



प्रारूप 1 पंजीकरण प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : U27100PB2010PLC033930

2010 - 2011

मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स

VARDHMAN SPECIAL STEELS LIMITED

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

यह निगमन-पत्र आज दिनांक चौदह मई दो हजार दस को मेरे हस्ताक्षर से चण्डीगड में जारी किया जाता है।

Form 1 Certificate of Incorporation

Corporate Identity Number : U27100PB2010PLC033930

2010 - 2011

I hereby certify that VARDHMAN SPECIAL STEELS LIMITED is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the company is limited.

Given under my hand at Chandigarh this Fourteenth day of May Two Thousand Ten

(Dr RAJ SINGH)

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

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :

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

VARDHMAN SPECIAL STEELS LIMITED
VARDHMAN PREMISES, CHANDIGARH ROAD,
LUDHIANA - 141010,
Punjab, INDIA



व्यापार प्रारंभ करने का प्रमाण-पत्र

कम्पनी अधिनियम 1956 की धारा 149(3) के अनुसरण में

कॉर्पोरेट पहचान संख्या : U27100PB2010PLC033930

मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स
VARDHMAN SPECIAL STEELS LIMITED

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

यह प्रमाण-पत्र आज दिनांक पंद्रह जून दो हजार दस को मेरे हस्ताक्षर से चण्डीगड में जारी किया जाता है।

Certificate for Commencement of Business

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

Corporate Identity Number : U27100PB2010PLC033930

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

Given under my hand at Chandigarh this Fifteenth day of June Two Thousand Ten .

(Dr RAJ SINGH)

कम्पनी रजिस्ट्रार / Registrar of Companies
पंजाब, हिमाचल प्रदेश एवं चण्डीगड

Punjab, Himachal Pradesh, and Chandigarh

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

VARDHMAN SPECIAL STEELS LIMITED
VARDHMAN PREMISES, CHANDIGARH ROAD,
LUDHIANA - 141010,
Punjab, INDIA

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THE COMPANIES ACT, 2013
COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
VARDHMAN SPECIAL STEELS LIMITED

- I. The name of the Company is "VARDHMAN SPECIAL STEELS LIMITED".
- II. The Registered Office of the Company will be situated in the State of Punjab.
- III. The objects for which the Company is established are following;
(A) THE MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON INCORPORATION ARE:
 1. To manufacture, trade & export all kinds of steel including stainless steel, sponge iron, auto components, wire rods, engage in mining activities and for such purposes to set up steel furnaces.**(B) THE OBJECTS INCIDENTAL OR ANCILLIARY TO THE ATTAINMENT OF THE MAIN OBJECTS ARE:**
 1. To purchase, lease, rent, hire, or any other means, acquire and take options over any property whatever, and any rights or privileges of any kind over or in respect of any property for the purpose of business of the Company.
 2. To apply for, register, purchase, or by any other means acquire and protect, prolong and renew, whether in India or elsewhere any patent, patent right, brevets d'invention, license, secret process, trade mark, design, copyright, protection or concession and to disclaim, alter, modify, use and turn to account and to manufacture under or grant license or privilege in respect of the same, and to expend money in experimenting upon, testing and improving any of the aforesaid rights which the Company may acquire or propose to acquire.
 3. To acquire and undertake the whole or any part of the business, goodwill and assets of any person, firm or company carrying on or proposing to carry on any of the business which the Company is authorized to carry on and as part of the consideration for such acquisition to undertake all or any of the liabilities of such person, firm or company, or to acquire an interest in, amalgamate with, or enter into partnership or any arrangement for sharing profits, or for cooperation, or joint venture or mutual assistance with any such person, firm or company, or for subsidizing or otherwise assisting any such person firm or company, and to give or accept, by way of consideration for any of the acts or things aforesaid or property acquired, any shares, debentures debenture stock or securities that may be agreed upon, and to hold and retain or sell, mortgage and deal with any shares, debentures, debenture stock or securities so received.

4. To improve, manage, construct, repair, develop, exchange, let on lease, otherwise mortgage, charge, sell dispose of turn to account, grant license, option, right or privileges in respect of, or otherwise deal with, all or any part of the property and rights of the Company.
5. To invest (other than investment in Company's own shares) and deal with the moneys of the Company in such manner as may, from time to time, be determined and to hold or otherwise deal with any investments made.
6. To subscribe for, take, purchase, or otherwise acquire and hold shares or other interests in or securities of, any other company having objects, altogether or in part, similar to those of the Company or which will enhance the value of any of its property and to co-ordinate, finance and manage the business and operations of any company in which the company holds any such interest.
7. To promote any other company for the purpose of acquiring the whole or any part of the business or property, undertaking or liabilities of the company, or of undertaking any business or operations which may appear likely to assist or benefit the company or to enhance the value of any property or business of the company, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares or securities of any such company as aforesaid.
8. To lend and advances money or give credit on such terms as may seem expedient and with or without security to customers and others, to enter into guarantees, contracts of indemnity and surety ships of all kinds, to receive money on deposit or loan upon such terms as the company may approve and to secure or guarantee the payment of any sums of money or the performance of any obligation by any company, firm or person including any parent, subsidiary company in such manner as the Company may think fit, provided that the Company shall not do any banking within the meaning of Banking Regulation Act, 1949.
9. Subject to the provisions of the Companies Act, 1956, to borrow and to raise money in such manner as the Company shall think fit and to secure the repayment of any money borrowed, raised or owing by mortgage, charge, standard security lien or other security upon the whole or any part of the Company's property or assets (whether present or future), including its uncalled capital, and also by a similar mortgage, charge, standard security, lien or security to secure and guarantee the performance by the Company of any obligation or liability it may undertake or which may become binding on it.
10. To open bank accounts and draw, make, accept, endorse, discount, negotiate, execute and issue cheques, promissory notes, bills of lading, warrants, debentures and other negotiable or transferable instruments.
11. To apply for, promote and obtain any Order or License of the concerned authority for enabling the Company to carry any of its objects into effect, or for effecting any modification of the Company's constitution, or for any other purpose which may seem calculated directly or indirectly to promote the Company's interests, and to oppose any proceedings directly or indirectly likely to prejudice the Company's interests.
12. To adopt, carry out or give effect to any pre-incorporation or post incorporation agreements, or arrangements or any modifications and amendments thereto, arrived at between the Company's share holders, promoters and/or any Government authority

(Central, State, Municipal, Local or otherwise), company (whether incorporated in India or outside India), firm or person for promotion of the Company, provision of technical know how to the Company, purchasing or acquiring any right or interest in any property, and or in respect of any matters concerning the affairs and business of the Company.

13. To enter into any arrangements with any Government authority (Central, State, Municipal, local or otherwise), company (whether incorporated in India or outside India), firm or person that may seem conducive to the attainment of the company's objects or any of them, and to obtain from any such Government or authority any charters, decrees, rights, services, privileges or concessions which the Company may think desirable and to carry out, exercise and comply with any such charters, decrees, rights, privileges and concessions.
14. To provide and assist in the provision of training, education, aid and advice and to publish and distribute material in respect of any matters connected with or incidental to the business of the Company.
15. To engage any person, firm or company rendering professional, consultancy or advisory services to the Company and to remunerate any such person, firm or Company as may be thought expedient.
16. To employ, retrench, lay-off, suspend, terminate the appointment of or dismiss executives, managers, assistants, support staff and other employees and to remunerate them at such rates as shall be thought fit.
17. To pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company.
18. To adopt such means of making known the products and activities of the company as may seem expedient and in particular by advertising in the press, by circulars, pamphlets, handbills, posters and cinema slides, by purchase and/or exhibition of works of art, publication of books and periodicals and by granting prizes, rewards, donations and organizing and participating in exhibitions.
19. Subject to the provisions of the Companies Act, to support and subscribe to any charitable or public object and to support and subscribe to any institution, society or club which may be for the benefits of the Company or its Directors or employees, or which may be connected with any town or place where the Company carries on business; to give or award pensions, annuities, gratuities, and superannuation or other allowances or benefits or charitable aid and generally to provide advantages, facilities and services for such persons who are or have been Directors of or who are or have been employed by or who are serving or have served the company or its holding company or any company which is a subsidiary of the Company or the holding company or any of the predecessors in business of the Company and to the wives, widows, children and other relatives and dependents of such Directors or employees; and to set up, establish, support and maintain profit sharing or share of the Company or of any such subsidiary of holding and to lend money to any such Director or employees or trustees on their behalf to enable any such schemes to be established or maintained.
20. To create any depreciation fund, reserve fund, sinking fund, insurance fund, or any special or other fund whether for depreciation or for repairing, improving, replacing, renewing, extending

or maintaining any of the properties of the Company or for any other purpose whatsoever deemed beneficial to the company.

21. To sell or otherwise dispose of whole or any part of the business or property of the Company, either or together in portion/s, for such consideration as the Company may deem fit, and in particular for shares, debentures or securities of any company purchasing the same.
22. To distribute, subject to the provisions of Act, among the Members of the Company in kind or specie any property of the Company of whatever nature.
23. To become members of and communicate with trade, industry and business association, chambers of commerce and other mercantile and public bodies throughout India and, in other parts of the world and to promote measures for the advancement and protection of the trade, industry and business in which the Company may be engaged.
24. To do all or any of the things or matters aforesaid either as principals, agents, contractors or otherwise, and by or through agents, brokers, sub-contractors or otherwise and either alone or in conjunction with others and to do all such other things as may be deemed incidental or conducive to the attainment of the Company's objects or any of them.

