the provisions of the Act and of these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board, receive deposits from its members, directors or their relatives and receive loans from its members, either in advance of call or otherwise, and generally raise or borrow money either in India or abroad by way of loans, overdrafts, cash credit or by issue of bonds denominated in various currencies, debentures or |
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debenture stock with or without any option attached to it (perpetual or otherwise), commercial paper or in any other manner, from any bank, financial institution, company, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed.

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|   | 106. | Subject to the provisions of these Articles hereof, the payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Special Resolution shall prescribe including by the issue of debentures or debenture-stock 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 and debentures, debenture-stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued. |
| Terms of issue of Debentures            | 107. | Any debentures, debentures stock or other securities may be issued at a premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in general meeting accorded by a Special Resolution.   |
| Register of mortgages, etc. to be kept  | 108. | The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company and shall cause the requirements of Section 71, 77 to 80 (both inclusive), 82, 84 and 85 of the Act in that behalf to be duly complied with.   |
| Register and Index of Debenture holders | 109. | The Company shall, if at any time it issues debentures, keep a Register and Index of Debenture-holders in accordance with Section 88 of the Act. The Company shall have the power to keep in any state or country outside India a branch Register of Debenture-holders resident in that State or country.  |
| <b>Meeting of Members</b>               |      |  |
| Annual General Meeting                  | 110. | The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings other than Annual General Meetings shall be called Extra-ordinary General Meetings. An Annual General Meeting of the Company shall be held within six months from the date of closing of the financial year, provided that not more than fifteen months shall lapse between the date of one Annual General Meeting 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 for at a time during business hours i.e. between 9 a.m. and 6 p.m., on a day that is not a National Holiday, and shall be held at the Registered office of the Company or at some other place within the city in which the Registered office of the Company is situate as the Board may determine and the notice calling the Meeting shall specify it as the Annual General Meeting. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Directors' Report and Audited Statement of Accounts, Auditors' Report (if not already incorporated in the Audited Statement of Accounts), the Proxy Register with Proxies and the Register of Directors' and Key Managerial Personnel Shareholdings which Register shall remain open and accessible during the continuance of the meeting.

Extraordinary General Meeting

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

Requisition of Members to state object of Meeting

112. Any valid requisition so made by Members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the registered office of the Company provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.

On receipt of requisition, directors to call Meeting and in default requisitionists may do so.

113. Upon the receipt of any such requisition, the Board shall forthwith call an Extra-ordinary General Meeting and if they do not proceed within twenty-one days from the date of the requisition being deposited at the office and cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitions, or such of their number as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as is referred to in Section 66 of the Act or Section 100 of the Companies Act, 1956, whichever is less, may themselves call the Meeting, but in either case any Meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

Meeting called by requisitionists

114. Any Meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which

meeting are to be called by the Board.

Notice of Meeting	115.	Twenty-one days' notice at the least of every General Meeting, Annual or Extraordinary, and by whomsoever called specifying the day, place and hour of Meeting, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company. Provided that with the consent of the Members holding not less than 95 per cent of such part of the paid-up share capital of the Company as gives a right to vote at the Meeting, a General Meeting may be convened by a shorter notice. In the case of an Annual General Meeting if any business other than (i) the consideration of the Accounts, Balance Sheet and Reports of the Board of Directors and Auditors (ii) the declaration of dividend (iii) the appointment of Directors in place of those retiring, (iv) the appointment of, and fixing of the remuneration of the Auditors, is to be transacted, and in the case of any other Meeting in any event there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of business including in particular the nature of the concern or interest, if any, therein of every Director, the Manager, every other key managerial personnel; and their relatives. Where any such item or special business relates to, or affects any other company, the extent of shareholding interest in the other company of every promoter, director, Manager, and every other key managerial personnel of the Company shall also be set out in the statement if the extent of such shareholding interest is not less than two percent of the paid-up share capital of that other company. Where any item of business consists of the according of approval to any documents by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.
Manner of service of notice	116.	Notice and other documents of General meeting of the company can be given to shareholders even by email provided every shareholder should be given advanced opportunity to register their email address and changes therein from time to time with the company. In case any member has not registered his email address with the company, the service of notice and documents should be in accordance with the provisions of Section 20 of the Act.
Omission to give notice not to invalidate a resolution passed	117.	The accidental omission to give any such notice as aforesaid to any of the Members, or the non receipt of such notice by, any member or other person to whom it should be given shall not invalidate any resolution passed at any such Meeting.
Meeting not to transact business not mentioned in notice	118.	No General Meeting, Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.

Quorum for the General Meeting	119.	The quorum for a General Meeting shall be as provided in Section 103 of the Act.
Body Corporate deemed to be personally present	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.
If quorum not present, meeting to be dissolved or adjourned	121.	If, at the expiration of half an hour from the time appointed for holding a Meeting of the Company, a quorum is not present, the Meeting, if convened by or upon the requisition of Members, shall stand dissolved and in any other case the Meeting shall stand adjourned to the same day in the next week or if that day is a National Holiday, until the next succeeding day which is not a National Holiday at the same time and place or to such other day and at such other time and place in the City or town in which the Office of the company is for the time being situate, as the Board may determine, and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the Meeting, the Members present shall be a quorum, and may transact the business for which the meeting was called.
Chairman of General Meeting	122.	The Chairman (if any) of the Board of Directors shall be entitled to take the Chair at every General Meeting, whether Annual or Extra-ordinary. If there be no such Chairman of the Board of Directors, or if at any Meeting he is not present within fifteen minutes of the time appointed for holding such Meeting or if he is unable or unwilling to take the Chair then the members present shall elect another Director as Chairman, and if no Director is present or if all the Directors present decline to take the Chair, then the Members present shall elect one of their number to be Chairman.
Business confined to election of Chairman whilst chair vacant	123.	No business shall be discussed at any General Meeting except the election of a Chairman, whilst the Chair is vacant.
Chairman with consent with adjourn	124.	The Chairman with the consent of the Members may adjourn any Meeting from time to time and from place to place where the Office is situated. But no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
Question at General Meeting how decided	125.	At any General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands, unless before or on the declaration of the result of the show of hands, a poll is ordered to be taken by the Chairman of the meeting of his own motion or unless a poll is demanded by any member or members present in person or by proxy and holding shares in the company:



- (a) which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or
  - (b) on which an aggregate sum of not less than Rupees 5 Lacs has been paid up.
126. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
127. Unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Minutes Book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.
- Chairman's casting vote      128. In the case of an equality of votes, the Chairman shall both on a show of hands and at a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a Member.
- Poll to be taken, if demanded      129. If a poll is demanded as aforesaid, the same shall be taken at such time (not later than forty-eight hours from the time when the demand was made) and place in the City or town in which the Office of the Company is for the time being situate and either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
- Scrutineers at poll      130. Where a poll is to be taken, the Chairman of the meeting shall appoint such number of persons, as he deems necessary, to scrutinize the vote given on the poll and to report thereon to him. The Chairman shall have power at any time before the result of the poll is declared to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from such removal or from any other cause.
- In what case poll taken without adjournment      131. Any poll duly demanded on the election of a Chairman of a Meeting or on any question of adjournment shall be taken at the Meeting forthwith.
- Demand for poll not to prevent transaction of other business      132. The demand for a poll, except on the questions of the election of the Chairman and on an adjournment, shall not prevent the continuance of a Meeting for the transaction of any business other than the question on which the poll has been demanded.
- Postal Ballot      133. Notwithstanding anything contained in the Articles of Association of the Company, the Company may adopt the mode of passing the resolutions by its members by means of a postal

ballot (including voting by an electronic mode) pursuant to the provisions of Section 110 of the Act, read with rules made thereunder, and any modifications or amendments made thereto from time to time.

### Vote of Members

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| Member in arrears not to vote                               | 134. | No Member shall be entitled to vote 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 name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised, any right of lien.  |
| Number of votes to which member entitled                    | 135. | Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every Member, not disqualified by the Article 124, shall be entitled to be present and to speak and vote at such Meeting and on a show of hands, every Member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company. Provided, however, if any preference shareholder be present at any Meeting of the Company, save as provided in Section 47(2) of the Act, he shall have a right to vote only on resolutions placed before the Meeting which directly affect the rights attached to his preference shares. |
| Casting of votes by a Member entitled to more than one vote | 136. | On a poll taken at a meeting of the Company, a Member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.   |
| Vote of Member of unsound mind and minor                    | 137. | A Member of unsound mind or and in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian in respect of any shares registered in his name and any such committee or guardian may, on poll, vote by proxy. If any Member be a minor, the vote in respect of his share or shares shall be by his guardian, or any one of his guardians, if more than one, to be selected in case of dispute by the Chairman of the Meeting.  |
| Representation of body corporate                            | 138. | (A) (i) A body corporate (whether a Company within the meaning of the Act or not) may, if it is a member or creditor of the Company (including a holder of debentures or other security holder) having a right to vote, may in pursuance of Sections 113 of the Act, authorise such person as it thinks fit by a resolution of its Board of Directors or other governing body to act as its representative at any meeting of   |

the Company or of any class of Members of the Company or at any meeting of the creditors of the Company or debenture holders of the Company.

(ii) A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (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. The production of a copy of the resolution aforesaid certified by a Director of such body corporate before the commencement of the meeting shall be accepted by the Company as sufficient evidence of the validity of the said representative appointment and his right to vote thereof.

(B) (i) The President of India or the Governor of a State, if he is a member of the Company, may appoint such person as he thinks fit to act as his representative at any meeting of the Company or at any meeting of any class of members of the Company.

(ii) A person appointed to act as aforesaid shall, for the purpose of this Act, be deemed to be a member of the Company and shall be entitled to exercise the same rights and powers (including the right to Vote by proxy) as the President or as case may be the Governor could exercise as a member of the Company.

Votes of joint member

139. If there be joint registered holders of any shares, any one of such persons may vote at any meeting or may appoint another person (whether a Member or not) as his proxy in respect of such shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the Meeting, and if more than one of such joint-holders be present at any Meeting, that one of the said persons so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint-holders shall entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose names shares stand shall, for the purpose of these Articles, be deemed joint-holders thereof.

Voting in person or by proxy

140. Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorised in accordance with Section 113 of the Act and such representative shall be entitled to exercise the same rights and powers (including the 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.

Votes in respect of shares of deceased and insolvent Member	141.	Any person entitled under Articles 84 and 86 to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the Meeting or adjourned Meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such Meeting in respect thereof.
Appointment of proxy	142.	Every proxy (whether a Member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the common seal of such corporation, or be signed by an officer or any attorney duly authorised by it, and any Committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the Meeting.
Proxy either for specified meeting or for a period	143.	An instrument of proxy may appoint a proxy either for the purpose of a particular Meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every Meeting of the Company or of every Meeting to be held before a date specified in the instrument and every adjournment of any such Meeting.
Votes by members present or by proxy	144.	A member present by proxy shall be entitled to vote only on a poll. However where such Member is a body corporate present by a proxy who is not himself a Member in which case such proxy shall also be eligible to vote on show of hands as if he were a Member.
Deposit of instrument of appointment	145.	The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the office not later than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument or proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.
Form of proxy	146.	Every instrument of proxy whether for a specified Meeting or otherwise shall as nearly as circumstances will admit, be in any of the forms set out in the Rules made under section 105 of the Act.
Validity of votes given by proxy notwithstanding death of member	147.	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 revocation of the proxy or of any authority or of any power of attorney under which such proxy was signed or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the commencement of the meeting or adjourned

meeting at which the proxy is used.

Time for objection to vote	148.	No objection shall be made to the validity of any vote, except at any Meeting or poll at which such vote shall be tendered and every vote, whether given personally or by proxy, not disallowed at such Meeting or poll shall be deemed valid for all purposes of such Meeting or poll whatsoever.
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Chairman of the meeting to be the Judge of the validity of every vote	149.	The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. The decision of the Chairman shall be final, binding and conclusive.
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### **Minutes of Meeting**

Minutes of General Meetings and inspection thereof by Members	150.	The Company shall cause minutes of all proceedings of every General Meeting to be kept within thirty days of the conclusion of every such Meeting and concerned entries thereof in books kept for that purpose with their pages consecutively numbered.
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151.	Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each Meeting in such book shall be dated and signed by the Chairman of the same Meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period by a Director duly authorised by the Board for the purpose.
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152.	In no case the minutes of proceedings of a Meeting shall be attached to any such book as aforesaid by pasting or otherwise.
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153.	The minutes of each Meeting shall contain a fair and correct summary of the proceedings thereat.
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154.	All appointments of Officers made at any Meeting aforesaid shall be included in the minutes of the Meeting.
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155. Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the Meeting (a) is or could reasonably be regarded as defamatory on any person, or (b) is irrelevant or immaterial to the proceedings, or (c) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.
156. Any such minutes shall be evidence of the proceedings recorded therein.
157. The book containing the Minutes of proceedings of General Meetings shall be kept at the office of the Company and shall be open during business hours, for such periods not being less in the aggregate than two hours in each day as the Directors determine, to the inspection of any Member without charge.

## Directors

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| Number of Directors                       | 158. | Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors shall not be less than three and not be more than fifteen.  |
| Certain persons not to be Directors.      | 159. | No body corporate, association or firm shall be appointed a Director and only an individual shall be so appointed. As provided by Section 164 of the Act, certain persons mentioned therein shall not be capable of being appointed Directors of the Company, unless the Central Government, by Notification, removes the disqualification for some of the persons mentioned therein.   |
| Provision to appoint ex-officio Directors | 160. | Whenever the Company/ directors enter into a contract with any Government, Central, State or Local, any bank or financial institution or any person or persons (hereinafter referred to as the "appointer") for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or enter into any other arrangement whatsoever, the Directors shall have, subject to the provisions of Section 152 of the Act, the power to agree that such appointer shall have the right to appoint or nominate, by a notice in writing addressed to the Company, one or more Directors on the Board for such period and upon such conditions as may be mentioned in the agreement and that such Director or Directors may not be liable to retire by rotation nor be required to hold any qualification shares. The Directors may also agree that any such Director or Directors may be removed from time to time by the appointer entitled to appoint or nominate them and the appointer may appoint another or others in his or their place and also fill in any vacancy, which may occur as a result of any such Director or Directors ceasing to hold that office for any reason |

whatsoever. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the Directors of the Company including payment of remuneration and travelling expenses to such Director or Directors as may be agreed by the Company with the appointer.