(C) Other Objects

1. To carry on business of producers and manufacturers of oxygen, dissolved acetylene, nitrogen, argon, hydrogen, carbon dioxide, nitrous oxide, freon, carbolic acid and other gases or kindred substances or any compounds thereof by any process, and of selling or supplying such gases, substances and compounds or any of them to such purposes as the Company may "from time to time think desirable.
2. To manufacture, sell electrodes, wire-rods, welding fluxes, welding materials and to put up steel furnaces and other lines of electric/gas welding and brazing accessories.
3. To deal with, manufacture, and render saleable; coke, coaltar, pitch, asphaltum, ammoniacal liquor and other residual products obtained in the manufacture as processors and/or importers, exporters, buyers, sellers, stockists.
4. To carry on business as distributors of and/or dealers in all or any of the following:
 - (i) Elastomers, synthetic resins, carbon black, leather, hides and skins, plastic, latexes, and formulations thereof and other kinds of resins and plastic products and goods.
 - (ii) All types of compounds, drugs, dyewares, disinfectants and of electrical, photographic, surgical and scientific apparatus and materials.
 - (iii) Colours, paints, varnishes, lacquers, pigments.
 - (iv) Paper, newsprint, paper board, strawboard, hardboard, fibre-board, chip-board, corrugated paper, transparent paper, craft paper, carbons, inks, parchment and corks.
5. To carry on business of suppliers of plant and machinery and equipment, stores, tools, gadgets, devices, contraptions, instruments, spares and components and to develop, acquire, supply plans, drawing, estimates, project reports and know-how for industries, business, companies, services and public bodies and Governments.

6. To carry on any business relating to the winning and working of minerals, the production and working of metals, and the production, manufacture and preparation of any other materials which can be combined with the engineering or manufacturing business of the Company or any contracts undertaken by the Company either for the purpose only of such contracts or as an independent business.
7. To search, prospect, win, work, get, raise quarry, smelt, refine, dress, manufacture, manipulate, convert, make merchantable, sell, buy, import, export or otherwise deal in iron ore, all kinds of metal, mettalliferous ores, and all other minerals and substances whatsoever and to manufacture, sell, buy, import, export and otherwise deal in any of such articles and commodities.
8. To produce steel bricks and billets from steel scrap and cast iron scrap.
9. To carry on the business of running motor omnibuses, cabin scooter (Three Wheeler) of all kinds on such lines as the company may think fit and to transport persons and whether propelled or moved by oil, steam or other motive power.
10. To carry on business as manufacturers and dealers of radios, television sets, teleprinters, telecommunication and electronic equipments, telephone equipments, radars, computer, business machines and their components including valves, transistors, resistors, condensers and coils.
11. To carry on business of manufacturers or dealers in typewriters, calculating machines, computers, cleaners, sewing and printing machines, air-conditioning equipment, air-conditioners, refrigerators, coolers, ice-cream manufacturing machinery and to maintain air conditioned godowns for storage of goods.
12. To carry on all or any of the business of builders and contractors, architects, decorators, merchants, and dealers in stone, sand, lime, bricks, cement, timber, hardware and other building materials and acting as house agents.
13. To carry on the business of production, distribution or exhibition of films and motion pictures, including the running of theatres, cinemas, studios and cinematographic show and exhibitions.
14. To manufacture and deal in all chemical products such as coal and coaltar products, and their intermediates, dyes, drugs, medicines and pharmaceuticals, petroleum and its products, and derivatives, paints, pigments and varnishes, explosives and ammunitions, vegetable oils, their products and derivatives, all types of heavy chemicals and sizing and finishing materials, cement and allied products, photographic. chemicals, including straw boards, clay and boards, soaps, glycerine and allied products, all industrials and pharmaceuticals, organic, and inorganic chemicals, fertilizers, pesticides, manures, fungicides, and allied products, fats, waxes, and their products, hides, skins and leather.
15. To carry on the business of purchase and sale of petroleum products, to act as dealers and distributors for petroleum companies, to run service station for the repairs and servicing of automobiles and to manufacture or deal in fuel oils, cutting oils and greases.
16. To carry on the business of manufacturing, assembling, buying, selling; reselling, exchanging, altering, 'importing, exporting, relating to agriculture, animal husbandry, dairy or poultry farming,

forestry or finishing or rendering, services in connection with the provision of such technical know-how.

17. To carry on the business of to weave or otherwise manufacture, buy or sell, and deal in Linen, Cloth and other goods and fabrics, spinners of cotton and other fibrous material, manufacturer, buyer or seller, importer or exporter of yarn, fibre, cloth and linen.
18. To undertake or arrange for the writing and publications, books, magazines, journals or pamphlets on subject relating to trade, commerce. Industry, agriculture, banking, insurance, investment, taxation, finance, economics, law and other subjects.
19. To carry on the business of steam, electrical and general laundry and to wash, clean, purity, scour, bleach, wring, dry, iron, colour, dye, disinfect, renovate, dress, sterilise, press-blackpolish, glaze, finish and prepare for use all articles of wearing apparel, household, domestic and other linen and cotton and woollen goods and clothing and fabrics of all kinds including furs, leathers, furcoats, water proofs, felts, velour panama and straw hats etc. and all sorts of furnishing materials including curtains, covers, carpets, rugs etc. and to buy, sell, hire-manufacture, repair, let on hire, alter, improve, treat and deal in all apparatus material chemical and articles of all kinds, which are capable of being used for any such purposes.
20. To deal, invest in and acquire and hold, sell, buy or otherwise deal in shares, debentures, debenture-stock, bonds', units, obligations and securities issued or guaranteed by Indian or Foreign governments, state, dominations, sovereigns, municipalities or public authorities or bodies and shares, stocks, debentures, debenture-stocks, obligations and securities issued and. guaranteed by any company, corporation, firm or person whether incorporated or established in India or elsewhere.
21. To carry on and undertake business of leasing and to finance leasing operations of all kinds, finance, trading, hire purchase, purchasing, selling, exporting, importing, hiring or letting on hire all kinds of plant, machinery and equipments whether electrical or mechanical including tractors, tuggers, shunters, transport/commercial vehicles of any kind for use in land, water and air, motor cycles, scooters, cranes, excavators, loaders, implements, tools utensils, ships, dredgers, tugs, barges, aeroplanes, helicopters, wagons, coaches, tramcars, telex, teleprinters, electronic private automatic branch exchanges, private automatic exchanges, public address systems, television receivers, industrial robots, furniture, domestic or business appliances, computers, tabulators, data processing machines, addressing machines and other sophisticated office machinery and appliances and to assist in financing of all and every kind and description of hire purchase or easy payment system or deferred payment or similar transactions and subsidise, finance or assist in subsidising or financing the sale, purchase and maintenance of any goods, articles, commodities of all and every kind upon any terms and to purchase or otherwise deal in all forms of immovable or movable property including land and buildings and to consumer, commercial and industrial items and to lease or otherwise deal with them in any manner including resale thereof, regardless whether the property purchased and leased be new and/or used.
22. To carry on the business of general finance, trust, to finance industrial enterprises in their project on turnkey basis or otherwise.

- 23. To provide leasing advisory/counselling service to other entities and/or form the leasing, financing and investment arm of other entities.
- 24. To carry on and undertake the business of financing the purchase of immovable properties of all kinds including real estate, buildings, factories, flats, depots, warehouses, apartments and the like and to buy, sell, alter, repair, exchange and deal in and finance the sale of furniture, apparatus, machinery, materials, goods and articles, lease out or sell any of the same on hire purchase system.
- 25. To advance or lend money, securities and properties to or with any company, firm, person or association whether falling under the same management or otherwise, in accordance with and to the extent permissible under the provisions contained in Section-370 and 372 of the Companies Act, 1956 with or without security on such terms as may be determined from time to time. However, the shall not carryon the business of banking as defined in Banking Regulations Act, 1949.
- 26. To carry on the business of Underwriters, Managers to issue, Transfer Agents and brokers of stock, shares, debentures, debenture stock, Government bonds, Government Securities, Units of Unit Trust of India, National Saving Certificates and other Securities.
- IV. The liability of the members is limited.
- V. The Authorised Share Capital of the Company is Rs. 100,00,00,000/- (Rupees One Hundred Crore) divided into 10,00,00,000 (Ten Crore) Equity Shares of Rs. 10/- each with powers to increase and reduce the capital, to divide the shares in the capital for the time being, into several classes and to attach thereto respectively such preferential or special rights, privileges or conditions/ including power to create preference shares, either subject to or free from Income-tax as may be determined by or in accordance with regulations of the Company, to vary, modify or abrogate any such right, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company.

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

Sr. No.	Name, address description and occupation of the subscribers	Number and class of shares taken	Signature of the Subscriber	Name, address, description, occupation and signature of the witness
1	Vardhman Textiles Limited, Chandigarh Road, Ludhiana-141010. Through S.P. Oswal (Chairman & Managing Director) (Company)	49,994 (Forty nine thousand nine hundred ninety four only) Equity Shares	sd/-	sd/- (VIPIN GUPTA) H.No. 2165, Sector-32A, Chandigarh Road, Ludhiana - 141010 (Service)
2	Shri Paul Oswal S/o Late Sh. R.C. Oswal (Nominee of Vardhman Textiles Ltd.) 2722, "Auro Mirra" Bhawan, Gurdev Nagar, Pakhowal Road, Ludhiana-141010 (Industrialist)	1 (One only) Equity Share	sd/-	
3	Shakun Oswal W/o Mr. S.P. Oswal (Nominee of Vardhman Textiles Ltd.) 2722, "Auro Mirra" Bhawan, Gurdev Nagar, Pakhowal Road, Ludhiana-141001 (Industrialist)	1 (One only) Equity Share	sd/-	
4	Sachit Jain S/o Sh. R.K. Jain (Nominee of Vardhman Textiles Ltd.) 2722, "Auro Mirra" Bhawan, Gurdev Nagar, Pakhowal Road, Ludhiana-141001 (Business Executive)	1 (One only) Equity Share	sd/-	
5	Suchita Jain W/o Mr. Sachit Jain (Nominee of Vardhman Textiles Ltd.) 2722, "Auro Mirra" Bhawan, Gurdev Nagar, Pakhowal Road, Ludhiana-141001 (Industrialist)	1 (One only) Equity Share	sd/-	
6	Darshan Lal Sharma S/o Sh. G.M. Sharma (Nominee of Vardhman Textiles Ltd.) H.No. B-XX-770/2, Gurdev Nagar, Ludhiana - 141001 (Service)	1 (One only) Equity Share	sd/-	
7	Rajeev Thapar S/o Sh. P.P. Thapar (Nominee of Vardhman Textiles Ltd.) T-2, Moti Nagar, Ludhiana (Service)	1 (One only) Equity Share	sd/-	

Date : 06.05.2010

Place : Ludhiana

THE COMPANIES ACT, 2013
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF

VARDHMAN SPECIAL STEELS LIMITED

The following regulations contained in these Articles of Association have been adopted pursuant to Members' resolution passed at the annual general meeting of the Company held on September 20, 2019 in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company; provided that, regulations contained in Part II of these Articles of Association shall come into force and be effective on and from the date that the Subscriber (as defined in Part II of these Articles of Association) becomes a Member in the Company.