Appointment of Alternate Directors	161.	The Board may appoint an Alternate Director to act for a Director (hereinafter called “the Original Director”) during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to the India. If the term of office of the original Director is determined before he so returns to that State, any provisions in the Act or in these Articles for the automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.
Directors power to add to the Board	162.	<p>(a) Subject to the provisions of Section 161 of the Act, the Board shall have power, at any time and from time to time, to appoint any other qualified person to be an Additional Director or Nominee Director, but so that the total number of Directors shall not, at any time, exceed the maximum strength fixed for the Board under the Article 148. Any such additional Director shall hold office only upto the next Annual General Meeting.</p> <p>(b) Subject to the provisions of Sections 161 and 164 of the Act, the Board shall have power, at any time and from time to time, to appoint any other qualified person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.</p>
Qualification of Directors	163.	A Director shall not be required to hold any equity shares to qualify him to act as a Director of the Company.
Remuneration of Directors	164.	<p>(a) Subject to the provisions of Sections 196 and 197 of the Act, a Managing Director or Directors, who is in the whole-time employment of the Company may be paid remuneration either by way of monthly payment or at specified percentage of the net profits of the Company or partly by one way and partly by the other.</p> <p>(b) Subject to the provisions of the Act, a Director who is neither in the whole time employment nor a Managing Director may be paid remuneration either:</p> <p>(i) by way of monthly, quarterly or annual</p>

payment with the approval of the Central Government; or

- (ii) by way of Commission if the Company by a special resolution authorised such payment.

Fees payable to a Director for attending a meeting	165.	The fees payable to a Director for attending a meeting of the Board or committee/s thereof shall be such sum as may be decided by the Board from time to time, subject to such limit as may be prescribed in that behalf, from time to time, by the Central Government under or pursuant to the Act.
Special remuneration of director performing extra service	166.	If any Director is called upon to perform extra services or special exertion or efforts (which expression shall include work done by a Director as a member of any Committee/s formed by the Directors), the Board may arrange with such Director, for such special remuneration, for such extra services or special exertion or efforts either by a fixed sum or otherwise as may be determined by the Board and the said remuneration may be either in addition to or in substitution of his remuneration elsewhere specified in the Articles.
Traveling expenses incurred by Director not a bonafide resident or by Director going out on Company's business	167.	<p>The Board may allow and pay to any Director, who travels for the purpose of attending and returning from meetings of the Board of Directors or any Committee/s thereof or General Meetings, or in connection with the business of the Company, his travelling and hotel and other expenses incurred by him in consequence or for the purpose of his attendance, and in connection with the business of the Company in addition to his fees for attending such meetings as above specified and other remuneration payable to him.</p> <p>Provided that if so desired by the Corporation appointing a Corporation Director, the Company may instead reimburse the Corporation appointing such Director any sums that may be paid by it to that Director in respect of his attendance at the meeting of the Board.</p>
Directors may act notwithstanding any vacancy	168.	The continuing Directors may act, notwithstanding any vacancy in their body, but if and so long as their number is reduced below the quorum fixed by the Act. The continuing Directors, not being less than two, may act for the purpose of increasing the number of Directors to that number, or of summoning a General Meeting but for no other purpose.
When the office of Director may become vacant	169.	<p>The office of a director shall become vacant in case-</p> <p>(a) he incurs any of the disqualifications specified in Section 164;</p> <p>(b) he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;</p> <p>(c) he acts in contravention of the provisions of Section 184 relating to entering into contracts or arrangements in which he is directly or indirectly interested;</p>



- (d) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of Section 184;
- (e) he becomes disqualified by an order of a court or the Tribunal;
- (f) he is convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months: Provided that the office shall be vacated by the director even if he has filed an appeal against the order of such court;
- (g) he is removed in pursuance of the provisions of this Act;
- (h) he, having been appointed a director by virtue of his holding any office or other employment in the holding, subsidiary or associate company, ceases to hold such office or other employment in that company.

Director may contract with  
Company

170. A Director or his relative, firm in which such Director or relative is a partner, or any other partner in such firm or a private company of which the Director is a member or Director, may enter into any contract with the Company for the sale, purchase or supply of any goods, materials, property or services or for underwriting the subscription of any shares in or debentures or other securities of the Company, provided that the sanction of the Board and the previous approval of the shareholders, if and as may be required, shall be obtained in accordance with Section 188 of the Act.

Disclosure of interest

171. A Director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 184 of the Act; Provided that it shall not be necessary for Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into between two companies where any of the Directors of the Company or two or more of them together holds or hold not more than two per cent of the paid-up share capital in any such other company.

General notice of interest

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

every financial year. No such General notice and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

Interested Directors not to participate or vote in Board's proceedings

173. No Director shall, as a Director, take any part in the discussion of, or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangement, nor shall his presence be counted for the purpose of forming a quorum at the time of any such discussion or vote, and if he does vote, his vote shall be void, provided however that nothing herein contained shall apply to:

- (a) any contract of indemnity against any loss which Directors, or any one or more of them, may suffer by reason of becoming or being a surety or sureties for the Company.
- (b) any contract or arrangement entered into or to be entered into with a Public Company or a Private Company which is a subsidiary of Public Company in which the interest of the Director consist solely in his being:
  - (i) a director of such company, and
  - (ii) the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such director by the Company.
  - (iii) in his being a member holding not more than 2% of its paid-up share capital.

This article is subject to the provisions of section 184(2) of the Act.

Register of Contracts in which Directors are interested

174. The Company shall keep a Register in accordance with Section 189 and shall, within the time specified in Section 189, enter therein such of the particulars as may be relevant having regard to the application thereto of Sections 184 and 188 of the Act as the case may be. The Register aforesaid shall also specify, in relation to each Director and KMP of the Company, the names of the bodies corporate and firms of which notice has been given by him under Article 162. The Register shall be kept at the office of the Company and shall be open to inspection at such office, and extracts may be taken there from and copies thereof may be required by any member of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 189(3) of the Act shall apply accordingly.

Directors may be Directors of

175. A Director may be or become a Director of any

Companies promoted by  
the Company

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

Retirement and rotation of  
Directors

176. 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 of Directors. The Independent Directors, if any, shall not be subject to retirement under this clause and shall not be taken into account in determining the rotation of retirement or the number of Directors to retire.

Ascertainment of directors  
retiring by rotation and  
filling of vacancies

177. Subject to provisions of the Act, the Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire, shall in default of and subject to any agreement among themselves, be determined by lot.

Eligibility for Re-election

178. A retiring Director shall be eligible for re-election.

179. Subject to Section 149 of the Act, the Company, at the General Meeting at which a Director retires in the manner aforesaid, may fill up the vacated office by electing a person thereto.

Provisions in default  
of appointment

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

(b) If at the adjourned Meeting also, the place of the retiring Director is not filled up and that Meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned Meeting unless :

(i) at the Meeting or at the previous Meeting, resolution for the re-appointment of such Director has been put to the Meeting and lost;

(ii) the retiring Director has, by notice in writing addressed to the Company or its Board, expressed his unwillingness to be so appointed;

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

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

(v) the provisions of Section 164 of the Act are applicable to the case.

Company may increase or reduce the number of Directors

181. Subject to Section 149 of the Act, the Company may, by Ordinary Resolution from time to time, increase or reduce the number of Directors within the limits fixed in that behalf by these Articles, and may alter their qualifications and the Company may (subject to the provisions of Section 164 of the Act) remove any Director before the expiration of his period of office and appoint another qualified person in his place. The person so appointed should hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

Notice of candidature and consent

182. (a) No person not being a retiring Director, shall be eligible for appointment to the office of Director at any General Meeting unless he or some other Member intending to propose him has, not less than fourteen days before the Meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such Member to propose him as a candidate for that office.

(b) The Company shall inform its members of the candidature of a person for the office of Director or the intention of member to propose such person as a candidate for that office, by serving individual notices on the members not less than seven days before the meeting.

Provided that it shall not be necessary for the Company to serve individual notices upon the members as aforesaid if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the place where the registered office of the Company is located, of which one is published in the English language and the other in the regional language of that place.

(c) Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 160 of the Act signifying his candidature for the office of a Director) proposed as candidate for the office of a Director shall sign and file with the Company the consent in writing to act as a Director, if appointed.

		(d) A person, other than a Director re-appointed after retirement by rotation or immediately on the expiry of his term of office or an Additional or Alternate Director, or a person filling a casual vacancy in the office of a Director under Section 161 of the Act, appointed as a Director or re-appointed as an Additional or Alternate Director, immediately on the expiry of his term of office, shall not act as a Director of the Company, unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.
Register of Directors etc. and notification of change to registrars	183.	The Company shall keep at its office a Register containing the particulars of its Directors, Manager, Secretary and other persons mentioned in Section 170 of the Act, and shall otherwise comply with the provisions of the said Section in all respects.
Disclosure by Directors of appointment to any other body corporate	184.	<p>(a) Every Director of the Company shall, at the first Board Meeting held after that change to any of the above offices to any other body corporate, disclose to the company the particulars relating to his office in the other body corporate which are required to be specified under Section 184 of the Act.</p> <p>(b) Every Director shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section.</p>
Restriction on Management	185.	<p>No Director or Managing Director shall not exercise the power to:</p> <p>(a) make calls on shareholders in respect of money unpaid on the shares in the Company;</p> <p>(b) issue debentures;</p> <p>and except to the extent mentioned in the resolution passed at the Board meeting under Section 179 of the Act, shall also not exercise the power to:</p> <p>(c) borrow moneys;</p> <p>(d) invest the funds of the company; and</p> <p>(e) grant loans or give guarantee or provide security in respect of loans.</p>
Certain persons not to be appointed as Managing /Whole time Directors	186.	<p>The Company shall not appoint or employ, or continue the appointment or employment of a person as its Managing or Whole-time Director who-</p> <p>(a) is an undischarged insolvent, or has at any time been adjudged an insolvent.</p> <p>(b) suspends, or has at any time suspended,</p>

payment to his creditors, or makes, or has at any time made, a composition with them, or

(c) is or has at any time been convicted by a Court of an offence involving moral turpitude.

187. Subject to the provisions of Section 152 of the Act, a Managing Director may, while he continues to hold that office, be subject to retirement by rotation and if he ceases to hold the office of Director, he shall *ipso facto* and immediately cease to be a Managing Director.

### Proceedings and Powers of the Board of Directors

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|-----------------------------|------|--|
| Meeting of Directors        | 188. | <p>The Directors may meet either in person or through video conferencing, capable of recording and recognizing the participation of the directors, for the dispatch of business from time to time and shall so meet at least once in every three months and at least four such meetings shall be held in every year, provided that there is no gap of more than 120 days between two such meetings. The Directors may adjourn and otherwise regulate their meetings, as they think fit.</p> <p>The provisions relating to notice, agenda, quorum and minutes stated hereinafter shall <i>mutatis mutandis</i> apply to the meetings held through such video conferencing.</p>  |
| Notice of Directors Meeting | 189. | <p>Notice of every meeting of the Board shall be given atleast 7 days in advance in writing to every Director whether in or outside India or through written communication sent electronically, and otherwise regulate their meetings, as they think fit</p> <p>Notice of the Board Meeting must inform directors regarding availability of participation through video conferencing and should also provide necessary information to enable the directors to access the available facility of Video conferencing. Notice of the meeting shall also seek confirmation from the Director as to whether he will attend the meeting physically or through electronic mode and shall also contain contact number (s), email addresses of the Secretary / designated officer to whom the director shall confirm in this regard.</p> |
| Quorum of Board Meeting     | 190. | <p>Subject to Section 174 of the Act the quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that one third being rounded off as one) or two directors, present in person or attending through video-conferencing, whichever is higher, provided that where at any time the number of interested directors exceeds or is equal to two thirds of the total strength the number of the remaining director that is to say, the number of directors who are not interested shall be the quorum during such time provided such number is not less than two.</p> <p>Provided that any Director participating through video conferencing shall attend in person at least one Board Meeting in 12 months period.</p>   |

Adjournment of meeting for want of quorum	191.	If a meeting of the Board could not be held for want of a quorum then, the meeting shall stand adjourned to the same time and day next week, which is not a National Holiday, or such other date and time as may be fixed by the Chairman.
When meeting to be convened	192.	The Secretary shall, as and when directed by any Director to do so, convene a meeting of the Board by giving a notice in writing to every other Director.
Chairman and Vice – Chairman of the Board	193.	If at any meeting of the Board, the Chairman is not present within fifteen minutes after the time appointed for holding the same, the Directors present may choose one of their numbers to be Chairman of the meeting.
Questions at Board meetings how to be decided	194.	Questions arising at any meeting of the Board of Director or a committee or sub-committee thereof or in resolution to be passed by circular shall be decided by a majority of votes and in the case of an equality of votes, the Chairman shall have a second or casting vote.
Powers of Board in Meetings	195.	A meeting of the Board, for the time being at which a quorum is present, shall be competent to exercise all or any of the authorities, powers, and discretions which by or under the Act or the Articles of the Company are for the time being vested in or exercisable by the Board generally.
Directors may appoint Committees	196.	Subject to the restrictions contained in Section 179 of the Act, the Board may delegate any of their powers to one or more Committees of the Board consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such Committee of the Board either wholly or in part, and either as to persons or purposes; but every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may, from time to time, be imposed on it by the Board. All acts done by any such Committee of the Board shall be in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board. Provided that every such Committee shall have, as one of its member, the Director referred to in Article 184 or his alternate Director.
Meeting of Committee how to be governed	197.	The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article; provided that no resolution shall be deemed to have been passed by the Committee unless the Director referred to in the proviso to Article 184 or his Alternate Director has voted in favour of the Resolution.

Resolution by circulation	198.	No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors or all the members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board, or a Committee, as the case may be), and to all other Directors or Members of the Committee at their usual address in India and has been approved by such of the Directors or Members as are then in India, or by a majority of such of them, as are entitled to vote on the resolution.
Acts of Board or Committee valid notwithstanding informal defect in appointment	199.	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 such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director and had not vacated his office or his appointment had not been terminated; provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.
Minutes of proceedings of the Board	200.	<p>(a) The Company shall cause minutes of all proceedings of every meeting of the Board and Committee thereof to be kept by making within thirty days of the conclusion of every such meeting entries thereof in books kept for that purpose with their pages consecutively numbered.</p> <p>(b) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the next succeeding meeting.</p> <p>(c) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.</p> <p>(d) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.</p> <p>(e) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.</p> <p>(f) The minutes shall also contain -</p> <p>(i) The name of the Directors present at the meeting and</p> <p>(ii) In the case of each resolution passed at the meeting, the name of the Directors, if any,</p>



dissenting from or notconcurring in the resolution.

- (g) Nothing contained in sub-clause (a) to (f) shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:
  - (i) is, or could reasonably be regarded as defamatory of any person,
  - (ii) is irrelevant or immaterial to the proceedings; or
  - (iii) is detrimental to the interest of the Company.
- (h) The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this sub-clause.
- (i) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

#### Powers of the Board

201. The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid regulations, as may be prescribed 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. Provided that the Board shall not, except with the consent of the Company in General Meeting:
- (a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole, or substantially the whole, of any such undertaking;
  - (b) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;
  - (c) 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), will exceed the aggregate of

the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose;

- (d) remit, or give time for the repayment of, any debt due by a Director,
- (e) Provided further that the powers specified in Section 179 of the Act shall subject to these Articles be exercised only at meetings of the Board, unless the same be delegated to the extent therein stated; or
- (f) contribute to charitable and other funds, any amounts the aggregate of which will, in any financial year, exceed five per cent of its average net profits during the three immediately preceding financial years .

Certain powers to be exercised by board only at meeting

202. The Board of Directors of the Company shall exercise the following powers on behalf of the company and it shall do so only by means of resolution passed at meetings of the Board:

- (a) To make calls of money unpaid;
- (b) To buy-back of securities;
- (c) To issue securities, including debentures;
- (d) To borrow monies;
- (e) To invest funds of the company;
- (f) To grant loans or give guarantee or provide security in respect of loans;
- (g) To approve financial statements and Board's Report;
- (h) To diversify the business of the company;
- (i) To approve amalgamation, merger or reconstruction;
- (j) To take over a company or acquire a controlling or substantial stake in another company;
- (k) To make political contributions;
- (l) To appoint or remove KMPs
- (m) To take note of appointment or removal of one level below the KMP;
- (n) To appoint internal auditors and secretarial auditor;
- (o) To take note of the disclosure of directors' interest and shareholding;
- (p) To sell investments held by company (other than trade investments), constituting 5% or more of the paid up share capital and free reserves of the investee company;
- (q) To accept public deposits and matters related; and
- (r) To approve quarterly, half yearly and annual financial statements.

Provided that the Board may, by a resolution passed at a meeting, delegate to any committee of Directors, the Managing Director, if any, the manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the Branch office, the powers specified in clause (d), (e) and (f) of this Article on such conditions as the Board may prescribe. In respect of dealings between the

Company and its bankers the exercise by the Company of the power specified in clause (c) 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 of other accounts by means of which the arrangement so made is actually availed of.

Certain powers of the Board

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

- (a) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company;
- (b) To pay and charge to the capital account of the Company commission or interest lawfully payable thereout under the provisions of Section 40(6) the Act;
- (c) Subject to Sections 179, 180, 188 and 192 of the Act, to purchase or otherwise acquire for the Company any property, right or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition, to accept such title as the Directors may believe or may be advised to be reasonably satisfied;
- (d) At their discretion and subject to the provisions of the Act, to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in share, bonds, debentures, mortgages, or otherwise securities of the Company, and any such shares may be issued either as fully paid-up or with such amount credited as paid-up thereon as may be agreed upon and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;.
- (e) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit;

- (f) To accept from any Member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed;
- (g) To appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purpose and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;
- (h) To institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due and of any claim or demands by or against the Company and to refer any differences to arbitration and observe and perform any awards made thereon;
- (i) To act on behalf of the Company in all matters relating to bankrupts and insolvents;
- (j) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company;
- (k) Subject to the provisions of Sections 179, 180, 185 and 186 of the Act, to invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such security, or without security and in such manner as they may think fit, and from time to time vary or realize such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name;
- (l) To execute, in the name and on behalf of the Company, in favour of any Director or other person who may incur or be about to incur any personal liability, whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon;
- (m) To determine, from time to time, who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose;

- (n) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company and to give to any office or other person employed by the Company a commission on the profits of any particular business or transaction, and to charge such bonus or commission as part of the working expenses of the Company;
- (o) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing provident and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee any charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise;
- (p) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to depreciation fund, or to an insurance fund, or as Reserve Fund or any special fund to meet contingencies or to repay debentures or debentures stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purpose referred to in the preceding clause), as the Board may, in their absolute discretion, think conducive to the interest of the Company and subject to Section 179 of the Act, to invest several sums so set aside or so much thereof as required to be invested, upon such investments (other than shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any such part thereof for the benefit of the Company, in such a manner and for such purposes as the Board in their absolute discretion, think conducive to the interest of the Company notwithstanding that the matters to which

the Board apply or upon which they expend the same or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of Reserve Fund or division of a Reserve Fund and with full power to employ assets constituting all or any of the above funds, including the depreciation fund, in the business of the Company or in the purchase or repayment of debentures or debenture stock, and without being bound to pay interest on the same with power however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper;

- (q) To appoint and at their discretion, remove or suspend, such general managers, managers, secretaries, assistants, supervisors, clerks, agents and servants for permanent, temporary or special services as they may, from time to time, think fit and to determine their powers and duties, and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think and the provisions contained in the four next following sub-clauses shall be without prejudice to the generally conferred by this sub-clause;
- (r) From time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of such local Boards, and to fix their remuneration;
- (s) Subject to Section 179 of the Act, from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow money, and to authorise the members for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such terms and subject to such conditions as the Board may think fit, and Board may at any time remove any person so appointed, and may

annul or vary any such delegation;

- (t) At any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and subject to the provisions of Section 179 of the Act) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board think fit) be made in favour of any company, or the shareholders, directors, nominees, or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and such Power of Attorney may contain such Powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers authorities and discretions for the time being vested in them;
- (u) Subject to Section 188 and 192 of the Act, for or in relation to any of the matters aforesaid or, otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts deeds and things in the name and on behalf of the Company as they may consider expedient;
- (v) From time to time to make, vary and repeal by laws for the regulations of the business of the Company, its officers and servants;
- (w) To comply with the requirements of any local law which in their opinion it shall, in the interest of the Company, be necessary or expedient to comply with.

## Management

Power to appoint Managing or Whole Time Director(s)

204.

Subject to the provisions of the Act and of these Articles, the Board of Directors may from time to time appoint one or more person/s to be Managing Director or Managing Directors (in which expression shall be included a Joint Managing Director) or Whole-time Director or Whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit and upon such terms and conditions as the Board may think fit and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint

another or others in his or their place or places.

What provisions they shall  
be subject to

205. Subject to the provisions of the Act and of these Articles, a Managing Director or a Whole-time Director shall, subject to the provisions of Section 152 of the Act, not while he continues to hold that office, be subject to retirement by rotation under the Act or these Articles but he shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company and he shall ipso facto and immediately cease to be a Managing Director or Whole-time Director if he ceases to hold the office of Director for any cause, provided that if at any time the number of Directors (including the Managing Director or whole-time Director) as are not subject to retirement by rotation shall exceed one-third of the total number of the Directors for the time being, then such Managing Director or Managing Directors or Whole-time Director or Whole-time Directors, as the Directors may from time to time select, shall be liable to retirement by rotation in accordance with these Articles to the intent that the Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being.

Remuneration of Managing  
Director or Whole-time  
Director(s)

206. Subject to the provisions of the Act and to the approval of the Company in General Meeting, if required by the Act, the remuneration of a Managing Director or Whole-time Director shall from time to time be fixed by the Board of Directors and may be by way of fixed salary, perquisites, benefits or commission or profits of the Company, or by participation in any such profit or by any or all of these modes or any other mode not expressly prohibited by the Act.

Powers and duties of  
Managing

207. Subject to the superintendence, control and direction of the Board of Directors, the day to day management of the Company may be entrusted to the Director or Directors appointed under Article 194 with power to the Board to distribute such day to day functions among such Directors, if more than one, in any manner as directed by the Board, or to delegate such power of distribution to any one of them. The Board of Directors may from time to time entrust to and confer upon a Managing Director or Whole-time Director for the time being, save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient and they may subject to the provisions of the Act and these Articles confer upon such powers. Either collaterally with or to the exclusion of or in substitution for all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or



vary all or any of such powers.

208. The Managing Director or Managing Directors or Whole-time Director or Whole-time Directors shall not exercise the powers to:

- (a) make calls on shareholders in respect of money unpaid on the shares in the Company,
- (b) issue debentures,

and except to the extent mentioned in the resolution passed at the Board meeting under Section 179 of the Act, shall also not exercise the power to:

- (c) borrow moneys;
- (d) invest the funds of the company; and
- (e) grant loans or give guarantee or provide security in respect of loans.

Company Secretary

209. Subject to the provisions of Section 203 of the Act, the Directors shall, from time to time, appoint a Secretary and, at their discretion, remove any such Secretary to perform any functions, which by the Act are to be performed by the Secretary and to execute any other ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Directors. The Directors may also appoint at any time any person or persons (who need not be the Secretary) to keep the Registers required to be kept by the Company.

**The Seal**

210. The Company Secretary shall perform such duties and functions as may be, from time to time assigned by the Board of Directors of the Company and as mentioned in Section 205 of the Act.

The Seal its custody and its use

211. (a) The Board shall provide a Common Seal for the purposes of the Company, and shall have the 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.
- (b) The Company shall also be at liberty to have an official Seal in accordance with the provisions of the Act, for use in any territory, district or place outside India.

Deeds how executed

212. Every Deed or other instrument, to which the Seal of the Company is required to be affixed, shall, unless the same is executed by a duly constituted attorney, be signed by two Directors or one Director and Secretary or some other person appointed by the Board for the purpose provided that in respect of the Share Certificate the Seal shall be affixed in accordance with Article 211.

## Dividends

Division of profits and dividends in proportion to amount paid up	213.	The profits of the Company, subject to any special rights relating thereof created or authorised to be created by these Articles and subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of capital paid up or credited as paid up and to the period during the year for which the capital is paid-up on the shares held by them respectively.
The Company in General Meeting may declare a dividend	214.	The Company in general Meeting may declare dividends to be paid to Members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.
Dividends only to be paid out of profits	215.	<p>No dividend shall be declared or paid otherwise by the Company for any financial year out of profits for the year arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Act except after the transfer to the reserves of the Company of such percentage of its profits for the year as the Board may deem appropriate or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both provided that:</p> <p>(a) If the Company has not provided for depreciation for any previous financial year or years, it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years;</p> <p>(b) If the Company has incurred any loss in any previous financial year or years, the amount of loss or any amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the years for which the dividend is provided to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of Section 123 of the Act or against both.</p>
Interim dividend	216.	Subject to the Section 123(3) of the Act, the Board may, from time to time, pay to the Members such interim dividend as in its judgment the position of the Company justifies.
Capital paid up in advance at interest not to earn dividend	217.	Where Capital is paid in advance of calls, such capital may carry interest but shall not in respect thereof confer a right to dividend or participate in profits.

Dividends in proportion to amount paid –up	218.	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.
	219.	The Board may retain dividends payable upon shares in respect of which any person is, under Article 87, entitled to become a Member, or which any person under that Article is entitled to transfer, until such person shall become a Member, in respect of such shares or share duly transfer the same.
Dividend, etc. to joint-holders	220.	Any one of several persons who are registered as the joint-holder of any share may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such shares.
No Member to receive Dividend while indebted to the Company and Company's rights of reimbursement thereof	221.	No Member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, whilst any money be due or owing from him to the Company in respect of such share or shares or otherwise howsoever, either alone or jointly with any other person or persons, and the Board may deduct from the interest or dividend payable to any Member all sums of money so due from him to the Company.
Transfer of shares must be registered	222.	<p>A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.</p> <p>Provided, however, that where any instrument of transfer of shares has been delivered to the Company for registration and the transfer of such shares has not been registered, the company shall :</p> <p>(a) transfer the dividend in relation to such shares to the special account referred to in Section 124 unless the company is authorised by the registered holder of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer, and</p> <p>(b) keep in abeyance in relation to such shares any offer of rights shares under clause (a) of sub-section (1) of Section 62 and any issue of fully paid up bonus shares in pursuance of Section 63.</p>
Unclaimed dividend	223.	<p>Any dividend which has not been claimed or the warrant in respect whereof has not been encashed within the period prescribed under Section 124 of the Act, shall be deposited in a special account as provided for in the said section 124 of the Act and the whole of the amount envisaged in sub-section</p> <p>(2) of section 124 of the Act remaining unpaid or unclaimed for a period of seven years from the</p>

date they become payable by a company have been credited to the Investor Education and Protection Fund as per Section 125(1) of the Act and subject to any amendments that may be made thereto from time to time.

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| No interest on dividend    | 224. | No unpaid dividend shall bear interest as against the Company.  |
| Dividend and call together | 225. | Any General Meeting declaring a dividend may, on the recommendation of the Directors, make a call on the Members of such amount as the meeting fixes but so that the call on each Member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the Member, be set off against the calls.  |
| Capitalization             | 226. | <p>(a) The Company, in General Meeting, may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Account, or in the hands of the Company and available for dividend or representing premium received on the issue of shares and standing to the credit of the Share Premium Account be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same, if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares or debentures of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares of debentures and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum, provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purposes of this Article only be applied in the paying of any unissued shares to be issued to members of the Company as fully paid bonus shares.</p> <p>(b) A General Meeting may resolve that any surplus moneys arising from the realization of any capital assets of the Company, or in investments representing the same, or any other undistributed profit of the Company not subject to charge for income tax be distributed among the members on the footing that they receive the same as capital.</p> |

- (c) For the purpose of giving effect to any resolution under the preceding paragraphs of this Article, the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any members upon the footing of the value so fixed or that fraction of less value than Rs. 10/- may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalized fund as may seem expedient to the Board. Where requisite a proper contract shall be delivered to the Registrar for registration in accordance with Section 39 of the Act, and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.

## Accounts

Directors to keep true accounts

227. The Company shall keep at its Registered Office or at such other place in India as the Board thinks fit proper Books of Account in accordance with Section 128 of the Act with respect to:
- (a) all sums of money received and expended by the Company and the matters in respect of which the receipts and expenditure take place;
  - (b) all sales and purchases of goods by the Company.
  - (c) the assets and liabilities of the Company.
228. Where the Board decides to keep all or any of the Books of Accounts at any place other than the office of the Company, the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.
229. Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper Books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns, made up to date at intervals of not more than three months, are sent by the branch office to the Company at its office or other place in India, at which the Company's Books of Accounts are kept as aforesaid.