PART I

Part I of these Articles sets out the general provisions in respect of the operation and management of the Company.

TABLE 'F' EXCLUDED

- | | | |
|-------------------------|---|---|
| 1 (a) | The regulations contained in the Table marked "F" in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act. | Table "F" not to apply |
| (b) | The regulations for the management of the Company and for the observance of the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by Resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles. | Company to be governed by these Articles |
| Interpretation | | |
| 2 | Unless the context otherwise requires words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these Articles become binding on the Company. | Interpretation |
| (1) In these Articles - | | |
| (a) | "Act" means the (Indian) Companies Act, 2013 (to the extent notified by the Government of India and in force on the relevant date), and the (Indian) Companies Act, 1956, to the extent not repealed and replaced by the provisions of the (Indian) Companies Act, 2013 as on the relevant date, or any statutory modifications or re-enactments thereof for the time being in force, together with any rules, regulations, or notifications issued thereunder, and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant article in which the set term appears in these articles and any previous company law, so far as may be applicable. | "The Act" |
| (b) | "Articles" or "Articles of Association" means these Articles of Association of the Company, as altered from time to time. | "The Articles" |

(c)	"Board of Directors" or "Board" means the collective body of Directors of the Company.	"The Board of Directors" or "The Board"
(d)	"Company" means Vardhman Special Steels Limited.	"The Company"
(e)	"The Directors" means the Directors of the Company including Independent Directors of the Company.	"The Directors"
(f)	The "Managing Director" means the Managing Director of the Company.	"The Managing Director"
(g)	"Independent Director" means a Director appointed under section 149 of the Act.	"Independent Director"
(h)	"The Office" means the Registered Office of the Company.	"The Office"
(i)	"Register" means the Register of Members of the Company required to be kept under Section 88 of the Act.	" The Register"
(j)	"The Registrar" means the Registrar of the Companies, as defined under Section 396(2) of the Companies Act, 2013.	" The Registrar"
(k)	"Rules" means the applicable rules for the time being in force as prescribed under relevant sections of the Act.	"Rules"
(l)	"The Secretary" means the Company Secretary.	"The Secretary"
(m)	"Dividend" includes any interim dividend.	"The Dividend"
(n)	"Month" means calendar month.	"The Month"
(o)	"Year" means a calendar year and "Financial Year" shall have the meaning assigned there to by Section 2(41) of the Act.	"The Year"
(p)	"Seal" means the Common Seal of the Company.	"The Seal"
(q)	"Proxy" includes Attorney duly constituted under a Power of Attorney.	"Proxy"
(r)	"In writing" and "Written" include printing, lithography and other modes of representing or reproducing words in a visible form. Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender. Words importing persons include corporations.	"In Writing" or "Written" "Number" and "Gender"
(s)	"Exchange" means The Bombay Stock Exchange or The National Stock Exchange of India Limited.	"The Exchange"
(t)	"Beneficial owner" shall mean beneficial owner as defined in clause (a) of Sub-section (1) of Section 2 of the Depositories Act, 1996.	"The Beneficial owner"
(u)	"Depositories Act, 1996" shall include Depositories Act, 1996 and any statutory modification or any re-enactment thereof.	"The Depositories Act, 1996"
(v)	"Depository" shall mean a Depository as defined under Clause (e) of sub section (1) of Section (2) of the Depositories Act, 1996.	"The Depository"
(w)	"Member" means a person;	"The Member"

- a) Whose name is entered in the Register of Members as holding any share(s) either solely or jointly;
- b) Subscribers to the memorandum of the Company; and
- c) Beneficial Owner(s) whose names are entered as beneficial owner in the records of the depository.
- (x) "Appellate Tribunal" means the National Company Law Appellate Tribunal constituted under section 410 of the Act; **" The Tribunal"**
- (y) "Chief Executive Officer" means an officer of a company, who has been designated as such by it. **"Chief Executive officer"**
- (z) "Chief Financial Officer" means a person appointed as the Chief Financial Officer of a company. **"Chief financial officer"**
- (aa) "free reserves" means such reserves which, as per the latest audited balance sheet of a company, are available for distribution as dividend : **"Free Reserves"**
- Provided that –
- (i) any amount representing unrealised gains, notional gains or revaluation of assets, whether shown as a reserve or otherwise, or
- (ii) any change in carrying amount of an asset or of a liability recognised in equity, including surplus in profit and loss account on measurement of the asset or the liability at fair value,
- shall not be treated as free reserves ;
- (ab) "Key managerial personnel", in relation to a company, means – **"Key managerial personnel"**
- (i) the Chief Executive Officer or the Managing Director or the Manager and in their absence the Whole-time Director
- (ii) the Company Secretary ;
- (iii) the Chief Financial Officer ; and
- (iv) such other officer as may be prescribed under the Act;
- (ac) "Related party", with reference to a company, means— **"Related Party"**
- (i) a director other than Independent Director, or his relative;
- (ii) a key managerial personnel or his relative;
- (iii) a firm, in which a director, manager or his relative is a partner;
- (iv) a private company in which a director or manager or his relative is a member or director;
- (v) a public company in which a director or manager is a director and holds along with his relatives, more than two per cent of its paid-up share capital;
- (vi) anybody corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;

(vii) any person on whose advice, directions or instructions a director or manager is accustomed to act, Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

(viii) any company which is—

(A) a holding, subsidiary or an associate company of such company; or

(B) a subsidiary of a holding company to which it is also a subsidiary;

(C) an investing company or the venturer of the company.

For the purpose of this article, “the investing company or the venturer of a company” means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.

(ix) such other person as may be prescribed;

(ad) “relative”, with reference to any person, means any one who is related to another, if—

"Relative"

(i) they are members of a Hindu Undivided Family;

(ii) they are husband and wife; or

(iii) one person is related to the other in such manner as may be prescribed under the Act;

(ae) "Tribunal" means the National Company Law Tribunal constituted under section 408 of the Act;

'The Tribunal'

Share Capital & Variation of Rights

3 The Authorised Share Capital of the Company shall be such amounts and be divided into such shares as may, from time to time, be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital in accordance with the Company's regulations and legislative provisions for the time being in force in that behalf with the power to divide the share capital, whether original or increased or decreased into several classes and attach thereto respectively such ordinary, Preferential special rights & Conditions in such manner as may for the time being be provided by the Regulations of the Company and allowed by law.

Capital

4 Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

**Shares under
control of Board**

5 Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind, whatsoever sold or transferred, goods or machinery supplied or for services rendered to the company, in the conduct of its

**Directors may
allot shares
otherwise than
for cash**

	business and any shares which may be so allotted may be issued as fully paid up or partly paid up, otherwise than for cash, and if so issued shall be deemed to be fully paid up or partly paid up shares, as the case may be.	
6	<p>Save as permitted by Section 67 of the Act, the funds of the Company shall not be employed in the purchase of or lent on the security of shares in the Company and the Company shall not give directly or indirectly, any financial assistance, whether by way of loan, guarantee, the provision of security or otherwise for the purpose of or in connection with any purchase of or subscription for shares in the Company or any company of which it may, for the time being, be a subsidiary.</p> <p>This Article shall not be deemed to affect the power of the Company to enforce repayment of loans to members or to exercise a lien conferred by Article 20.</p>	Restrictions on purchase by Company or giving of loans for purchase of own shares
7	The Company shall have power subject to and in accordance with all applicable provisions of Section 68 of the Act to purchase/ acquire any of its own securities.	Company to purchase own securities
8	The Company may issue the following kinds of Shares in accordance with these articles, the Act, the Rules and other applicable laws :	Kinds of Share Capital
(a)	<p>Equity Share Capital :</p> <p>(i) with voting rights; and/or</p> <p>(ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and</p>	
(b)	Preference Share Capital	
9	As regards all allotments made from time to time the Directors shall duly comply with Section 39 of the Act.	Refund of allotment
10	<p>a) Subject to the other provisions of these Articles and of the Act, the Company shall have powers to issue preference Shares.</p> <p>b) i) The Preference Shares shall confer on the holders thereof, the right to a fixed preferential dividend not exceeding 15% per annum as may be decided by the Board of Directors at the time of issue of Preference Shares, subject to deduction of tax at source, if any, at the prescribed rates, on the capital paid up thereon, and in the event of winding up, the right to repayment of capital and arrears of dividend, whether earned, declared or not, upto the commencement of winding up, in priority to the Equity Shares.</p> <p>ii) The Preference shares shall be definitely redeemable at the expire of 20 years from the date of allotment provided, however, that the Company shall have the option to redeem the same earlier.</p> <p>iii) The dividend on any shares becoming liable to redemption under the foregoing provisions shall cease to accrue from the date due for redemption thereof.</p> <p>iv) The Company shall be entitled to create a Capital Redemption Reserve Account for the purpose of redeeming the Preference</p>	Redeemable Preference shares

Shares in a manner to be decided by the Board.

v) The Preference shares shall be redeemed out of Preference Capital Redemption Reserve Account and/or by way of fresh issue of Capital, as may be decided by the Board of Directors at the time of issue/ allotment of Preference Shares.