	230.	The Books of Account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain its transactions. The books of Account and other books and papers shall be open to inspection by any Director during business hours.
As to inspection of accounts or books by Members	231.	The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors, and no members (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by law or authorised by the Board.
Statement of accounts to be furnished to General Meeting	232.	The Directors shall from time to time, in accordance with Section 128, 129 and 134 the Act, cause to be prepared and to be laid before the Company in General Meeting such Balance Sheets, Statement of Profits and Loss, Cash Flow Statement and Reports as are required by these sections.
	233.	Subject to the provisions of Section 131, with the prior approval of Tribunal, the Directors shall, if they consider it to be necessary and in the interest of the Company, be entitled to amend the Audited Accounts of the Company and their Report of any financial year which have been laid before the Company in General Meeting. The amendments to the Accounts and such Report effected by the Directors in pursuance of this Article shall be placed before the Members in General Meeting for their consideration and approval.
Copies shall be sent to members and others	234.	Subject to the provisions of Section 136 of the Act, a copy of every such Statement of Profit and Loss, Balance Sheet and Cash Flow Statement (including the Auditors 'Report and every other document required by law to be annexed or attached to the balance sheet) shall at least 21 days before the meeting at which the same are to be laid before the members, be sent to the members of the company, to every trustee for the holders of any debentures issued by the company, whether such member, or trustee is or is not entitled to have notices of general meetings of the Company sent to him, and to all persons other than such members or trustees, being persons so entitled.

### **Audit**

Accounts to be audited	235.	Auditors shall be appointed and their rights and duties regulated in accordance with Section 139 to 147 of the Act.
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### **Documents and Notice**

Manner or service of	236.	A document or notice may be served or given by
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documents or notice on  
Members by Company

the Company on any Member either personally or by sending it by post or by registered post or by speed post or by courier or by delivering at his office or address, or by such electronic or other mode as may be prescribed.

When notices of documents  
served on Members

237. Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, preparing and posting a letter containing the document or notice, provided, that where a Member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to have been effected in the case of a Notice of a meeting at the expiration of forty eight hours (48) after the letter containing the document or notice is posted and in any other cases, at the time at which the letter would be delivered in the ordinary course of post.

By Advertisement

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

On Joint Holders

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

On personal representatives,  
etc.

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

To whom documents  
or notices must be  
given

241. Documents or notices of every General Meeting shall be served or given in 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, (c) the Auditor or Auditors for the time being of the Company, and (d) Directors of the

## Company.

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| Members bounds or documents or notices served on or given to previous holders | 242. | Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any share shall be bound by every document or notice in respect of such share, which previously to his name and address being entered on the Register of Members, shall have been duly served on or given to the person from whom he derives his title to such share.  |
| Service of document or notice by Members                                      | 243. | A document may be served on a company or an officer thereof by sending it to the company or the 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:<br><br>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. |
| Documents or notice by Company and signature thereto                          | 244. | Any documents or notice to be served or given by the Company may be signed by a Director or some person duly authorised by the Board of Directors for such purpose and the signature thereto may be written, printed or lithographed.  |

**Winding-up**

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|--|------|---|
| Liquidator may divide assets in specie | 245. | The Liquidator on any winding-up (whether voluntary, under supervision or compulsory) may, with the sanction of a Special Resolution, but subject to the rights attached to any preference share capital, divide among the contributories in specie any part of the assets of the Company and may with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit. |
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**Indemnity and Responsibility**

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|-----------|----------|--|
| Indemnity | 246. (a) | Subject to the provisions of the Act, every Director, Officer or Agent for the time being of the Company shall be indemnified out of the assets of the Company against all 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 discharged or in connection with any application under Section 463 of the Act in which relief is granted to him by the Court. |
|           | (b)      | Every officer, auditor and agent for the time being of the Company and every trustee for the time being acting in relation to any affairs of the company shall be indemnified and secured harmless out of the assets and the profits of the company against all action, cost, charges, losses, damages and expenses which any such officer, auditor, agent or trustee may incur or sustain by reason of any contract entered into or act or                        |



thing done, concurred in or omitted by him as such officer, auditor, agent or trustee or in any way in or about the discharge of his duties or supposed duties otherwise than in respect of any negligence, default, misfeasance, breach of duty or breach of trust of which he may be guilty in relation to his company.

- (c) The heirs, executors and administrators of every one of the aforesaid officer, auditor, agents and trustees shall be entitled to the benefits of the indemnities set forth in clause (a) and (b) of this Article.

## Secrecy Clause

### Secrecy Clause

247. (a) Every Director, Manager, Auditor, Treasurer, Trustee, member of a committee, officer, servant, agent, accountant, or other person employed in the business of the Company shall, if so required by the Board, before entering upon his duties sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the 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 so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
- (b) No member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process of any other matter, which may relate to the conduct of the business of opinion of Directors, it would be inexpedient in the interest of the Company to disclose.

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

Names, addresses, descriptions, and occupation of each subscriber	No. of equity Shares taken by each subscriber	Signature of Subscriber	Name, address, description & occupation of witness
1. Premchand Surana S/o. Fatehchand Surana 205, Standard House, 83, M. K. Road, Marine Lines, Bombay - 400 002. Chartered Accountant	100 (One Hundred)	Sd/-	
2. Suresh P. Jain S/o. Pukhraj Jain 301, Aashiana, 11 <sup>th</sup> Road, T. P. S. 111, Santacruz (East), Bombay - 400 055. Chartered Accountant	100 (One Hundred)	Sd/-	
3. Rajendra F. Mutha S/o. Late Shri Fatechand Mutha, C/303, Koteswar Palace, Kole Dongri Lane No. 4, Andheri (East), Bombay-400 069. Service	100 (One Hundred)	Sd/-	Witness to all : Sd/- Sejal Doshi D/o. Mansukhlal Doshi 205-6, Standard House, 83, M. K. Road, Marine Lines, Bombay - 400 002.
4. Tilokchand P. Ostwal S/o. Punamchand Ostwal 103, Falcon's Crest, G. D. Ambedkar Marg, Parel, Bombay - 400 012. Chartered Accountant	100 (One Hundred)	Sd/-	
5. B. Vinayaka Rama Rau S/o. B. Bhaskararao, 212, Jolly Bhavan No. 2, Bombay - 400 020. Chartered Accountant	100 (One Hundred)	Sd/-	

Names, addresses, descriptions, and occupation of each subscriber	No. of equity Shares taken by each subscriber	Signature of Subscriber	Name, address, description & occupation of witness
6. Vijay C. Kothari S/o. Chandragupta Kothari, Calcot House, 1st Floor, 8/10, Tamarind street, Fort, Bombay- 400 001. Chartered Accountant	100  (One Hundred)	Sd/ -	Witness to all : Sd/- Sejal Doshi D/o. Mansukhlal Doshi 205-6, Standard House, 83, M. K. Road, Marine Lines, Bombay - 400 002. Service
7. Vijay P. Jain S/o. Pukhraj Jain, 301, Aashiana, 11 <sup>th</sup> Floor, T.P.S.III, Santacruz(East), Bombay - 400 001. Business.	100  (One Hundred)	Sd/ -	
TOTAL	700 (Seven Hundred)		

Bombay, Dated 24<sup>th</sup> November, 1993.

Nitin

IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION  
COMPANY SCHEME PETITION NO. 575 OF 2012  
CONNECTED WITH  
COMPANY SUMMONS FOR DIRECTION NO.144 OF 2012

Monarch Project and Finmarkets Limited ... Petitioner

WITH

COMPANY SCHEME PETITION NO.576 OF 2012

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO. 145 OF 2012

Network Stock Broking Limited ... Petitioner

In the matter of the Companies  
Act, 1956

AND

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

AND

IN THE MATTER of the Scheme  
of Amalgamation of Monarch  
Research and Brokerage Private  
Limited,

AND

Monarch Project and Finmarkets  
Limited (The Transferor  
Companies)

WITH

Network Stock Broking Limited.  
(The Transferee Company)



Nitin

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**Called for hearing:**

Dr. Birendra Saraf, Mr. Naushad Engineer, Mr. Rohan Savant and Mr. Kunal Vaghani i/b. Mr. Yogesh Adhia, Advocate for the Petitioner,

Mr. C.J. Joy with M.S. Bharadwaj, i/b H.P. Chaturvedi for the Regional Director

Ms. Yogini D. Chauhan Assistant Official Liquidator

Mr. Dinyar Madon, Senior Advocate a/w Mr. Shrivardhan Deshpande i/b Desai and Diwanji for the Gold Castle Realtor, Objector

**CORAM: S. J. KATHAWALLA, J.**

**DATE: 7<sup>TH</sup> AUGUST, 2014**

1. Heard the Counsel for the Parties.
2. The sanction of the Court is sought under Sections 391 to 394 of the Companies Act, 1956, to a Scheme of Amalgamation of Monarch Research and Brokerage Private Limited and Monarch Project and Finmarkets Limited ( "the Transferor Companies") with Network Stock Broking Limited ("the Transferee Company").

3. Learned Advocate for the Petitioners states that the 1st Transferor Company is carrying on business, inter alia of share and stock broking, conducting research analysis and portfolio management services. The 2nd Transferor Company is also engaged in the business inter alia of dealing in securities as share and stock brokers. The Transferee Company is engaged in the business inter alia of dealing in securities as share and stock brokers.



agents, market makers and dealers. The benefit of the Scheme is to enable all the Companies to consolidate their business operations and provide significant impetus to their growth since all the Companies are engaged in similar areas of business enabling the amalgamated entity to reach a higher orbit. It will also result in enhancing the scale of operations and reduction in and / or optimization of overheads costs, administrative, managerial and other expenditure, operational rationalization, organizational efficiency, and optimal utilization of various resources. It will also result in benefits from economies of scale and in improved shareholder value benefiting all shareholders / investors of all the Companies as the combined amalgamated Company will have an improved financial structure, larger cash flows and stronger consolidated revenue and profitability. It will also result in enhanced leveraging capability of the combined entity which in turn will allow the combined entity to undertake future expansion strategies and to tap bigger opportunities in the market with considerable lower risk / return ratio because of the larger base of the combined entity. It will consolidate the managerial expertise of the Companies involved thereby giving additional strength to the operations and management of the amalgamated Company resulting in more activities and larger number of products / services being offered to the investors. The amalgamated entity will be able to cater to a much wider client base all over India spread over larger geographical area through significant higher number of sub-brokers and

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franchisees

4. The Transferor Companies and the Transferee Company have approved the said Scheme by passing the Board Resolutions which are annexed to the respective Company Scheme Petitions.
5. The learned Counsel for the Petitioner Companies states that the Petitioner Companies have complied with all the directions passed in Company Summonses for Directions, and that the Company Scheme Petitions have been filed in consonance with the orders passed in Company Summonses for Direction.
6. The learned Counsel appearing on behalf of the Petitioner Companies has stated that the Petitioner Companies have complied with all the requirements as per the directions of this Court and they have filed necessary affidavits of compliances in the Court. Moreover, the Petitioner Companies undertake to comply with all statutory requirements, if any, as required under the Companies Act, 1956 / 2013 and the Rules made thereunder, as applicable. The said undertaking is accepted.
7. The learned Counsel appearing on behalf of the Petitioner Companies states that the Hon'ble Gujarat High Court has already sanctioned the Petition filed by the 1<sup>st</sup> Transferor Company by its order dated 3<sup>rd</sup> May 2013 passed in Company Petition No. 146 of 2012 which is at Exhibit "F-1" to the affidavit dated 27<sup>th</sup> January 2014 of Mr. Manish Ajmera filed on 29.01.2014.





8. The Regional Director has filed an Affidavit on 3rd May, 2013 stating that save and except what is stated in paragraph 5(a), 5(b), 5(c) and 5(d), the Scheme is not prejudicial to the interest of the Shareholders and the public. In Paragraph no.6 of the affidavit, the Regional Director has stated that:-

a) *The Registered office of First Transferor Company is situated in the state of Gujarat. Hence, the present Scheme of Amalgamation between the Transferor and Transferee Company will be subject to the condition of obtaining similar approval from Hon'ble High Court in respect of First Transferor Company.*

b) *This scheme is silent with respect to listing of new shares proposed to be issued by Transferee Company. In this regard, it is submitted that Transferee Company shall take necessary steps to list the new shares with BSE in which the existing shares are listed, and also shall comply with all applicable provisions of law/rules of SEBI/Stock Exchange concerned.*

c) *It is observed that the Promoter's holding in the equity share capital of Transferee Company post amalgamation is increasing from 31.80% to 66.77%. In this regard, 25% of new shares proposed to be issued to the shareholders of MPFL and MRBPL i.e. 47,70,000 equity shares be*



kept in lock in for a period of 3 years as per listing agreement norms of BSE.

d) Clause 14.1 (g) of the Scheme states that the Excess balance shall be credited by the Transferee Company to an account to be styled as "Amalgamation Reserve Account". The said account shall be considered as a fee reserve and shall form part of the net worth of the Transferee Company. In this regard, it is submitted that the reserve arising out of this Scheme of Amalgamation cannot be considered as Free Reserve as provided u/s 2 (29A) of the Companies Act, 1956 and that part of the reserve shall not form part of Net Worth of the Company."

9. In so far as the observations made in paragraph 6(a) of the Affidavit of the Regional Director are concerned, the learned Counsel appearing on behalf of the Petitioner Companies states that as mentioned above, the Hon'ble Gujarat High Court has already sanctioned the Scheme by Order dated 3<sup>rd</sup> May 2013.

10. In so far as the observations made in paragraph 6(b) of the Affidavit of the Regional Director are concerned, the Transferee Company undertakes that it shall take necessary steps to list new shares with BSE in which the existing shares are listed, and also shall comply with all the applicable provisions of law/rules of SEBI / the Stock Exchange concerned



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11. In so far as the observations made in paragraph 6(c) of the Affidavit of the Regional Director are concerned, the Transferee Company undertakes to keep 25% of the new shares proposed to be issued to the Shareholders of MPFL and MRBPL i.e. 47,70,000 equity shares in 'lock in' for a period of 3 years as per the Listing Agreement norms of BSE.
12. In so far as the observations made in paragraph 6(d) of the Affidavit of Regional Director are concerned, the Transferee Company undertakes that the reserves arising out of this Scheme of Amalgamation will not be considered as Free Reserve as provided u/s 2 (29A) of the Companies Act, 1956, and that part of the Reserve will not form part of the net worth of the Transferee Company.
13. The learned Counsel for the Regional Director on instructions from Mr. M. Chandananiuthu - Joint Director Legal, in the Office of the Regional Director, Ministry of Corporate Affairs, Western Region, Mumbai, states that they are satisfied with the undertakings given by the Petitioner Companies. The above undertakings are accepted.
14. The Official Liquidator has filed his Report on 22<sup>nd</sup> August 2013 stating that the Affairs of the 2<sup>nd</sup> Transferor Company have been conducted in a proper manner and that the 2<sup>nd</sup> Transferor Company may be ordered to be dissolved by this Hon'ble Court.

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15. The Scheme is objected to by one Gold Castle Private Limited, claiming to be an Unsecured Creditor of the Transferee Company and has filed affidavits dated 16<sup>th</sup> August 2013 and 27<sup>th</sup> March 2014, objecting to the Scheme on various grounds. The said objection has been rejected with by a separate reasoned order.
16. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.
17. Since all the requisite statutory compliances have been fulfilled, the Company Scheme Petition No. 575 of 2012 is made absolute in terms of prayer clauses (a) and (c), and Petition No. 576 of 2012 is made absolute in terms of prayer clauses (a) and (e).
18. The Petitioner Companies to lodge a copy of this Order and the Scheme, duly authenticated by the Company Registrar, High Court (O.S.), Bombay with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable, if any, on the same, within 60 days from the date of this Order.
19. The Petitioner Companies are directed to file a copy of this Order along with a copy of the Scheme with the concerned Registrar of Companies, electronically, along with E-Form 21 and E-Form INC-28 in addition to a physical copy as per the provisions of the Companies Act, 1956 / 2013, as applicable.



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20. The Petitioner Companies to pay costs of Rs.10,000/- each to the Regional Director, Western Region, Mumbai. The Petitioner Company to pay costs of Rs.10,000/- in Company Scheme Petition Nos. 575 of 2012 to the Official Liquidator, High Court, Bombay. The costs to be paid within four weeks from the date of this Order.
21. Filing and issuance of the drawn up Order is dispensed with.
22. All concerned regulatory authorities to act on a copy of this Order along with the Scheme duly authenticated by the Company Registrar, High Court (O. S.), Bombay.

(S. J. KATHAWALLA, J.)

TRUE COPY

*[Signature]*  
28.8.2014  
Section Officer  
High Court, Appellate Side  
Bombay

TRUE COPY

*[Signature]*  
15.09.2014

Mrs. K. A. ANE  
COMP. REGISTRAR  
HIGH COURT (O.S.)  
BOMBAY

**SCHEME OF AMALGAMATION**  
**OF**  
**NETWORTH INSURANCE BROKING PVT. LTD.,**  
**NETWORTH SOFTTECH LTD.,**  
**NETWORTH WEALTH SOLUTIONS LTD.,**  
**MONARCH NETWORTH COMTRADE LTD.**  
**(TRANSFEROR COMPANIES)**  
**WITH**  
**MONARCH NETWORTH CAPITAL LIMITED**  
**(TRANSFeree COMPANY)**  
**AND THEIR RESPECTIVE SHAREHOLDERS**  
**(UNDER SECTION 230 to 232 OF COMPANIES ACT, 2013)**



**(A) PREAMBLE**

This Scheme of Amalgamation is presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and it provides for the Amalgamation of NETWORTH INSURANCE BROKING PRIVATE LIMITED, NETWORTH SOFTTECH LIMITED, NETWORTH WEALTH SOLUTIONS LIMITED AND MONARCH NETWORTH COMTRADE LIMITED (hereinafter jointly referred collectively as "Transferor Companies") into MONARCH NETWORTH CAPITAL LIMITED and the consequent issue of equity shares by MONARCH NETWORTH CAPITAL LIMITED to the Shareholders of NETWORTH INSURANCE BROKING PRIVATE LIMITED, NETWORTH SOFTTECH LIMITED, NETWORTH WEALTH SOLUTIONS LIMITED AND MONARCH NETWORTH COMTRADE LIMITED as consideration for Amalgamation. The Scheme also provides for various other matters consequential to or otherwise integrally connected with the above in the manner provided for in the Scheme.

**(B) DESCRIPTION OF COMPANIES****1. MONARCH NETWORTH CAPITAL LIMITED**

(Hereinafter referred to as 'MNCL' or 'Transferee Company'),

MNCL is a public company, limited by shares, the Company was incorporated on 02nd December 1993 under the provisions of the Companies Act, 1956 in the name of Networth Finance Limited and the certificates for Commencement of Business was received on the 06th day of December 1993 from Registrar of Companies, Mumbai. Thereafter the name of the company changed from Networth Finance Limited to Networth Stock Broking Limited with effect from 02nd December 1993 and further the name changed from Networth Stock Broking Limited to Monarch Networth Capital Limited with effect from 13th October 2015, thereafter there has been no further change in the name of MNCL in last five (5) years, except as stated above. The Corporate Identification Number of MNCL is L65920MH1993PLC075393 and the Permanent Account Number is AAACN1184F.

The Registered Office of MNCL is situated at Office no.901/902, 9th Floor, Atlanta Centre, Opp. Udyog Bhavan, Sonawala Road, Goregaon (East), Mumbai-400063. There has been no change in the registered office address of MNCL in the last five (5) years. The e-mail address of MNCL is cs@mnclgroup.com.

MNCL is widely held public listed company. The shares of MNCL are listed on Bombay Stock Exchange and the shares are also actively traded on BSE. The main business activities of MNCL are Stock (Share) Broking and Finance. MNCL is an active trading member on Bombay Stock Exchange ("BSE"), National Stock Exchange ("NSE") and



Metropolitan Stock Exchange of India Limited ("MSEI") it is also a Depository Participants (DP) registered under Central Depository Services Limited ('CDSL') and National Securities Depository Limited ('NSDL'). MNCL is also registered in Securities and Exchange Board of India ('SEBI') and provide services of Category 1 Merchant Banker and Research Analyst and have submitted an application in SEBI for providing Portfolio Management Services ("PMS") and consultancy in the field of finance and capital market. The objects for which MNCL has been established are set out in its Memorandum of Association. The main objects of MNCL are as follows:

### III. A.

1. To undertake and carry on the business of consultancy in the field of finance, capital market, commodity market, foreign exchange market, to act as Managers to issues and offers, to act as financial consultants, joint managers, lead managers, co-managers, advisers and counsellors in investment and capital market, to underwrite, sub-underwrite, or to provide stand by or procurement, arrangement, to issue guarantees.
2. To deal in foreign exchange, to act as full-fledged money changers, foreign exchange brokers, foreign exchange money transfer agents with the approval of concerned authority.
3. To obtain Banking licence subject to the permission of concerned authority.
4. To obtain licence to carry on insurance business subject to the permission of concerned authority.
5. To carry on the business of :
  - (i) acting as managers of mutual funds, unit trusts, investment funds or any other pool or portfolio of securities, properties, assets or investments of any kind including any pension, provident fund or superannuation fund set up, formed or established by the Company or any other person, or by any government, state, local authority, association, institution or any other agency or organisation.
  - (ii) preparing, undertaking, executing, administrating mutual fund schemes, unit trust scheme and to issue units or participation certificates therein to investors and to distribute, redeem or revoke such funds and to distribute the proceeds thereof amongst the investors, beneficiaries, pensioners or other persons entitled to it of any proceeds of such funds including of any income, capital or annuity, property and asset and whether in money or specie, in furtherance of any discretion, obligation or permission.
  - (iii) Rendering and offering consultancy services and/or acting as advisors to banks, institutions, Bodies corporate, government or any other person for setting up mutual funds, investment pools.



6. (i) To carry on the business as share and stock brokers, agents, market makers and dealers for dealing in stocks, shares, debentures, bonds, units, options, participation certificates, company deposits, deposit certificates, money market generally for securities, savings certificates and generally for securities of all kinds by way of e – broking or through other media, e – commerce (hereinafter collectively referred to as “securities”), to acquire and hold one or more memberships / dealership in stocks / securities exchanges, associations, clearing houses in India or any part of the world and to acquire and hold membership in any association of bankers, merchant bankers, Underwriters, Sub – Underwriters, Managers, Brokers, Registrars, Advisors and / or Consultants to private and /or public issues of securities, fund managers, securities dealers or any other associations, membership of which or is likely in any way to facilitate the conduct of the Company’s business.

(ii) To manage the funds of investors by investment in various avenues and to act as portfolio managers and to pass on the benefits of such investments to the investors by way of dividends, bonus, interest or share in profit, provide a complete range of personal financial services like investment planning, real estate planning & broking, tax planning, portfolio investment & investment consultancy services.

## **2. NETWORTH INSURANCE BROKING PRIVATE LIMITED**

**(Hereinafter referred to as 'NIBPL' or 'Transferor Company 1')**

NIBPL is a private company, limited by shares, was originally incorporated on 07th July 2008 under the provisions of the Companies Act, 1956 in the State of Maharashtra. There has been no change in the name of NIBPL in the last five (5) years. The Corporate Identification Number of NIBPL is U66030MH2008PTC184334 and the Permanent Account Number is AACCN8548B.

The Registered Office of NIBPL is situated at Office no. 901/902, 9th Floor, Atlanta Centre, Opp. Udyog Bhavan, Sonawala Road, Goregaon (East), Mumbai-400063. There has been no change in the registered office address of NIBPL in last five (5) years. The e-mail address of NIBPL is cs@mnclgroup.com.

The NIBPL is a Wholly Own Subsidiary (“WOS”) of the Transferee Company.

NIBPL is a part of MNCL conglomerate. NIBPL provides Insurance ,broking and consultancy services to its clients.

The objects for which NIBPL has been established are set out in its Memorandum of Association. Some of the relevant objects of NIBPL are, inter alia, as follows:

### **III. A.**

1. To carry on the business of insurance broking and to procure insurance contracts and for placement of risk, with permission from Insurance Regulatory and Development





Authority to carry on all such insurance and broking related business.

**3. NETWORTH SOFTTECH LIMITED**

**(Hereinafter referred to as 'NSL' or 'Transferor Company No 2'),**

NSL, a public company, limited by shares, was incorporated on 29th June 2007 in the State of Maharashtra, pursuant to the provisions of the Companies Act, 1956. There has been no change in the name of NSL in the last five (5) years. The Corporate Identification Number of NSL is U72200MH2007PLC172069 and the Permanent Account Number is AACCN5427H.

The Registered Office of NSL is situated at Office No. 901/902, 9th Floor, Atlanta Centre, Opp. Udyog Bhavan, Sonawala Road, Goregaon (East), Mumbai-400063. There has been no change in the registered office address of NSL in the last five (5) years. The e-mail address of NSL is cs@mnclgroup.com.

MNCL/ Transferee Company hold 20.91 % of Issued, Subscribed and Paid up Equity Share Capital of the Transferor Company 2.

NSL is a part of MNCL conglomerate. NSL provides Software development, maintenance & upgrading services and consultancy services in field of Information Technology to its clients.

The objects for which NSL has been established are set out in its Memorandum of Association. Some of the relevant objects of NSL are, inter alia, as follows:

**III. A.**

1. To Carry on the business software development, Document and Image Processing, design and maintenance of Websites, registration of Internet Domain names, providing Electronic mailing services and other Internet enabled services including consultancy, Data entry, Digitizing the documents, to Design, Develop, Manufacture, Purchase or otherwise acquire, Import, Sell, Export, Lease or Franchise, Technologies, Hardware, Software, and Importers, Exporters, Traders, Agents, Representatives, Franchise Holders, Service Providers, and licensees, in Computer Hardware and Software, Electronic Systems and accessories, related Technologies and Services and other related Equipment, Materials and Services and to setup Computer and Electronic related Software, Hardware and Technologies, either directly or through licensees or Franchisees, both in India and outside India.

**4. NETWORTH WEALTH SOLUTIONS LIMITED**

**(Hereinafter referred to as 'NWSL' or 'Transferor Company no. 3), bearing**

NWSL, a public company, limited by shares, was incorporated on 29th February 2008 in



the State of Maharashtra, pursuant to the provisions of the Companies Act, 1956. There has been no change in the name of NWSL in the last five (5) years. The Corporate Identification Number of NWSL is U72200MH2007PLC172069 and the Permanent Account Number is AACCN7219D.

The Registered Office of NWSL is situated at Office No. 901/902, 9th Floor, Atlanta Centre, Opp. Udyog Bhavan, Sonawala Road, Goregaon (East), Mumbai-400063. There has been no change in the registered office address of NWSL in the last five (5) years. The e-mail address of NWSL is cs@mnclgroup.com.

NWSL is Wholly Own Subsidiary ("WOS") of the Transferee Company.

NWSL is a part of MNCL conglomerate. NWSL provides wealth management services and consultancy to its clients.

The objects for which NWSL has been established are set out in its Memorandum of Association. Some of the relevant objects of NWSL are, inter alia, as follows:

III. A.

1. a) To carry on in India or abroad the business of distribution of third party products including mutual funds, life and non – life insurance, unit trust, investment funds, structured products, public issues, pensions, provident fund or superannuation fund or any other pool or portfolio of securities, properties, assets or investments of any kind set up formed or established by the company or any other person or by any government, state, local authority, associations, institution or any other agency or organization.

b) To carry on in India or abroad the business or engage in portfolio management, securities investment advisor, research in various investment opportunities, financial consultancy, consultancy in investment and capital markets, and all other related financial services.

5. **MONARCH NETWORTH COMTRADE LIMITED**

**(Hereinafter referred to as 'MNCTL' or 'Transferor Company No. 4'),**

MNCTL a public company, limited by shares, was incorporated on 25th August 2000 in the State of Maharashtra, pursuant to the provisions of the Companies Act, 1956. There has been no change in the name of MNCTL in the last five (5) years. The Corporate Identification Number of MNCTL is U67120MH2000PLC128451 and the Permanent Account Number is AABCN9894K.

The Registered Office of MNCTL is situated at Office No. 901/902, 9th Floor, Atlanta Centre, Opp. Udyog Bhavan, Sonawala Road, Goregaon (East), Mumbai-400063. There has been no change in the registered office address of MNCTL in the last five (5) years. The e-mail address of MNCTL is cs@mnclgroup.com.



MNCTL is member of National Commodity & Derivatives Exchange Limited (NCDEX) and Multi Commodity Exchange of India Limited (MCX) provides commodity trading services to its clients.

MNCL/ Transferee Company hold 99.96 % of Issued, Subscribed and Paid up equity Share Capital of the Transferor Company 4.