11 (i)	The Company may exercise the powers of the paying commission conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate percent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.	Power to pay commission in connection with securities issued
(ii)	The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.	Rate of commission in accordance with Rules
(iii)	The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.	Mode of payment of commission
12	The Company cannot issue shares at a discount except issue of sweat equity shares in the manner provided in Section 54 of the Act.	Prohibition on issue of shares at discount
13	If, by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the shares or by his executor or administrator.	Instalments on shares to be duly paid
14	The joint-holders of a shares shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such share.	Liability of joint holders of shares
15	Save as herein otherwise provided, the Company shall be entitled to treat the registered holder of any shares as the absolute owner thereof and accordingly shall not, except as ordered by a Court of competent jurisdiction, or as by statute required, be bound to recognise any equitable or other claim to or interest in such shares on the part of any other person.	Trust not recognised.
16	Shares may be registered in the name of any person, company or other body corporate. Not more than four persons shall be registered as joint-holders of any share. No share shall be allotted to or registered in the name of a minor, person of unsound mind or partnership.	Who may be registered.
(16A)	The Company shall be entitled to dematerialise its existing shares, rematerialize its shares held in the Depositories and/or to offer its fresh shares or buyback its shares in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed there under, if any.	
17(1)	If any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the	Variation of Member's Rights

Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.

17 (2)	To every such separate meeting, the provisions of these Articles relating to general meetings shall <i>mutatis mutandis</i> apply.	Provision as to general meetings to apply mutatis mutandis to each meeting
17 (3)	The Board of the company as the case may be, may, in accordance with the Act and the Rules, issue further shares to - (a) persons who, at the date of offer, are holders of equity shares of the company; such offer shall be deemed to include a right exercisable by the persons concerned to renounce the shares offered to him or any of them in favour of any other person; or (b) employees under any scheme of employees' stock option; or (c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.	Further Issue of share capital
17 (4)	A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the rules.	Mode of further issue of shares
17 (5)	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking <i>pari passu</i> therewith.	Issue of further shares not to affect rights of existing members
Certificates		
18 (1)	Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide - (a) One certificate for all his shares without payment of any charges; or (b) several certificates, each for one or more of his shares upon payment of such charges as may be fixed by the Board for each certificate after the first.	Issue of Certificate
18 (2)	Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.	Certificate to bear seal
18 (3)	In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of	One certificate for shares held jointly

several joint holders shall be sufficient delivery to all such holders.

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|--------|--|---|
| 18 (4) | A person subscribing to shares offered by the company shall have the option either to receive certificate for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository the company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share. | Option to receive share certificate or hold shares with depository |
| 18 (5) | If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board. | Issue of new certificate in place of one defaced, lost or destroyed |
| 18 (6) | The Provision of foregoing Articles relating to issue of certificates shall <i>mutatis mutandis</i> apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company. | Provision as to issue of certificates to apply mutatis mutandis to Debentures etc. |
| 18 (7) | Notwithstanding anything contained in these Articles, the Board of Directors and/or Committee thereof may refuse an application for sub-division or consolidation of the share certificate in the denomination of less than 50 equity shares except when such sub-division or consolidation is required to be made to comply with a statutory order or order of competent Court of Law or at the discretion of the Directors in such circumstances as the Directors may think fit. | Refusal for sub-division/ consolidation |

Lien

- | | | |
|--------|---|---|
| 19 (i) | The company shall have a first and paramount lien— | |
| (a) | on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and | Company's Lien on Shares. |
| (b) | on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company: | |
| | Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause. | |
| (ii) | The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares for any money owing to the Company. | Lien to extend to Dividends, etc. |
| (iii) | Unless otherwise agreed by the Board, the registration of a transfer of a share shall operate as a waiver of the Company's lien, if any on such share. | Waiver of lien in case of Registration |

20	<p>The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:</p> <p>Provided that no sale shall be made—</p> <p>(a) unless a sum in respect of which the lien exists is presently payable; or</p> <p>(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency or otherwise.</p>	As to enforcing lien by sale
21 (i)	To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.	Validity of Sale
(ii)	The purchaser shall be registered as the holder of the shares comprised in any such transfer.	Purchaser to be Registered holder
(iii)	The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.	Validity of Company's Receipt
(iv)	The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.	Purchaser not affected
22 (i)	The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.	Application of proceeds of sale
(ii)	The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.	Payment of Residual Money
23	In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail not withstanding that it has received notice of any such claim.	Outsider's lien not to affect Company's lien
24	The provisions of these articles relating to lien shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.	Provisions as to lien to apply mutatis mutandis to debentures etc.
Calls on Shares		
25 (i)	The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the provisions of Section 49 of the Act, make such calls, as the Board thinks fit,	Board may make calls

	upon the members in respect of all moneys unpaid on the shares held by them respectively, and not by the condition of allotment thereof made payable at fixed times.	
(ii)	Not less than fourteen days' notice of any call shall be given specifying the time and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.	Notice of call
(iii)	The board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.	Board may extend the time of payment
(iv)	A call may be revoked or postponed at the discretion of the Board.	Revocation of call
26	A Call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.	Call to take effect from date of resolution
27	The joint holder of the share shall be jointly and severally is liable to pay all calls in respect thereof.	Liability of joint holders of shares
28 (i)	If the amount payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof, the holders for the time being in respect of the shares/debentures for which the call shall have been made or the instalment shall be due shall pay interest for the same at such rate as the Board may determine / fix from the day appointed for the payment thereof to the date of actual payment at such rate as may be fixed by the Board.	When interest on call or instalment payable
(ii)	The Board shall be at liberty to waive payment of any such interest either wholly or in part.	Board may waive interest
29 (i)	If by the terms of issue of any share or otherwise any amount is made payable upon allotment or at any fixed time or by instalments at fixed times, whether on account of the share or by way of premium, every such amount or instalment shall be payable as if it were a call duly made by the Board and of which due notice had been given, and all the provisions herein contained in respect of calls shall relate to such amount or instalment accordingly.	Sums deemed to be calls
(ii)	In case of non- payment of such sum, all the relevant provisions of these articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if sum had become payable by virtue of a call duly made and notified.	Effect of non-payment of sums
30	The Board:- a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and b) Upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable)	Payment in anticipation of calls may carry interest

pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member **a)** any right to participate in profits or dividend or **b)** any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.

31	If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be registered holder of the share or the legal representative of a deceased registered holder.	Instalment on the shares duly paid
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32	All calls shall be made on uniform basis on all shares falling under the same class.	Calls on shares of same class shall be on uniform basis
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Explanation: Shares of the same nominal value on which different amounts have been paid -up shall not be deemed to fall under same class.

33	Neither the judgement nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.	Partial payment not to preclude forfeiture
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34	The provisions of these articles relating to calls shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.	Provisions as to calls to apply mutatis mutandis to debentures etc.
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Transfer

35	Save as provided in Section 56 of the Act, no transfer of a share shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee has been delivered to the Company together with the certificate or, if no such certificate is in existence, the letter of allotment of the share. The instrument of transfer of any share shall specify the name, address and occupations (if any) of the transferee and the transferor deem to remain the member in respect of such shares until the name of the transferee is entered in the register in respect thereof. Each signature to such transfer shall be duly attested by the signature of one credible witness who shall add his address and occupation.	Execution of transfer etc.
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36	Application for the registration of the transfer of a share may be made either by the transferor, or the transferee, provided that where such application is made by the transferor, no registration shall in the case of a partly paid share be affected unless the Company gives the notice of the application to the transferee in the manner prescribed by section 56 of the Act, and subject to the	Application for Registration
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	provisions of these Articles the Company shall, unless objection is made by the transferee, within two weeks from the date of receipt of the notice, enter in the Register the name and the conditions as if the application for registration of the transfer was made by the transferee.	
37	The instrument of transfer shall be in writing and all the provisions of Section 56 of the Companies Act, 2013 and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of share and the registration thereof.	Form of transfer
38	Subject to the provisions of Section 58 & 59 of the Act, and subject to the provisions of Section-22A of the Securities Contracts (Regulation) Act, 1956, the Board without assigning any reason for such refusal, may refuse to register any transfer by operation law of the right to a share. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on shares.	Restriction on Transfer
39	No transfer shall be made to a minor, a partnership firm or a person of unsound mind.	No transfer to minor etc.
40	Every instrument of transfer shall be left at the office for registration, accompanied by the certificate of the share to be transferred or, if no such certificate is in existence, by the letter of Allotment of the share and such other evidence as the Board may require to prove the title of the transferor or his right to transfer the share, and the transferee shall (subject to the Board's right to decline to register here in before mentioned) be registered as a member in respect of such share. Every instrument of transfer, which shall be registered, shall be retained by the Company, but any instrument of transfer, which the Board may refuse to register, shall be returned to the person depositing the same.	Transfer be left at office and when to be retained.
41	If the Board refuses, whether in pursuance of Article 38 or otherwise, to register the transfer of, or the transmission by operation of law of the right, to any share, the Company shall give notice of the refusal in accordance with the provisions of Section 58 & 59 of the Act.	Notice of refusal to register transfer
42	On giving not less than seven days previous notice in accordance with section 91 and rules made thereunder, the registration of transfer may be suspended at such times and for such periods as the Board may from time to time determine: Provided that such registration shall not be suspended for more than thirty days at any one time or for more than 45 days in the aggregate in any year.	Suspension of registration of transfer
	Transmission	
43	The executor or administrator of a deceased member (not being one of the several joint-holders) shall be the only person recognised by the Company as giving any title to the share registered in the name of such member, and, in case of the death of any one or more of the joint holders of any registered share, the	Transmission of registered share.

survivor shall be the only person 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 any liability on the share held by him jointly with any other person. Before recognising any executor or administrator the Board may require him to obtain a Grant of Probate or letters of Administration or other legal representation, as the case may be, from a court in India competent to grant it. Provided nevertheless that in any case where the Board in its absolute discretion thinks fit it shall be lawful for the Board to dispense with the production of probate or Letters of Administration or such other legal representation upon such terms as to indemnify or otherwise as the Board, in its absolute discretion, may think fit.