The objects for which MNCTL has been established are set out in its Memorandum of Association. Some of the relevant objects of NWSL are, inter alia, as follows:

III. A.

1. A. To carry on the business in agricultural products, metals including precious metals, precious stones, diamonds, petroleum and energy products and all other commodities in spot markets and in futures and all kinds of directives of all the above commodities and securities.

B. To carry on business as brokers, sub brokers, market makers, arbitrageurs, investors and/or hedgers in agricultural products, metals including precious metals, precious stones, diamonds, petroleum and energy products and all other commodities and securities.

C. To become members and participate in trading, settlement and other activities of commodity exchanges/s (including National Multi - Commodity Exchanges/s) facilitating, for itself or for clients, trades and clearing/settlement of trades in spots, in futures and in derivatives of all the above commodities permitted under the laws of India.

2. To act as managers to issues and offers, to act as financial consultants, joint managers, lead manager, co-managers, advisors and counselors in investment and capital market, to underwrite, sub-underwrite, or to provide stand by or procurement, arrangement, to issue guarantees & to carry on the business of an investment company for that purpose to acquire and hold, either in the name of the company or any nominee or trustee, shares, stocks, debentures, debenture stock (perpetual or otherwise), annuities, bonds, mortgages, obligations and securities issued or guaranteed by any company, corporation or undertaking of whatever nature and shares, stocks, debentures, debenture stock (perpetual or otherwise), annuities, bonds, notes, mortgages, obligations and securities issued or guaranteed by any government, public body or authority, or statutory corporation or enterprise and from time to time to vary any such investments & to carry on the business of stock brokers, share-brokers, investment brokers, insurance brokers.

**(C) SCOPE OF THE SCHEME**

The Scheme of Amalgamation provides for;



1. Amalgamation of NETWORTH INSURANCE BROKING PRIVATE LIMITED, NETWORTH SOFTTECH LIMITED, NETWORTH WEALTH SOLUTIONS LIMITED AND MONARCH NETWORTH COMTRADE LIMITED (hereinafter jointly referred collectively as "Transferor Companies") into MONARCH NETWORTH CAPITAL LIMITED (hereinafter refer to as "MNCL" or "Transferee Company").
2. Consequently issue of equity shares by "Transferee Company" to the shareholders of "Transferor Companies" pursuant to the provisions of sections 230 to 232 and other relevant provisions of the Companies Act, 2013 and pursuant to applicable SEBI Guidelines.
3. Various other matters consequential to or otherwise integrally connected with the above in the manner provided for in the Scheme.
4. This Scheme of Amalgamation has been drawn up to comply with the conditions as specified under section 2(1B) of Income Tax Act, 1961, such that:
  - A. All the properties of "Transferor Companies", immediately before the amalgamation, become the properties of "Transferee Company" by virtue of amalgamation.
  - B. All the liabilities of "Transferor Companies", immediately before the amalgamation, the liabilities of "Transferee Company" by virtue of amalgamation.
  - C. Shareholding holding not less than three-fourths in value of the shares in the amalgamating company or companies (other than shares already held therein immediately before the amalgamation by, or by a nominee for, the amalgamated company or its subsidiary) become shareholders of the amalgamated company by virtue of the amalgamation.

**(D) PARTS OF THE SCHEME:**

This scheme of Amalgamation is divided into the following parts:

**Part I-** This part of Scheme contains general provisions applicable as used in this Scheme including definitions, capital structure of the companies and rationale of the scheme.

**Part II** - This part of Scheme contains transfer and vesting of undertaking of NETWORTH INSURANCE BROKING PRIVATE LIMITED, NETWORTH SOFTTECH LIMITED, NETWORTH WEALTH SOLUTIONS LIMITED, MONARCH NETWORTH COMTRADE LIMITED (Transferor Companies) and MONARCH NETWORTH CAPITAL LIMITED (Transferee Company) pursuant to scheme of amalgamation.



**Part III** - This part of scheme contains reorganization of share capital and the accounting methodology adopted for the Amalgamation.

**Part IV** - This part of Scheme contains miscellaneous provisions i.e. application petition to Hon'ble National Company Law Tribunal and conditionality of Scheme.



**PART I****GENERAL PROVISIONS****1. DEFINITIONS AND INTERPRETATIONS:**

In this Scheme, unless repugnant to the subject or context or meaning thereof, the following expressions shall have the same meanings as set out herein below :

<b><u>TERMS</u></b>	<b><u>DESCRIPTION</u></b>
Act / Companies Act	Companies Act, 2013 and amendments thereto
Appointed Date	01 <sup>st</sup> April, 2017
AGM	Annual General Meeting
Amalgamation	the blending of all "Transferor Companies" into "Transferee Company"
Articles/ Articles of Association	Articles of Association of the Company
Board / Board of Directors	Board of Directors of the Company
Capital Structure	Share Capital of the Company
CDSL NSDL	Central Depository Services (India) Limited National Securities Depository Limited
Chairman	Mr. Vaibhav Shah, a resident of India
Designated Stock Exchange	Bombay Stock Exchange
Depositories Act	The Depositories Act, 1996 and amendments thereto
DP	Depository Participant
EGM	Extraordinary General Meeting
Effective Date	The date on which the certified copies of the order passed by the Tribunal sanctioning the Scheme are filed with the Registrar of Companies Mumbai and if the certified copies are filed on different dates, the last of such dates. Any references in the Scheme to "upon the Scheme becoming effective" or "Effective Scheme" or "Scheme coming into effect" shall mean "Effective Date"
Equity Share(s) or Share(s)	Means the Equity Share of the Company having a face value of Rs. 10/- unless otherwise specified





	in the context thereof
Equity Shareholder	Means a holder of Equity Shares
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999
FERA	Foreign Exchange Regulation Act, 1973
FI	Financial Institutions
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws
GOI	Government of India
HUF	Hindu Undivided Family
Tribunal	National Company Law Tribunal (NCLT) or such other tribunal or authority having jurisdictions to sanction the Scheme.
Transferee Company	Monarch Network Capital Limited
Transferor Company 1	1. Network Insurance Broking Pvt. Ltd.
Transferor Company 2	2. Network SoftTech Ltd.
Transferor Company 3	3. Network Wealth Solutions Ltd.
Transferor Company 4	4. Monarch Network Comtrade Ltd.
Record Date	The date fixed by board of Directors of Transferor Companies and Transferee Company for the purpose of determining the members of the Transferor Companies to whom shares will be allotted pursuant to scheme.
Registrar of Companies	Registrar of Companies at Mumbai for the State of Maharashtra.
SEBI	Securities and Exchange Board of India
Shareholders	The persons registered (whether registered owner of the shares or beneficial owner of the shares) as holders of equity shares of concerned Company as the context may require, The word "Shareholder" and are ,used to denote the same meaning and interchangeably.



All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Income-tax Act, 1961 or any other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

## 2. DATE OF EFFECT AND OPERATIVE DATE:

- The Scheme set out herein in its present form or with any modification(s), if any made as per Clause 3 of PART-II of this Scheme shall be effective from the Appointed Date but shall come into force from the Effective Date.

## 2. CAPITAL STRUCTURE:

3.1 The Share Capital of **Monarch Network Capital Limited/ Transferee Company** as on 31st December 2017 is as follows:

Particulars	Amount (Rupees)
<b>Authorised Share Capital :</b>	
5,00,000 - 6% Cumulative Redeemable Preference Shares of Rs.100/- Each	5,00,00,000
60,00,000 - Preference Shares of Rs. 10/- Each	6,00,00,000
3,05,00,000 - Equity Shares of Rs.10/- Each	30,50,00,000
<b>TOTAL AUTHORISED CAPITAL</b>	<b>41,50,00,000</b>
<b>Issued, Subscribed and paid up Capital:</b>	
303,11,600 - Equity shares of Rs.10/- each	30,31,16,000
<b>TOTAL ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</b>	<b>30,31,16,000</b>

3.2 The Share Capital of **Networth Insurance Broking Private Limited/ Transferor Company 1** as on 31st December 2017 is as follows:

Particulars	Amount
<b>Authorised Share Capital :</b>	
15,00,000 - Equity Shares of Rs.10/- Each	
<b>TOTAL AUTHORISED CAPITAL</b>	





<b>Issued, Subscribed and paid up Capital:</b>	
10,000 - Equity shares of Rs.10/- each	1,00,000
<b>TOTAL ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</b>	<b>1,00,000</b>

3.3 The Share Capital of **Networth SoftTech Limited/ Transferor Company 2** as on 31<sup>st</sup> December 2017 is as follows:

Particulars	Amount (Rupees)
<b>Authorised Share Capital :</b>	
1,20,00,000 - Equity Shares of Rs.10/- Each	12,00,00,000
<b>TOTAL AUTHORISED CAPITAL</b>	<b>12,00,00,000</b>
<b>Issued, Subscribed and paid up Capital:</b>	
71,75,000 - Equity shares of Rs.10/- each	7,17,50,000
<b>TOTAL ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</b>	<b>7,17,50,000</b>

3.4 The Share Capital of **Networth Wealth Solutions Limited/ Transferor Company 3** as on 31<sup>st</sup> December 2017 is as follows:

Particulars	Amount (Rupees)
<b>Authorised Share Capital :</b>	
50,00,000 - Equity Shares of Rs.10/- Each	5,00,00,000
<b>TOTAL AUTHORISED CAPITAL</b>	<b>5,00,00,000</b>
<b>Issued, Subscribed and paid up Capital:</b>	
10,00,000 - Equity shares of Rs.10/- each	1,00,00,000
<b>TOTAL ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</b>	<b>1,00,00,000</b>

3.5 The Share Capital of **Monarch Networth Comtrade Limited/ Transferor Company 4** as on 31<sup>st</sup> December 2017 is as follows:

Particulars
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<b>Authorised Share Capital :</b>	
50,00,000 - Equity Shares of Rs.10/- Each	5,00,00,000
<b>TOTAL AUTHORISED CAPITAL</b>	<b>5,00,00,000</b>
<b>Issued, Subscribed and paid up Capital:</b>	
14,00,700 - Equity shares of Rs.10/- each	1,40,07,000
<b>TOTAL ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</b>	<b>1,40,07,000</b>

#### **4. RATIONALE FOR THE PROPOSED SCHEME**

- 4.1 All the companies are a part of the same group and the central management of the group believes that the restructuring of companies in form of amalgamation of Transferor Companies with Transferee Company would be beneficial for the companies and its stakeholders on account of the following reasons:
- 4.2 The Transferee Company is a widely held listed company and its shares are actively traded on BSE Limited. The major business activities of Transferee Company Stock Broking and finance. The transferee company is an active trading member of Bombay Stock Exchange ("BSE"), National Stock Exchange ("NSE") and Metropolitan Stock Exchange of India Limited ("MSEI") it also act as Depository Participants of CDSL and NSDL and also registered in Securities and Exchange Board of India ("SEBI") as a Category 1 Merchant Banker and Research Analyst and have submitted application in SEBI for providing Portfolio Management Services ("PMS") and consultancy in the field of finance and capital market.
- 4.3 On the other side, the Transferor Companies are engaged in the same line of business field of finance, capital market and commodity market.
- 4.4 The amalgamation of the companies shall lead to consolidation of resources of the Transferor Companies with the Transferee Company, thereby providing greater efficiency in operations and administrative affairs of the Transferee Company and thus optimizing the valuation of the consolidated company and its shareholders.
- 4.5 The amalgamation shall also add to the financial strength of the Transferee Company. The consolidation of Transferor Companies business with MNCL would at one hand strengthen the financials of the listed entity for the benefit of all its stakeholders and on the other hand help Transferee Company business in getting future contracts and raising funds for expansion due to the listed status.
- 4.6 Apart from above, this scheme of amalgamation shall result in followi

- Financial strength and flexibility for the Transferee Company, wh



in maximizing overall shareholder value.

- Achieve greater efficiencies in operations with optimum utilization of resources, better administration and reduced cost.
- Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes, productivity improvements, and the elimination of duplication, and optimum rationalization of administrative expenses and utilization of human resources.
- Greater efficiency in cash management of the amalgamated entity and pooling of cash flow generated by the combined entities which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value
- Improved organizational capability and leadership arising from pooling of financial, managerial and technical resources.
- Effective Margin Management to the clients of the Transferor and the Transferee Company.

4.7 Due to the aforesaid reasons, it is considered desirable and expedient to amalgamate Transferor Companies with Transferee Company in accordance with this Scheme, pursuant to Section 230 to 232 of the Companies Act, 2013.

4.8 Amalgamation of the Transferor Companies with the Transferee Company, pursuant to section 230 -232 of the Companies Act, 2013 will take effect from the effective date and in compliance with Section 2(1B) of the Income Tax Act, 1961.



## **PART-II**

### **TRANSFER AND VESTING OF**

#### **TRANSFEROR COMPANY**

1. With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and the whole of the undertaking(s), properties and liabilities of Transferor Companies shall, in terms of Section 230 to 232 of Companies Act, 2013 and pursuant to the orders of the National Company Law Tribunal or other appropriate authority or forum, if any, sanctioning the Scheme, without any further act, instrument, deed, matter or thing, stand transferred to and vested in and/ or deemed to be transferred to and vested in Transferee Company as a going concern so as to become the undertaking(s), properties and liabilities of Transferee Company.
2. With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and undertaking of Transferor Companies shall stand transferred to and be vested in Transferee Company without any further deed or act, together with all their properties, assets, rights, benefits and interest therein, subject to existing charges thereon in favour of banks and financial institutions, as the case maybe, in the following manner:

#### **TRANSFER OF ASSETS**

- i. With effect from the Appointed Date and upon the Scheme becoming effective all memberships, licenses, franchises, rights, privileges, permits, quotas, rights, entitlements, allotments, approvals, consents, concessions, trade mark licenses including application for registration of trade mark, patents, copyrights and their right to use available to Transferor Companies as on Appointed Date or any which may be taken after the Appointed Date but till the Effective Date, shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.
- ii. With effect from the Appointed Date and upon the Scheme becoming effective all Certificate of Registrations as available with Transferor Companies as on Appointed Date or any Certificate of Registration which may be taken after the Appointed Date but till the Effective Date, shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.



get transferred to Transferee Company without any further instrument, deed or actor payment of any further fee, charge or securities.