- 44 (i) Every holder of shares in, or holder of debentures of the Company may, at any time, nominate, in the prescribed manner, a person to whom his shares in, or debentures of, the Company shall vest in the event of his death.
- (ii) 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 shall vest in the event of death of all the joint holders.
- (iii) 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 debenture of, the Company, the nominee shall, on the death of the shareholder or holder of the debentures of, the Company or, as the case may be on the death of the joint holder becomes entitled to all the rights in the shares, or debenture of the Company or, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.
- (iv) Where the nominee is a minor, it shall be lawful for the holder of the shares or holder of the debentures, to nominate 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.
- 45 Any curator bonis or a lunatic or guardian of a minor member or any person becoming entitled to or to transfer a share in consequence of the death or bankruptcy or insolvency of any member upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title as the Board thinks sufficient, may, with the consent of the Board (Which the Board shall not be bound to give) be registered as a member in respect of such share or may subject to the regulation as to transfer herein before contained, transfer such share. This Article is hereinafter referred to as "The Transmission Article".
- 46 (a) If the person so becoming entitled under the Transmission Article shall elect to be registered as holder of the share himself he shall

As to transfer of shares to insane minor deceased bankrupt members.

Election under the

	deliver or send to the Company a notice in writing signed by him stating that he so elects.	Transmission Article
(b)	If the person aforesaid shall elect to transfer the share, he shall testify his election by executing an instrument of transfer of the Share.	
(c)	All the limitations restrictions and provisions of these Articles relating to the right to transfer and the registration of instruments of transfer a share shall be applicable to any such notice or transfer as aforesaid as if the death, lunacy, bankruptcy or insolvency of the member had not occurred and the notice of transfer were a transfer signed by that member.	
47	<p>A person so becoming entitled under the Transmission Article to a share by reason of the death, lunacy, bankruptcy or insolvency of the holder shall, subject to the provisions of Article 78 and relevant provisions of the Act, be entitled to the same dividends and other advantages as he would be entitled to, if he were the registered holder of the share.</p> <p>Provided that Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share, until the requirements of the notice have been complied within.</p> <p>Forfeiture of Shares</p>	Rights of persons entitled to shares under the Transmission Article.
48	If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgement or decree in respect of thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.	If Call or instalment not paid notice must be given
49	The notice aforesaid shall—(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.	Form of Notice
50	If the requisitions of any such notice as aforesaid be not complied with any shares in respect of which such notice has been given may, at any time thereafter, before payment of all calls or instalment, interest and expenses, due in respect thereof be forfeited by a resolution of the Board to the effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares but not actually paid before the forfeiture.	If Notice not complied with, shares may be forfeited.
51	Neither the receipt by the company for a portion of any money which may from time to time be due from any member in respect	Receipt of part amount or grant

	of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.	of indulgence not to affect forfeiture
52	Where any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.	Entry of forfeiture in register of members
53	A person whose share has been forfeited shall cease to be a member in respect of the share, but shall, notwithstanding, such forfeiture shall remain liable to pay, and shall forthwith pay to the Company all calls, or instalments, interests and expenses, owing upon or in respect of such share, at the time of the forfeiture, until payment at such rate as the Board may determine and the Board may enforce the payment thereof, or any part thereof without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so.	Liability on forfeiture
54	Any share so forfeited shall be deemed to be the property of the Company, and the Board may sell, re-allot or otherwise dispose of the same in such manner as it thinks fit	Forfeited share to become property of Company.
55	The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.	Cesser of Liability
56 (1)	A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;	Certificate of forfeiture
(2)	The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;	Title of purchaser & transferee of forfeited shares
(3)	The transferee shall thereupon be registered as the holder of the share; and	Transferee to be registered as holder
(4)	The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.	Transferee not affected
57	Upon any sale after forfeiture or for enforcing a lien in exercise of the powers herein above given the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the	Validity of Sales

	register of member in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the same shall not be impeached by any person.	
58	Upon any sale, re-allotment or other disposal under the provision of the preceding Articles the certificate(s), if any, originally issued in respect of the related shares shall (unless the same shall on demand by the company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said share to the person(s) entitled thereto.	Cancellation of Share certificate in respect of forfeited shares
59	The Board may, subject to the provision of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.	Surrender of Share Certificate
60	The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.	Sums deemed to be calls
61	The Board may at any time before any shares so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it think fit.	Power to annul forfeiture
62	The provision of these Articles relation to forfeiture of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.	Provision as to forfeiture of shares to apply mutatis mutandis to debenture, etc.
Increase and Reduction of Capital		
63	The Company in General Meeting may, from time to time, alter the conditions of its Memorandum of Association to increase its capital by the creation of new shares of such amount and class as may be deemed expedient.	Power to increase capital.
64	Subject to any special rights for the time being attached to any shares in the capital of the Company then issued and to the provision of Section 62 of the Act, the new shares may be issued upon such terms and conditions, and with such rights attached thereto as the general meeting resolving upon the creation thereof, shall direct, and, if no direction be given as the Board shall determine, and in particular such shares may be issued with a preferential right to dividends and in the distribution of assets of the Company.	On what condition new shares may be issued.
65	Before the issue of any new shares, the Company in General Meeting may subject to the provision of the Act, make provisions as to the allotment and issue of shares and in particular may determine to whom the same shall be offered in the first instance and whether at par or at a premium.	Provisions relating to the issue

66	Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered part of the then existing capital of the Company and shall be subject to the provisions herein contained with reference to the payment of dividends, calls and instalments, transfer and transmission, forfeiture, lien, surrender and otherwise.	Ranking of new shares with existing shares.
67	If owing to any inequality in the number of new shares to be issued and the number of shares held by members entitled to have the offer of such new shares, any difficulty shall arise in the apportionment of such new shares, or any of them amongst the members, such difficulty shall, in the absence of any direction in the resolution creating the shares or by the Company in general meeting, be determined by the Board.	Inequality in number of new shares
68	The Company may, from time to time by special resolution, reduce its capital, any Capital Redemption Reserve Account or Share Premium Account in any manner and with and subject to any incident authorized and consent required by law.	Reduction of capital etc.
	Alteration of Capital	
69	Subject to the provisions of section 61, the company may, by ordinary resolution,—	
(a)	Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.	Power to subdivide consolidate and convert shares.
(b)	Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived.	
(c)	Cancel any shares which at the date of the passing of the resolution, have been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of shares so cancelled.	
(d)	Convert all or any of its fully paid shares into stock and reconvert that stock into fully paid up shares of any denomination.	
70	The resolution where by any shares is sub-divided may determine that as between the holders of the shares resulting from such subdivision, one or more of such shares shall have some preferential or special advantage as regards dividend, capital, voting or otherwise over or as compared with the others or other, subject nevertheless, to the provisions of Sections 43, 47 and 48 of the Act.	Sub division into Preference and Equity
	Rights of Shareholders	
71	Such of the Articles of the Company (other than relating to share warrants) as are applicable to paid up shares shall apply to stock and the words "Share" and "shareholder" therein shall include	"Stock" and "Stockholder"

"Stock" and "Stockholder" respectively.

Share Warrants

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| 72 | Subject to the provisions of Companies Act, 2013 and subject to any directions which may be given by the Company in general meeting, the directors may issue Share warrants in such manner and on such terms and conditions as the Board thinks fit. | Power to issue Warrants. |
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Modification of Right

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| 73 | If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than three-fourth of the issued share of that class or with the sanction of a special resolution passed at a separate General Meeting of the holders of the shares of that class. To every such separate General meeting the provisions of these Articles relating to General Meeting shall, apply but so that the necessary quorum shall be two persons at least holding or representing by proxy one third of the issued share of that class but if at any adjourned meeting of such holders a quorum as above defined is not present those members who are present shall be a quorum and that any holder of share of the class present in person or by proxy may demand a poll and on a poll, shall have one vote for each share of the class of which he is the holder. This Article is not by implication to curtail the power of modification which the Company would have if this Article were omitted. | Power to modify Rights. |
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Joint Holders

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| 74 | Where two or more persons are registered as joint holders (not more than four) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these articles: | |
| (a) | The Joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share. | Liability of joint holders |
| (b) | 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 they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person. | Death of one or more joint-holders |
| (c) | Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share. | Receipt of one sufficient |
| (d) | Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to | Delivery of certificate and giving of notice |

	receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall deemed service on all the joint-holders.	to first named holder
(e)(i)	Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by any attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares.	Vote of Joint-holders
(ii)	Several executors or an administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.	Executors or Administrators as joint holders
(f)	The provision of these Articles relating to joint holders of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the company registered in joint names.	Provisions as to joint holders as to shares to apply <i>mutatis mutandis</i> to debentures, etc.

Borrowing Powers

75	The Board may from time to time, at its discretion, subject to the provisions of Section 73, 179, 180, 181 and 186 of the Act, raise or borrow either from the Directors or Central or State Governments, Banks or party or parties and secure the payment of any sum or sums of money for the purposes of the Company.	Power to borrow
76	The Board of Directors may raise or secure the repayment or payment of any sum or sums in such manner upon such terms and conditions in all respects as they think fit and in particular by the creation of the mortgage or charge on the undertaking of the whole or any part of the property, present or future, or uncalled capital of the Company or by the issue of bonds, perpetual or redeemable, 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.	Conditions on which money may be borrowed.
77	Any debentures or debenture stock bonds or other securities may be issued at a premium or otherwise and with any special rights as to redemption, surrender, drawing, allotment of shares, appointment of Directors and otherwise, Debentures, debenture stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued. Provided that debentures with the rights to allotment of or conversion into the shares shall not be issued except in conformity with the provisions of the Section 62(3) of the Act.	Issue at premium etc. or with special privileges.
78	Save as provided in Section 56 of the Act, no transfer of debentures shall be registered unless a proper instrument of	Instrument of transfer

	transfer duly stamped and executed by transferor and transferee has been delivered to the Company together with the certificate or certificates of the debentures.	
79	Subject to the provisions of Section 58 & 59 of the Act Section - 22A of the Securities Contracts (Regulation) Act, 1956, the Board may, without assigning any reason, refuse to register the transfer of the debenture.	
	Capitalisation of Profits	
80 (1)	The company in general meeting may, upon the recommendation of the Board, resolve—	Capitalisation
(a)	that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and	
(b)	that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.	
2	The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, either in or towards—	Sum how applied
(a)	paying up any amounts for the time being unpaid on any shares held by such members respectively;	
(b)	paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;	
(c)	partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);	
3	A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;	
4	The Board shall give effect to the resolution passed by the company in pursuance of this regulation.	
81 (1)	Whenever such a resolution as aforesaid shall have been passed, the Board shall—	Powers of the Board for Capitalisation
(a)	make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and	
(b)	generally do all acts and things required to give effect thereto.	
(2)	The Board shall have power—	
(a)	to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and	Board's power to issue fractional certificate/

coupon etc.

- (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

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

**Agreement
binding on
members**

Buy-back of shares

- 82 Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

**Buy-back of
shares**

General Meetings

- 83 In addition to other meetings, Annual Meetings of the Company shall be held within such intervals as are specified in Section 96 (1) of the Act and subject to the provisions of Section 96 (2) of the Act at such times and places as may be determined by the Board. All other meetings or the meeting, be called Extra-ordinary General Meetings and shall be convened under the provision of the next following Article.

**When Annual
general Meeting
to be held.**

- 84 The Directors may, whenever they think fit, call an Extra-Ordinary General Meeting and an Extra-Ordinary General Meeting shall also be held on such requisition or in default may be called by such requisitionists, as provided by Section 100 of the Act.

**When Extra-
ordinary Meeting
to be called.**

- 85 The Company shall comply with the provisions of Section 111 of the Act as to giving notice of resolutions and circulating statements of the requisition of members.

**Circulation of
members
resolution**

- 86 Subject to the provisions of Section 101 and 105(2) of the Act, notice of every meeting of the Company shall be given to such persons and in such manner as provided by Section 101 of the Act. Where any business consists of special Business as hereinafter defined in Article 101 there shall be annexed to the notice a statement complying with Section 102 (2) and (3) of the Act.

**Notice of
Meeting**

The accidental omission to give any such notice to or the non-receipt by any member or other persons to whom it should be given shall not invalidate the proceedings of the meeting.

Proceedings at General Meetings

87	The ordinary business of an Annual General Meeting shall be to receive and consider the Statement of Profit and Loss, the Balance Sheet and the Reports of the Board of Directors and of the Auditors, to elect Directors in place of those retiring by rotation, to ratify the appointment of Auditors and fix their remuneration and declare dividends. All other business transacted at any other general meeting shall be deemed special business.	Business of meetings.
88	No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. The quorum for a general meeting shall be as provided in section 103 of the Act.	Quorum to be present when business commenced.
89	If within half an hour from the time appointed for the meeting, a quorum be not present, the meeting if convened upon such requisition as aforesaid, shall be dissolved but in any other case it shall stand adjourned in accordance with the provisions of sub-section (2) and (3) of Section 103 of the Act.	When quorum not present, meeting to be dissolved and when to be adjourned.
90	Any act or resolution which, under the provisions of these Article or the Act, is permitted or required to be done or passed by the Company in general meeting shall be sufficiently so done or passed if effected by an Ordinary Resolution as defined in Section 114 (1) of the Act, unless either the Act or these Articles specifically require such act to be done or resolution passed as a Special Resolution as defined in Section 114 (2) of the Act.	Resolution to be passed by Company in general meeting.
91	The Chairperson of the Board shall be entitled to take the chair at every general meeting.	Chairperson of General Meeting
92	If there is no such Chairperson, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act then, the members present shall choose another Director as Chairperson of the meeting. If such Director is not present within fifteen minutes after the time appointed for holding the meeting or if all the Directors present decline to take the chair, then the members present shall on a show of hands or on a poll if properly demanded, elect one of their member, being a member entitled to vote, to be chairperson of the meeting.	Members to elect a Chairperson
93	At any General Meeting, a resolution put to vote at the meeting, shall unless a poll is demanded under Section 109 or the voting is carried out electronically under section 108, be decided by a show of hands and in the case of an equality of votes, the Chairperson of the meeting shall have a casting vote in addition to vote to which he may be entitled as a member.	Voting at General meeting and casting vote of Chairperson
94 (1)	The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.	Minutes of proceedings of meetings and resolutions passed by Postal Ballot

(2)	There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting -	Certain matters not to be included in minutes
(a)	is, or could reasonably be regarded, as defamatory of any person; or	
(b)	is irrelevant or immaterial to the proceedings; or	
(c)	is detrimental to the interests of the Company.	Discretion of Chairperson in relation to minutes
95	The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.	
96	The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.	Minutes to be evidence
97(1)	The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:	Inspection of minutes book of General meeting
(a)	be kept at the registered office of the Company; and	
(b)	be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.	
(2)	Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above.	Members may obtain copy of minutes
98	The Board, and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.	Powers to arrange security at meetings
99(i)	If a poll be demanded at a general meeting it shall be taken forthwith on a question of adjournment or election of a Chairperson of the meeting and in any other case in such manner and at such time not being later than forty-eight hours from the time when the demand was made, and at such place as the Chairperson of the meeting directs and subject as aforesaid, either at once or after an interval or adjournment or otherwise and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was demanded.	Poll
(ii)	The demand of poll may be withdrawn at any time.	
(iii)	Where a poll is to be taken, the Chairperson of the meeting shall appoint two scrutineers, one atleast of whom shall be a member (not being an officer or employee of the Company) present at the meeting provided such a member is available and willing to be appointed, to scrutinise the votes given on the poll and to report to him thereon.	

- (iv) On a poll 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.
- (v) The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

Adjournment of meeting

- 100 (i) The Chairperson of a general meeting may adjourn the same, from time to time and from place to place, 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.
- (ii) When a meeting is adjourned it shall not be necessary to give any notice of an adjournment or of the business to be transacted at any adjourned meeting.
- 101 The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- 102 When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- 103 Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

**Power to
adjourn general
meeting.**

**Chairperson
may adjourn the
meeting**

**Notice of
adjourned
meeting**

**Notice of
adjourned
Meeting not
required**

Voting Rights

- 104 Subject to the provisions of the Act (and particularly of Section 47 and 50 thereof) and of these Articles :
 - (i) Upon a show of hands every member holding Equity Shares and entitled to vote and present in person (including an attorney or proxy or a representative of a Body Corporate) or by proxy shall have one vote;
 - (ii) Upon a poll the voting right of every member holding Equity Shares and entitled to vote and present in person (including a corporation or company present as aforesaid) or by attorney or by proxy shall be in the same proportion as the Capital paid on the Equity Share or shares (whether fully paid or partly paid) held by him bears to the total paid up Equity Capital of the Company;
 - (iii) Upon a show of hands or upon a poll, the voting right of every member holding preference Shares shall be subject to the Provisions, limitations and restrictions laid down in Section 47 of the Act.
- 105 A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

**Entitlement to
vote on show of
hands and on
poll**

**Voting through
electronic**

		means
106	No member shall be entitled to exercise any voting rights at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.	Restriction on voting.
107	Where a company or a body corporate (hereinafter called "member company") is a member of the Company, a person duly appointed by resolution in accordance with the provisions of Section 113 of the Act, to represent such member company at a meeting of the Company shall not by reason of such appointment, be deemed to be a proxy, and the lodging with Company at the office or production at the meeting of a copy of such resolution duly signed by one Director of such member company and certified by him or them as being a true copy of the resolution shall, on production at the meeting be accepted by the Company as sufficient evidence of the validity of his appointment. Such a person shall be entitled to exercise the same rights and powers including the right to vote by proxy on behalf of the member company which he represents as that member company could exercise if it were an individual member.	Procedure where a company is member of the Company.
108	Any person, entitled under the Transmission Article to transfer any shares, may vote at any general meeting in respect thereof in the same manner as if he were the member registered in respect 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 Board of his right to transfer such shares, unless the Board shall have previously admitted his right to vote at such meeting in respect thereof. If any member be a lunatic or non-compose mentis, he may vote whether on a show of hands or a poll by his committee; curator or other legal curator and such last-mentioned persons may give their votes by proxy.	Votes in respect of deceased, in sane and insolvent members.
109	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.	Voting by minor through guardian
110	Where there are members registered jointly in respect of any one share, any one of such persons may vote at any meeting either personally or by proxy in respect of such share as if he were solely entitled thereto; and if more than one of such members be present at any meeting either personally or by proxy that one of the said members so present whose name stands first on the Register in respect of such share alone shall be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share is registered shall, for the purpose of this Article, be deemed to be members in Register jointly in respect thereof.	Members registered jointly.
111	On a poll votes may be given either personally or by proxy, or in the case of a body corporate, by a representative duly authorized as aforesaid.	Votes on a poll

112	No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.	Restriction on voting rights
113	A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.	Restriction on exercise of Voting rights in other cases to be void
114	Any member whose name is entered in the register of members of the company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.	Equal rights of members
Proxy		
115	The instrument appointing a proxy shall be in writing under the hand of the appointer or his Attorney duly authorized in writing or if such appointer is a body corporate be under its common seal or the hand of its officer or Attorney duly authorized.	Instrument appointing proxy to be in writing.
116	A proxy, who is appointed for a specified meeting only shall be called a special proxy. Any other proxy shall be called general proxy.	Proxies may be general/special.
117	A person may be appointed a proxy though he is not a member of the Company and every notice convening a meeting of the Company shall state this and that a member entitled to attend and vote instead of him and the Proxy need not be a member of the Company.	Appointment of proxy
118	The instrument appointing a proxy and the Power of Attorney or other authority (if any) under which it is signed a certified copy of that power or authority, shall be deposited at the registered office not less than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote in respect thereof and in default the instrument of proxy shall not be treated as valid.	Instrument appointing a proxy to be deposited at the office.
119	A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer of the share shall have been received by the Company at the Office before the vote is given. Provided nevertheless that the Chairperson of any meeting shall be entitled to require such evidence as he may in his discretion think fit, of the due execution of an instrument of proxy and that the same has not been revoked.	When vote by proxy valid authority revoked.
120	An instrument appointing a proxy shall be in the form as prescribed in the rules.	Form of instrument appointing proxy
121	An objection as to the admission or rejection of vote either, on a	Admission or

	show of hands, or on a poll made in due time shall be referred to the Chairperson of the meeting who shall forthwith determine the same and such determination made in good faith shall be final and conclusive.	rejection of votes.
122	No objection shall be raised to the Qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes.	
	Board of Directors	
123	Subject to Section 149 of the Act, the number of the Directors of the Company shall not be less than three and not more than fifteen. Provided that this limit of 15 Directors can be increased by way of special resolution at a general meeting.	Number of Directors
124	The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company	Same individual may be Chairperson and Managing Director / Chief Executive Officer
125 (i)	The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.	Remuneration of Directors
(ii)	The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting.	Remuneration to require Member's consent
126	In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them-	Travelling and other expenses
(a)	in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company: or	
(b)	in connection with the business of the company.	
127	All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.	Execution of negotiable Instruments
128	Not with standing anything contrary contained in these Articles, so long as any moneys remain owing by the Company, the Financial institutions/ banks shall have a right to appoint, from time to time, any person or persons as a Director or Directors, whole time or non-whole time (which Director or Directors is/are hereinafter referred to as nominee Director/s) on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s.	Nominee Director

The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Financial institutions/banks such Nominee Director/s shall not be required to hold any share qualification in the Company. Such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject to aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Financial institutions/banks or so long as the Financial institutions/banks holds debentures in the Company as a result of direct subscription or private placement or so long as the Financial institutions/banks holds shares in the Company as a result of underwriting or direct subscription or the liability of the Company arising out of any guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso-facto vacate such office immediately the moneys owing by the Company to the Financial institutions/banks is paid off or on the Financial institutions/banks ceasing to hold Debentures/Shares in the Company or on the satisfaction of the liability of the Company arising out of any guarantee furnished by the Financial institutions/banks.