- iii. With effect from the Appointed Date and upon the Scheme becoming effective all the assets of Transferor Companies as are movable in nature including, but not limited to, stock of goods, raw materials available in the market/ depots/ Godown/factories, sundry debtors, plants and equipments, outstanding loans and advances, insurance claims, advance tax, Minimum Alternate Tax (MAT) set-off rights, pre-paid taxes, levies/liabilities, CENVAT/VAT credits if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons or any other assets otherwise capable of transfer by physical delivery would get transferred by physical delivery only and all others assets would get transferred by endorsement and delivery by vesting and recordable pursuant to this Scheme, shall stand vested in Transferee Company, and shall become the property and an integral part of Transferee Company without any further instrument, deed or actor payment of any further fee, charge or securities.
- iv. With effect from the Appointed Date and upon the Scheme becoming effective all in corporeal properties of Transferor Companies as on Appointed Date or any which may be taken after the Appointed Date but till the Effective Date, shall get transferred to Transferee Company without any further instrument, deed or payment of any further fee, charges.
- v. With effect from the Appointed Date and upon the Scheme becoming effective, all immovable properties including but not limited to land and buildings or any other immovable properties of Transferor Companies, whether freehold or leasehold, and any documents of title, rights and easements in relation thereto shall stand transferred to and be vested in Transferee Company, without any further instrument, deed or act or payment of any further fee, charge or securities either by the Transferor Companies or Transferee Company. With effect from the Appointed Date, Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay ground rent, taxes and fulfill obligations, in relation to or applicable to such immovable properties. The mutation/substitution of the title to the immovable properties shall be made and duly recorded in the name of Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the Hon'ble National Company Law Tribunal and the Scheme becoming effective in accordance with the terms hereof.
- vi. With effect from the Appointed Date and upon the Scheme becoming effective, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to Transferor Companies the Transferor Companies is the party or to the benefit of or Companies may be eligible, and which are subsisting or immediately before the Effective Date, shall be in full force and in favor of Transferee Company and may be enforced as fully a



if, instead of Transferor Companies, Transferee Company had been a party or beneficiary or obligee thereto.

- vii. With effect from the Appointed Date and upon the Scheme becoming effective, all permits, quotas, rights, entitlements, licenses including those relating to trademarks, tenancies, patents, copyrights, privileges, software, powers, facilities of every kind and description of whatsoever nature in relation to Transferor Companies to which Transferor Companies are the party or to the benefit of which Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be enforceable as fully and effectually as if, instead of Transferor Companies, Transferee Company had been a party or beneficiary or obligee thereto.
- viii. With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, no-objection certificates, permissions or approvals or consents required to carry on operations of Transferor Companies or granted to Transferor Companies shall stand vested in or transferred to Transferee Company without further act or deed, and shall be appropriately transferred or assigned by the statutory authorities concerned therewith in favor of Transferee Company upon the vesting of Transferor Companies pursuant to this Scheme. The benefit of all statutory and regulatory permissions, licenses, approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of Transferor Companies shall vest in and become available to Transferee Company pursuant to this scheme.
- ix. With effect from the Appointed Date and upon the Scheme becoming effective, all motor vehicles of any description whatsoever of Transferor Companies shall stand transferred to and be vested in the Transferee Company, and the appropriate governmental and registration authorities shall substitute the name of Transferee Company in place of Transferor Companies, without any further instrument, deed or act or any further payment of fee, charge or securities.

### **TRANSFER OF LIABILITIES**

- i. With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of accounts or disclosed in the balance sheets of Transferor Companies, shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of Transferee Company.
- ii. Without prejudice to the generality of the provisions contained I raised after the Appointed Date but till the Effective Date and lia by Transferor Companies after the Appointed Date but till the Ef their operations shall be deemed to be of Transferee Company.





- iii. The transfer and vesting of the entire business and undertaking of Transferor Companies as aforesaid, shall be subject to the existing securities, charges and mortgages, if any, subsisting, over or in respect of the property and assets or any part thereof of Transferor Companies, as the case may be. Provided that the securities, charges and mortgages (if any subsisting) over and in respect of the part thereof, of Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of Transferor Companies vested in Transferee Company pursuant to the Scheme. Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by Transferor Companies which shall vest in Transferee Company by virtue of the amalgamation of Transferor Companies with Transferee Company and Transferee Company shall not be obliged to create any further or additional security there for after the amalgamation has become operative.
- iv. Transferee Company will, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangements in relation to Transferor Companies to which Transferor Companies are parties, in order to give formal effect to the above provisions. Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of Transferor Companies and to carry out or perform all such formalities or compliances referred to above on part of Transferor Companies.
- v. Loans or other obligations, if any, due either between Transferee Company and Transferor Companies shall stand discharged and there shall be no liability in that behalf. In so far as any securities, debentures or notes issued by the Transferor Companies and held by the Transferee Company and vice versa are concerned, the same shall, unless sold or transferred by holder of such securities, at any time prior to the Effective Date, stand cancelled and shall have no further effect

### 3. CONTRACTS DEEDS AND OTHER INSTRUMENTS

- i. Upon the coming into effect this Scheme and with effect from the appointed Date and subject to other provisions contained in this Scheme all contracts, deeds, agreements, arrangements, assurances and other instruments of whatsoever nature to which the Transferor Companies are to parties or to the benefit of which the Transferor Companies may be eligible, and which are subsisting or having effect immediately before the Effective Date shall be in full force and effect in favour of the Transferor Companies and may be enforced as fully as if instead of the Transferor Companies, the Transferee Company were the party thereto or the beneficiary or obligee thereof.



- ii. The Transferee Company shall, if so required or become necessary, enter into and /or issue and / or execute deeds, writings or confirmation in order to give formal effect to the provisions of this Scheme. Further, the Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmation on behalf of the Transferor Companies all the formalities required on the part of the Transferor Companies to give effect to the provisions of the Scheme.-

#### 4. LEGAL PROCEEDINGS

- i. With effect from the Appointed Date, Transferee Company shall bear the burden and the benefits of any legal or other proceedings initiated by or against the Transferor Companies Provided however, all legal, administrative and other proceedings of whatsoever nature by or against the Transferor Companies pending in any court or before any authority, judicial, quasi judicial or administrative, any adjudicating authority and/or arising after the Appointed Date and relating to Transferor Companies or its respective properties, assets, liabilities, duties and obligations shall be continued and/or enforced until the Effective Date by or against Transferor Companies; and from the Effective Date, shall be continued and enforced by or against Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against Transferor Companies.
- ii. If any suit, appeal or other proceedings of whatever nature by or against Transferor Companies be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the transfer of the Transferor Companies business and undertakings or of anything contained in this scheme but the proceedings may be continued, prosecuted and enforced by or against Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Transferor Companies as if this Scheme had not been made.

#### 5. STAFF, WORKMEN AND EMPLOYEES

- i. On occurrence of the Effective Date, all persons that were employed by Transferor Companies immediately before such date shall become employees of Transferee Company with the benefit of continuity of service on same terms and conditions as were applicable to such employees of Transferor Companies immediately prior to such transfer and without any break or interruption of service. Transferee Company undertakes to continue to abide by agreement/settl entered into by Transferor Companies with any Union/ employee regard to Provident Fund, Gratuity Fund, Superannuation fund special fund or obligation created or existing for the benefit of such Transferor Companies upon occurrence of the Effective Date, Trans





shall stand substituted for Transferor Companies, for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents.

- ii. The existing Provident Fund, Gratuity Fund and Superannuation Fund or obligations, if any, created by Transferor Companies for their employees shall be continued for the benefit of such employees on the same terms and conditions. With effect from the Effective Date, Transferee Company will make the necessary contributions for such transferred employees of Transferor Companies and deposit the same in Provident Fund, Gratuity Fund or Superannuation Fund or obligations, where applicable. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of Transferor Companies in relation to such schemes or funds shall become those of Transferee Company.

## 6. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the undertaking and the continuance of the legal proceedings by or against The Transferor Companies shall not affect any transaction or proceedings already concluded by The Transferor Companies on or after the Appointed Date till the Effective Date, to the end and the intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Companies in respect thereto as done and executed.

## 7. TAXATION AND OTHER MATTERS

- i. With effect from the Appointed Date, all the profits or income accruing or arising to Transferor Companies, and all expenditure or losses arising or incurred by Transferor Companies shall, for all purposes, be treated (including all taxes, if any, paid or accruing in respect of any profits and income) and be deemed to be and accrue as the profits or income or as the case may be, expenditure or losses (including taxes) of Transferee Company. Moreover, Transferee Company shall be entitled to revise its statutory returns relating to indirect taxes like sales tax/service tax/excise, etc. and to claim refund/credits and/or set off all amounts under the relevant laws towards the transactions entered into by Transferee Company and Transferor Companies which may occur between the Appointed Date and the Effective Date. The rights to make such revisions in the sales tax returns and to claim refunds/credits are expressly reserved in favour of Transferee Company.
- ii. Transferee Company shall be entitled to revise its all Statutory re Direct taxes like Income Tax and Wealth Tax and to claim refund credits and/or set off the tax liabilities of Transferor Compa relevant laws and its rights to make such revisions in the statutor



claim refunds, advance tax credits and/or set off the tax liabilities is expressly granted.

- iii. It is expressly clarified that with effect from the Appointed Date, all taxes payable by Transferor Companies including all or any refunds of the claims/TDS Certificates shall be treated as the tax liability or refunds/claims/TDS Certificates as the case may be of Transferee Company.
- iv. From the Effective Date and till such time as the name of the Transferee Company would get entered as the account holder in respect of all the bank accounts and demat accounts of Transferor Companies in the relevant bank's/DP's books and records, the Transferee Company shall be entitled to operate the bank/demat accounts of Transferor Companies in their existing names.
- v. Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions and other authorizations of Transferor Companies shall stand transferred by the order of the Tribunal to Transferee Company, Transferee Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the sanctioning Tribunal.

## **8. CONDUCT OF BUSINESS UNTILL THE EFFECTIVE DATE**

- i. With effect from the Appointed Date and till the Scheme come into effect:
  - a. Transferor Companies shall be deemed to carry on all their businesses and activities and stand possessed of their properties and assets for and on account of and in trust for Transferee Company; and all the profits accruing to Transferor Companies and all taxes thereon or gains or losses arising or incurred by them shall, for all purposes, be treated as and deemed to be the profits or losses, as the case may be, of Transferee Company.
  - b. Transferor Companies shall carry on their businesses with reasonable diligence and in the same manner as they had been doing hitherto, and Transferor Companies shall not alter or substantially expand their businesses except with the concurrence of Transferee Company.
  - c. Transferor Companies shall not, without the written concurrence of Transferee Company, alienate charge or encumber any of their properties except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of Transferee Company, as the case may be.
  - d. Transferor Companies shall not vary or alter, except in the ordinary course of their business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors



Company the terms and conditions of employment of any of its employees, nor shall it conclude settlement with any union or its employees except with the written concurrence of Transferee Company.

- ii. With effect from the Appointed Date, all debts, liabilities, duties and obligations of Transferor Companies as on the close of business on the date preceding the Appointed Date, whether or not provided in their books and all liabilities which arise or accrue on or after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of Transferee Company.
- iii. Upon the Scheme coming into effect, Transferee Company shall commence and carry on and shall be authorized to carry on the businesses carried on by Transferor Companies.

### PART-III

#### REORGANIZATION OF CAPITAL AND ACCOUNTING TREATMENT FOR AMALGAMATION

#### 1. REORGANISATION OF CAPITAL IN THE TRANSFEE COMPANY

- i. Upon this Scheme coming into effect and upon transfer and vesting of the business and undertaking of Transferor Companies in Transferee Company, the consideration in respect of such transfer shall, subject to the provisions of the Scheme, be paid and satisfied by Transferee Company as follows:
- ii. In case of amalgamation of Transferor Companies with the Transferee Company, all the shares held by the Transferee Company in the Transferor Companies, shall be cancelled and against the remaining shares, equity shares, would be issued to the shareholders (other than shares held by the Transferee Company) of the Transferor Companies, in accordance with the following share exchange ratio. Transferee Company, without further application, act or deed, shall issue and allot to each of the shareholders of "Transferor Companies" (other than the shares already held therein immediately before the amalgamation by Transferee Company, its Nominee or Subsidiary Company), shares in proportion of
  - a) *Nil Equity of the Transferee Company to be issued to shareholders of NIBPL, because the Transferor Company 1 is wholly owned by the Transferee Company and the Transferee Company along with its nominee shareholders holds all the shares issued by the Transferor Company 1.*
  - b) *13 Equity shares of face value of Rs.10/- (Rupees Ten) each in Transferee Company for every 100 (One Hundred) Equity shares of held in NSL/ Transferee Company No. 2 pursuant to this Scheme of Amalgamation.*



- c) *Nil Equity of the Transferee Company to be issued to shareholders of NWSL because the Transferor Company 3 is wholly owned by the Transferee Company and the Transferee Company along with its nominee shareholders holds all the shares issued by the Transferor Company 3.*
- d) *28 Equity shares of face value of Rs.10/- (Rupees Ten) each in Transferee Company for every 100 (One Hundred) Equity shares held in MNCTL/ Transferor Companies No. 4 pursuant to this Scheme of Amalgamation.*
- iii. For arriving at the share exchange ratio as outlined above, the Companies have considered the Valuation Report submitted by an independent professional firm, M/s Uday Pasad & Associates, Chartered Accountant.
- iv. Cross holding at the time of record date (if any), between Transferor Companies and the Transferee Company, if not transferred prior to the Effective Date, shall get cancelled at the time of allotment of shares to the shareholders of Transferor Companies by Transferee Company and the approval of Scheme by the NCLT under section 230 to 232 of the Companies Act, 2013 or Sec 66 of Companies Act, 2013 for reduction of capital pursuant to such cancellations.
- v. There is no arrangement or compromise proposed under the Scheme with any of the Creditors, either Secured Creditors or Unsecured Creditors of any of Transferee Company and Transferor Companies, the creditors of Transferor Companies shall become the creditors of Transferee Company in the manner as provided in the Scheme. The liability of the creditors under the Scheme, is neither being reduced nor being extinguished. The creditors would in no way be affected by the present Scheme.
- vi. In the event of there being any pending and valid share transfers, whether lodged or outstanding, of any shareholder of the Transferor Companies, the Board of Directors or any committee thereof of the Transferor Companies shall be empowered in appropriate cases, even subsequent to the Specified Date or the Effective Date, as the case may be, to effectuate such a transfer in the Transferor Companies as if such changes in registered holder were operative as on the Specified Date, in order to remove any difficulties arising to the Transferee Company of such shares.
- vii. The said equity shares in the capital of Transferee Company be issued to the shareholders of Transferor Companies shall rank *pari passu* in all respects, with the existing equity shares in Transferee Company from the Appointed Date. Such shares in Transferee Company, to be issued to the shareholders of Transferor Companies will, for all purposes, save as expressly provided otherwise, be deemed to have been held by each such member from the Appointed Date.
- viii. Any fraction arising out of allotment of equity shares as per clause 1. rounded off to the nearest round number.
- ix. Upon the Scheme becoming effective and subject to the above



shareholders of Transferor Companies (other than the shares already held therein immediately before the amalgamation by Transferee Company) as on the record date shall receive new share certificates. Upon the issue and allotment of new shares in the capital of Transferee Company to the shareholders of Transferor Companies, the share certificates in relation to the shares held by them in Transferor Companies shall be deemed to have been cancelled. All certificates for the new shares in the capital of Transferee Company shall be sent by Transferee Company to the said shareholders of Transferor Companies at its respective registered address as appearing in the said registers (or in the case of joint holders to the address of that one of the joint holders whose name stands first in such Registers in respect of such joint holding) and Transferee Company shall not be responsible for any loss in transmission.