The Nominee Director/s appointed under this Article shall be entitled to receive all notice of and attend all General Meetings, Boards Meetings and of the meeting of the Committee of which the Nominee Director/s is /are member's as also the minutes of such meetings. The Financial institutions/banks shall also be entitled to receive all such notices and minutes.

The Company shall pay to the Nominee Director/s sitting fees and expenses which the other directors of the Company are entitled, but if any other fees, commission, moneys or remuneration in any form is payable to the Directors of the Company, the fees, commission, moneys and remuneration in relation to such Nominee Director/s shall accrue to the Financial institutions/banks and same shall accordingly be paid by the Company directly to the Financial institutions/banks any expenses that may be incurred by the Financial institutions/banks or such Nominee Director's in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Financial institutions/banks, or as the case may be to such Nominee Director/s.

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

Provided also that in the event of the Nominee Director/s being appointed as whole-time Director/s such Nominee Director/s shall exercise such powers and duties as may be approved by the Lenders and have such rights as are usually exercised or

available to a whole time Director, in the Management of the Borrower such Nominee Director's shall be entitled to receive such remuneration, fee, commission and moneys as may be approved by the Lenders.

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|-----|---|---|
| 129 | If it is provided by the Trust Deed secured or otherwise, in connection with any issue of debenture of the Company, that any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of Debentures, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any director so appointed is herein referred to as Debenture Director. A Debenture Director may be removed from office at any time by the person or persons in whom, for the time being is vested the power under which he was appointed in his place. A Debenture Director shall not be bound to hold any qualification shares and subject to the provisions of Section 152 of the Act, shall not be liable to retire by rotation or be removed by the Company. | Debenture
Directors |
| 130 | Unless otherwise determined by an ordinary resolution in a general meeting of the Company, a Director of the Company shall not be required to hold any share as his qualification. | Shares
qualification of
Directors. |
| 131 | The remuneration of every Director for attending a meeting of the Board or its Committee shall be such sum as the Board may decide from time to time, however subject to maximum fee or such sum as may be prescribed by the Central Govt. from time to time for a meeting of the Board or any Committee thereof. In addition, each Director shall be entitled to be reimbursed his reasonable traveling and hotel and other expenses in consequence of his attendance at meeting of the Board or any Committee there of and otherwise in execution of his duties as may be fixed by the Board of Directors from time to time. | Reimbursement
of Expenses |
| 132 | If any Director, being willing, shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of residence for any of the purpose of the Company or in giving special attention to the business of the Company or as a member of a Committee of the Board then, subject to Section 197 of the Act, the Board may remunerate the Director so doing either by a fixed sum or by percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled. | Remuneration
for extra service. |
| 133 | A Director may, at any time, resign his office by notice in writing served on the Company as per provisions of section 168 of the Act. | Resignation of
Director |
| 134 | The Continuing Directors may act notwithstanding any vacancy in their body but so that if the number falls below the minimum above fixed the Board shall not, except for the purpose of filling vacancies, or for summoning a general meeting of the Company, act so long as the number is below the minimum. | Board may act
notwithstanding
vacancy. |
| 135 | The Office of a director shall ipso facto become vacant if at any | Vacation of |

	time he commits any of the acts set out in Section 167 of the Act.	office of Directors.
136	Director or other person, referred to in Section 188 of the Act, shall not hold an office or place of profit save as permitted by that Section.	Office of Profit.
137	A Director of this Company may be or become a Director of any other Company promoted by this Company or in which it may be interested as a member, shareholder or otherwise and no such Director shall be accountable for any benefits received as a Director or member of such Company.	Appointment of Directors as Director of company in which the company is interested.
138	Subject to the provisions of Section 188 of the Act neither shall a Director be disqualified from contracting with Company either as vendor, purchaser or otherwise for goods, materials or services or for underwriting the subscription of any securities or derivatives of the Company nor shall any such contract or arrangement entered into by or on behalf of the Company with a relative of a such Director or a firm in which such Director or relative is a partner or with any other partner in such firm or with a private company of which such Director is a member or Director, be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding office or for the fiduciary relation thereby established.	Conditions under which directors may contract with Company
139	Every Director shall comply with the provisions of Section 184 of the Act regarding disclosure of his concern or interest in any contract or arrangement entered into or to be entered by the Company.	Disclosure of a Director's interest.
140	Save as permitted by Section 184 of the Act or any other applicable provision of the Act, no Director shall as a Director take any part in the discussion of, or vote on any contract or arrangement in which he is in any way, whether directly or indirectly, concerned or interested, nor shall, his presence count for the purpose of forming a quorum at the time of such discussion or vote.	Discussion and voting by Director interested.

Appointment, Retirement and Removal of Director

141	Subject to the provisions of the Act, the Board shall have power, at any time and from time to time to appoint any person as a Director as an additional Director to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed by these Articles.	Appointment of Additional Directors.
142	Any Director so appointed shall hold office only until the next Annual General Meeting of the Company and shall then be eligible for re-appointment by the Company as a director at that meeting subject to the provisions of the Act.	Duration of office of additional directors
143	The Directors may appoint any person to act as Alternate director for a Director during the latter's absence for a period of not less than three months from India and such appointment shall have effect and such appointee; whilst he holds office as an Alternate Director shall be entitled to notice of Meetings of the Directors and to attend and vote there at accordingly. Provided that no person shall be appointed as an Alternate Director for an Independent Director unless he is qualified to be appointed as an Independent Director under section 149 of the Act.	Appointment of Alternate Director.
144	An alternate Director shall not hold office for a period longer than the permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.	Duration of office of alternate director
145	If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the alternate Director.	Re-appointment provisions applicable to Original Director
146	If any Director, appointed by the General Meeting vacates office as a Director before his terms of office will expire in the normal course, the resulting casual vacancy may be filled up by the Board at a meeting of the Board.	Board may fill up casual vacancies.
147	The Director so appointed shall remain in his office so long only as the vacating Director would have retained the same if no vacancy had occurred. Provided that the Board may not fill such a vacancy by appointing there to any person who has been removed from the office of the Director under Article 146.	Duration of office of Director appointed to fill casual vacancy
148	At each 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, then the number nearest to one third shall retire from office. Provided that Independent Directors and Nominee Directors of the Company shall not be liable to retire by rotation.	Rotation and Retirement.
149	Subject to the provisions of these Articles, the Director 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 become Directors on the same day those to retire shall in default of and subject to any agreement among themselves, be determined by lot.	Which Directors to retire.

150	The Company may remove any Director before the expiration of his period of office in accordance with the provisions of Section 169 of the Act and may subject to the provisions of Section 161 of the Act appoint another person in his place if the Director so removed was appointed by the Company in General Meeting or by the Board under Articles 137, 138 and 142.	Power to remove Director by ordinary resolution on special Notice.
151	At the Annual General Meeting at which a Director retires as aforesaid the Company may fill up the vacancy by appointing the retiring Director who is eligible for re-election or some other person thereto if a notice for the purpose has been left at the office of the Company as required by Section 160 of the Act.	Vacancies to be filled in at the General Meeting.
Powers of Board		
152	The management of the business of the Company shall be vested in the Board which may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorised to exercise and do, and, not hereby or by the statutes or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless the provisions of the Act and other laws and of the memorandum of association and these articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board, which would have been valid if such regulation had not been made.	General powers of the Company vested in Board
Managing/Whole Time Director		
153 (i)	Subject to the Provision of Section 188, 196 & 203 of the Act the Board of Directors may from time to time, appoint one or more of them as Managing /Whole time Director or Directors on such remuneration and on such other terms and conditions as the Board may deem fit. The Board may subject to any contract between such director and the Company remove or dismiss him and appoint another in his place.	Appointment of Managing or Whole-time Director.
(ii)	Where the Company enters into any contract for the appointment of a Managing or Whole time Director or varies any such contract or where the Board passes any resolution appointing such a Director or varies any previous contract or resolution of the Company relating to such appointment, the Company shall keep at its Registered office copies of such contract, which shall be opened to inspection by any member of the Company without payment of fee.	Copies of contract to be kept at Registered office
154	Subject to the provisions of any contract between Managing/Whole Time Director and the Company, he shall be subject to the same provisions as to resignation and removal as the other Directors and he shall, ipso facto and immediately cease to be a managing/whole time Director if he ceases to hold the office of Director from any cause.	Vacation of office by Managing/ Whole-time Director.
155	Subject to the provisions of Section 197 and 200 of the Act, a Managing or Whole-time Director may be paid remuneration either	Remuneration of Managing/