- x. Upon coming into effect of this Scheme, the shares or the share certificates of the Transferor Companies in relation to the shares held by its member shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled and be of no effect on and from the Effective Date without any necessity of them being surrendered.

## **2. INCREASE IN AUTHORIZED SHARE CAPITAL**

- i. With effect from the Effective Date and upon the Scheme becoming effective, without any further acts or deeds on the part of the Transferor Companies or Transferee Company and notwithstanding anything contained in Section 61 or any corresponding provisions of Companies Act, 2013 the Authorized Share capital of Transferor Companies as appearing in its Memorandum of Association on the Effective Date shall get clubbed with the Authorized Share Capital of the Transferee Company as appearing in its Memorandum of Association on the Effective Date and pursuant to this clubbing the Clause V of the Memorandum of Association of the Transferee Company shall stand altered to give effect to the same with effect from the Effective Date. The Face Value of Equity share shall remain same as of the Transferee Company after clubbing of Authorized Capital.
- ii. The filing fee and stamp duty already paid by the Transferor Companies on its authorized share capital, which is being combined with the authorized share capital of the Transferee Company, shall be deemed to have been paid by the Transferee Company and accordingly, the Transferee Company shall not be required to pay any fee, additional fee, charges and/or stamp duty on the authorized share capital so increased.
- iii. If required, the Transferee Company shall take necessary steps to increase its authorized share capital on or before the Effective Date so as to make it sufficient for allotment of shares, to the shareholders of Transferor Companies, in consideration of amalgamation after considering the combined capital of Transferee Company.
- iv. On approval of the Scheme by the members of Transferee Company Section 230 -232 of the Act or any corresponding provisions of Companies Act, 2013.





shall be deemed that the said members have also accorded their consent under relevant Articles of the Articles of Association of the Company and Section 61 or any corresponding provisions under Companies Act, 2013 as may be applicable for giving effect to the provisions contained in this Scheme.

- v. The issue and allotment of Shares to Shareholders of Transferor Companies, as provided in this Scheme, shall be deemed to be made in compliance with the procedure laid down under section 62 or any corresponding provisions of the Companies Act, 2013.

### 3. COMBINATION OF AUTHORISED SHARE CAPITAL

- i. Upon coming into effect of the Scheme, the authorised share capital of the Transferor Companies as mentioned in Clause 3 of Part I, shall be deemed to be added to the authorised share capital of the transferee Company, without any further act, instrument or deed on the part of the Transferee company including payment of stamp duty and registration fees payable to the RoC and the memorandum of association of the Transferee Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified, amended and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 4, 13 and 61 and all other applicable provisions of the Companies Act, 2013, if any, would be required to be separately passed as the case may be, and for this purpose the stamp duties and fees paid on the authorised share capital of the Transferor Companies shall be utilized and applied to the increased authorised share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee by the Transferee Company for increase in the authorised share capital to that extent
- ii. For the purpose of combination of authorised share capital as contemplated in this Clause, any subsequent increase in the authorised share capital of the Transferor Companies and Transferee Company, as may be applicable, shall be considered and the effect of such further increase be given accordingly.
- iii. Accordingly, in terms of this Scheme, the Authorised share Capital of the transferee Company shall enhance by an amount of Rs 23,50,00,000/- ( Rupees Twenty Three Crores and Fifty lacs only) divided into 2,35,00,000 Equity Shares of Rs. 10/- each and clause V (a) of the Memorandum and Association of Transferee Company shall on the effective date , stand substituted to read as follows :

V (a) The Authorised share Capital of the Company is Rs. 65,00,00,000/- ( Rupees Sixty Five Crores only) divided into of 5,00,000 - 6% Cumulative Redeemable Preference Shares of Rs.100/- Each, 60,00,000 - Redeemable Preference Shares of Rs. 10/- Each, 5,40,00,000 Equity Shares of Rs.10/- Each



- iv. It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent/ approval also to the alteration of the memorandum of association and the articles of association of the Transferee Company as may be required under the Companies Act, and Clause V of the Memorandum of Association of the Transferee Company shall stand substituted by virtue of the Scheme.

#### **4. DIVIDEND AND PROFITS**

- i. The Transferor Companies shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the financial year/accounting period prior to the Appointed Date. The Transferor Companies shall not declare any dividend for the period commencing from and after appointed date without written consent of the Transferee Company. The Transferor Companies shall obtain the consent of the Board of Directors of Transferee Company before declaration of any dividend. The Transferor Companies and the Transferee Company shall not transfer any amount from the reserves or amount lying in credit to the Profit & Loss account on the Appointed Date for the purpose of payment of dividend.
- ii. Subject to the provisions of the Scheme, the profits of the Transferor Companies for the period beginning from the Appointed Date shall belong to and be the profits of the Transferee Company and will be available to the Transferee Company for being disposed off in any manner as it thinks fit including declaration of dividend by the Transferee Company in respect of its financial year ending on 31st March, 2018 or any year thereafter.
- iii. The Equity Shares of the Transferee Company to be issued and allotted to the shareholders of the Transferor Companies as provided in Clause 1 of Part III here before shall rank *pari passu* in all respects with the equity shares of the Transferee Company including proportionate entitlements to dividend in respect of dividends declared after the Effective Date. The holders of the Shares of the Transferor Companies and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights, voting rights and in all other respects under their respective Articles of Association including the right to receive dividends from the respective companies of which they are members till the Effective Date.
- iv. It is clarified, however, that the aforesaid provisions in respect of declaration of dividend are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Companies or the Transferee Company to demand or claim any dividend which shall be entirely at the discretion of the Board of Directors and subject to the provisions of the said Act.

#### **5. ACCOUNTING TREATMENT FOR AMALGAMATION**

Notwithstanding anything to the contrary contained herein, upon the Scheme becoming effective, the Transferee Company shall account for amalgamation of Transferor Companies.



in its books of account in accordance with the accounting standard specified under Section 133 of the Companies Act read with Companies (Indian Accounting Standard) Rules, 2015 or any other relevant or related requirement under the Companies Act, as may be applicable.

- Transferee Company shall, record all the assets and liabilities, including Reserves of the Transferor Companies vested in it pursuant to this Scheme, at its respective book values as appearing in the books of Transferor Company on the Appointed Date in accordance with requirement of applicable Ind AS;
- If at the time of amalgamation, Transferor Companies and Transferee Company have conflicting accounting policies, a uniform accounting policy shall be adopted by Transferee Company following the amalgamation. The effect on the financial statements of any change in accounting policies shall be reported in accordance with applicable Ind AS;
- Investment, if any, in the equity share capital of the Transferor Companies or vice versa, as appearing in the books of accounts of Transferee Company or Transferor Companies, if not transferred before effective date, shall stand cancelled and there shall be no further obligation/ outstanding in that behalf;
- The loans and advance or payables or receivables of any kind, held inter-se, if any between Transferor Companies and Transferee Company, as appearing in its respective books of accounts shall stand discharged prior to Effective Date;
- The difference between the share capital issued by the Transferee Company and the net assets of the Transferor Companies acquired would be adjusted in the general reserves of the Transferee Company. Also, the difference, if any arising from the cancellation of cross-holdings (if any) shall also be adjusted in the general reserves of the Transferee Company;
- The accounting entries proposed in this Scheme shall be effected as a part of this Scheme and not under a separate process in terms Section 52 or any corresponding provisions under Companies Act, 2013, as the same neither involves diminution of liability in respect of unpaid share capital of Transferee company nor any payment to any shareholder of the Transferee Company of any paid-up capital and the order of National Company Law Tribunal sanctioning the Scheme shall be deemed to be a sufficient compliance of the provisions of Sections 66 of the Companies Act, 1956 or any corresponding provisions of Companies Act, 2013, if any, relating to reduction of share capital consequently, the Transferee Company shall not be required to use the words "and reduced" as part of its corporate name.

## 6. LISTING AGREEMENT AND SEBI COMPLIANCES

- i. Since the Transferee Company being a listed company, this Scheme Complies by the Transferee Company of all the requirements u regulations and all statutory directives of the Securities Exchange





('SEBI') insofar as they relate to sanction and implementation of the Scheme.

- ii. The Transferee Company in compliance with the Listing Regulations shall apply for the 'Observation Letter' of Stock Exchange, where its shares are listed in terms of the Regulation 37 of the listing regulations.
- iii. The Transferee Company shall also comply with the directives of SEBI contained in the Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017;

## **7. DISSOLUTION OF TRANSFEROR COMPANIES**

On occurrence of the Effective Date, the Transferor Companies shall, without any further act or deed, shall stand dissolved without being wound up.



**PART IV****OTHER PROVISIONS****1. APPLICATION/ PETITION TO THE NCLT OR SUCH OTHER APPROPRIATE AUTHORITY:**

- i. Transferor Company and Transferee Company shall, with all reasonable dispatch, make application/petition to the National Company Law Tribunal under Section 230-232 and other applicable provisions of the Act, or any corresponding provisions of the Companies Act, 2013 seeking orders for dispensing with or convening, holding and conducting of the meetings of the classes of its respective members and/or creditors and for sanctioning the Scheme with such modifications as may be approved by the Hon'ble National Company Law Tribunal. On the Scheme being agreed to by the requisite majorities of all the classes of the members and/or creditors of Transferor Companies and Transferee Company shall, with all reasonable dispatch, apply to the Hon'ble National Company Law Tribunal, for sanctioning the Scheme under Sections 230-230 of the Companies Act, 2013, and for such other orders, as the said National Company Law Tribunal may deem fit for carrying this Scheme into effect and for dissolution of Transferor Companies without winding-up.

**2. CONDITIONALITY OF THE SCHEME:**

The Scheme is conditional upon and subject to:

- i. The Scheme being approved by the requisite majorities in number and value of such classes of persons including the Members and/ or Creditors of the Transferor Companies and Transferee Company as may be directed by the NCLT.
- ii. As Para 9 of SEBI Circular No CFD/DIL3/CIR/2017/21 dated 10th March, 2017 is applicable to this Scheme, therefore it is provided in the Scheme that the Transferee Company will provide voting by the public shareholders through postal ballot and e-voting and will disclose all material facts in the explanatory statement, to be sent to the shareholders in relation to the said Resolution.
- iii. As Para 9 of SEBI Circular No CFD/DIL3/CIR/2017/21 dated 10th March, 2017 is applicable to this Scheme, the Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by the public shareholders against it.
- iv. Certified copies of the Orders of the Tribunal sanctioning the Scheme being filed with the respective Registrar of Companies by the Transferor Companies and Transferee Company;



The requisite, consent, approval or permission of the Central Government or any other statutory or regulatory authority, if any, which by law may be necessary for the implementation of this Scheme.

### 3. MODIFICATION OR AMENDMENT TO THE SCHEME:

- i. Transferee Company (acting through its Board of Directors) and Transferor Companies (acting through its respective Board of Directors) may assent to any modifications or amendments to this Scheme which the National Company Law Tribunal and/or other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for any question or doubt or difficulty that may arise for implementing and/or carrying out the scheme or which is generally in the benefit or interest of the shareholders and/or creditors. Transferee Company (acting through its Board of Directors) and Transferor Company (each acting through its respective Board of Directors) and after the dissolution of Transferor Companies; Transferee Company (by its Board of directors) be and is 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 doubt, difficulties or questions whether by reason of any order(s) of the NCLT or of any directive or order(s) 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.
- ii. Transferor Company and Transferee Company shall be at liberty to withdraw from this Scheme in case any condition or alteration imposed by the Hon'ble National Company Law Tribunal or any other authority is not on terms acceptable to them.
- iii. In the event of this Scheme failing to take effect finally this Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or its shareholders or creditors or employees or any other person. In such case each Company shall bear its own costs or as may be mutually agreed.

### 4. COSTS

- i. All costs, charges, fees, taxes including duties (including the stamp duty, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing the terms and conditions or provisions of this Scheme and matters incidental thereto shall be borne and paid by Transferee Company. All such costs, charges, fees, taxes, stamp duty including duties (excluding the stamp duty, if any, paid on this scheme which shall be pro rata added to the value of the immovable properties), levies and all other expenses, shall be debited to the Profit and Loss Account of Transferee Company.



**5. WHEN SCHEME BECOMES NULL AND VOID**

- i. In the event of any of the said sanctions and approvals referred to in the preceding Clause No. 1 of Part IV above not being obtained and/or the Scheme not being sanctioned by the Tribunal and/or the order or orders not being passed as aforesaid before 31st March, 2019 or within such further period or periods as may be agreed upon between the Transferor Companies and the Transferee Company, through and by its Board of Directors (and which Board of Directors of each of the Companies are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers), this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligations which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as specifically provided in the Scheme or as may otherwise arise in law and in that even each party shall bear their respective costs.
- ii. In the event of this scheme failing to take effect, it becomes null and void and in that event no rights and liabilities of whatsoever nature shall accrue to or be incurred inter-se to or by the parties or any of them.
- iii. Notwithstanding anything stated herein or elsewhere, the Board of Directors of the Transferor Companies and Transferee Company shall always have a power to revoke /withdraw this Scheme at any time before the same finally takes effect on any substantial ground in the best interest of shareholders and creditors of respective Transferor Companies and Transferee company and as may be mutually agreed between the Board of Directors of the Transferor Companies and Transferee Company and for this purpose, it shall not be necessary for either the Transferor Companies or Transferee Company to obtain any further consent of any of their respective shareholders or any other person. The consents given by such shareholders of the Transferor Companies and the Transferee Company shall be deemed to include their consent authorizing to the Board of Directors of the respective companies to withdraw the scheme at any time before the same finally takes effect.