	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 as may, from time to time, be determined by a resolution passed by the Company in General Meeting.	Whole-time Director.
156	Subject to the provisions of the Act and in particular to the prohibitions and restrictions contained in Section 179 thereof the Board may, from time to time, entrust to and confer upon a Managing Director for the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such power for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as it thinks fit, and the Board may confer such powers, either collaterally with or to the exclusion of, and in substitution for all or any of the powers of the Board in that behalf, and may from time to time, revoke, withdraw, alter or vary all or any of such powers.	Power of Managing Director.
	Proceedings of the Board	
157 (i)	The Board shall meet for a minimum number of four times in a year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings for despatch of business, adjourn and otherwise regulate their meetings and proceeding as may think fit. Questions arising at any meeting shall be decided by a majority of votes and in case of equality of votes, the Chairperson shall have a second or casting vote.	Meetings of Directors
(ii)	Notice of every meeting of the Board shall be given to the Directors in accordance with the provisions of Section 173 of the Act.	
158(i)	The Quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of Section 174 of the Act. If the Quorum is not present within fifteen minutes from the time appointed for holding a meeting of the Board, the meeting shall be adjourned until such date and time as the Chairperson of the Board shall decide.	Quorum
(ii)	Where at any time the number of interested Directors exceeds or is equal to two thirds of its total strength, the number of the remaining Directors that is to say., the number of directors who are not interested present at the meeting being not less than two, shall be the quorum during such time.	
159	The participation of Directors in a meeting of the Board may be either in person or through video conferencing or audio visual means as may be prescribed by the Rules or permitted under law.	Participation at Board Meeting
160	A Director may, and the Manager or Secretary on the requisition of a Director shall, at any time summon a meeting of the Board.	Summoning of Board Meeting
161(i)	The Chairperson of the Company shall be the Chairperson at the meetings of the Board. In his absence, the Board may elect the Chairperson of its meetings and determine the period for which he is to hold the office.	Who to preside at meeting of the Board

(ii)	If no Chairperson is appointed, or if at any meeting of the Board, the Chairperson be not present within fifteen minutes after the time appointed for holding the same, the Directors present shall choose someone of their member to be Chairperson of such meeting.	
162	A meeting of the Board at which a quorum be present, shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles or the Act for the time being vested in or exercisable by the Board.	Power of quorum.
163	The Continuing Directors may act notwithstanding any vacancy in the board; but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.	Directors not to act when number falls below minimum
164	The Board may, subject to the provisions of the Act, from time to time and at any time delegate any of its power to a committee consisting of such member or Directors as it thinks fit, and may from time to time, revoke such delegation.	Power to appoint Committee and to delegate.
165	The participation of Directors in a meeting of the Committee of the Board may be either in person or through video conferencing or audio visual means as may be prescribed by the Rules or permitted under law.	Participation at committee meeting
166	A committee may elect a Chairperson of its meetings unless the Board, while constituting a committee, has appointed a Chairperson of such committee. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.	Chairperson of committee
167	A committee may meet and adjourn as it thinks fit.	Committee to meet
168	Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present. In case of any equality of votes, the Chairperson of the Committee shall have second or casting vote.	Questions at committee meeting, how decided
169	The meetings and proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto, and are not superseded by any regulations made by the Board under the last preceding Article.	Proceeding of Committee
170	All acts done by any meeting of the Board, or by a Committee of Directors, or any person acting as a Director, shall notwithstanding that it may afterwards be discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified or had vacated office by virtue of any provisions contained in the Act or in these Articles be as valid as if	When acts of Directors or Committee valid notwithstanding defective appointment etc.

every such Director or person had been duly appointed and was qualified to be Director and had not vacated such office provided that nothing in this Article shall be deemed to give validity to acts done by a Director after the appointment of such Director, has been shown to the invalid or to have terminated.

- 171 Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.

**Resolution
without Board
Meeting.**

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

- 172 Subject to the provisions of the Act—

- (i) A Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
- (ii) A Director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

**Chief Executive
officer, etc.**

**Director may be
chief executive
officer, etc.**

Minutes

- 173 The Board, shall in accordance with the provision of Section 118 of the Act, cause minutes to be kept of proceeding of every general meeting of the Company and of every meeting of the Board or of every Committee of the Board.
- (a)
- (b) Any such minutes of Proceeding of any meeting of the Board or of any Committee of the Board or of the Company in general meeting, if kept in accordance with the provisions of the Section 118 of the Act, shall be evidence of the matters stated in such minutes. The minutes books of general meetings of the Company shall be kept at the office and shall be open to inspection by members during the hours of 11 a.m. and 1 p.m. on such business days as the Act requires them to be open for inspection.

**Minutes to be
made**

Delegation

- 174 Without prejudice to the general powers conferred by the proceeding Article, the Directors may from time to time and at any time subject to the restriction contained in the Act, delegate to managers, secretaries, officers, assistants and other employees or other person any of the powers, authorities and discretion's for the time being vested in the Board and the Board, may at anytime, remove any person so appointed and may annul or vary such delegation.

**Powers to
Delegate.**

Local Management

- 175 The Board may, subject to the provisions of the Act, make such arrangement as it may think fit for the management of the Company's affairs abroad and for this purpose appoint local bodies, attorneys and agents and fix their remuneration and delegate to them such power as the Board may deem requisite or expedient. The Company may exercise all the powers of the Act and the Official Seal shall be affixed by the authority and in the presence of and the instruments sealed there with shall be signed by such persons as the Board shall, from time to time by writing under the Seal, appoint. The Company may also exercise the power of the Act with reference to the keeping of foreign registers.

**Local
Management
Powers of
attorney, seal for
use abroad and
foreign
registers.**

Management

- 176 Any Director or other person referred to in Section 188 of the Act, may be appointed to or hold any office or place of profit under the Company or under any subsidiary of the Company in accordance with and subject to the provisions of the said Section.
- 177 Any provision of the Act or these Articles requiring or authorizing a thing to be done by a Director, Manager or Secretary shall not be satisfied by its being done by the same person acting both as, or in place of the Manager or Secretary.

**Director etc.
may hold office
or place of
profit.**

**Act of Director,
Manager or
Secretary.**

Authentication of Documents

- 178 Save as otherwise provided in the Act any Director or the Company Secretary or any person appointed by the Board for the purpose shall have power to authenticate any document affecting the constitution of the Company and any resolution passed by the Company or the Board and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts there from as true copies or extracts; and where any books records, documents or accounts are elsewhere than at the office, the local manager or other officer of the Company having the custody thereof, shall be deemed to be a person appointed by the Board as aforesaid.
- 179 A document purporting to be a copy of a resolution of the Board or an extract from the minutes of a meeting of the Board which is certified as such in accordance with the provisions of the last proceeding Articles shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the Board.

**Power to
authenticate
documents.**

**Certified copies
of resolution of
the Directors.**

Registers

- 180 The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the

**Statutory
registers**

board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

- 181(a) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.
- (b) The foreign register shall be open for inspection and any be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, *mutatis mutandis*, as is applicable to the register of members.

Foreign Register

The Seal

- 182 The Board of Directors shall provide for a seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and the Managing Director shall provide for the Safe custody of the seal for the time being and the seal shall, except as otherwise provided under the Act or rules thereunder, never be used except by the authority of a resolution of the Directors or of a Committee of the Directors previously given. Provided, nevertheless, that any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching upon the authority of the Directors to issue the same.

Custody of Seal etc.

- 183 The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least one director or of the Company Secretary or such other person as the Board may appoint for the purpose; and such director or the Company secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

Affixation of seal

Reserves

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

Reserves

- 185 Any general meeting may, upon the recommendation of the Board, resolve that any moneys, investments, or other assets

Capitalisation of Reserves.

forming part of the undivided profits of the Company and standing to the credit of the reserves or any Capital Redemption Reserve Account, or in the hand of the Company and available for dividend or representing premiums received on the issue of shares and standing to the credit of the Securities Premium Account be capitalised amongst such of the securities holders 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 capitalised fund be applied on behalf of such security holders in paying up in full any unused shares, debentures or debenture stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by such security holders in full satisfaction of their interest in the said capitalised sum. Provided that any sum standing to the credit of a Securities Premium Account or a Capital Redemption Reserve Account may for the purposes of this Article, only be applied in the paying up of unused shares to be issued to member of the Company as fully paid bonus shares.

- 186 For the purpose of giving effect to any resolution under the two last preceding Articles, 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 cash payment shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest such cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalised fund as may seem expedient to the Board. Where requisite a proper contract shall be filled in accordance with the Act, and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend for capitalised fund and such appointment shall be effective.

**Fractional
Certificates.**

Dividend

- 187 Subject to the rights of the members entitled to shares (if any) with preferential rights attached thereto, the profits of the Company which it shall from time to time be determined to divide in respect of any year or other period shall be applied in the payment of a dividend on the Equity shares of the Company but so that partly paid up shares shall only entitle the holder with respect thereof to such proportion of the distribution upon a fully paid-up share as the amount paid thereon bears to the nominal amount of such shares. 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 paid, but if share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly. Where capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not whilst carrying interest, rank for dividends or confer a right to participate in profits.

**How profits shall
be divisible.**

187 A	The Company in general meeting may declare a dividend to be paid to the members according to their rights and interest in the profit and may subject to the provisions of Section 127 of the Act fix the time for payment.	Declaration of Dividend
188	No larger dividend shall be declared than is recommended by the Board but the Company in General Meeting may declare a smaller dividend.	Restrictions of amount of dividends.
189	Subject to the provisions of Section 123 of the Act, no dividend shall be payable except out of the profit of the Company or out of money provided by the Central or a State Government for the payment of the dividend in pursuance of any guarantee given by such government and no dividend shall carry interest against the Company.	Dividend out of profit only.
190	The declaration of the Board as to the amount of the net profit of the Company shall be conclusive.	What to be deemed net profits.
191	The Board may, from time to time pay to the members such interim dividends as appear to the Board to be justified by the profits of the Company.	Interim dividend.
192	The Board may deduct from any dividend payable to any member all sum of moneys if any presently payable him to the Company on account of calls of otherwise in relation to the share of the Company.	Debits may be deducted.
193	A general meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, not exceeding the amount remaining unpaid on the share, but so that the call on such member also does not exceed the dividend payable to him and so the call be made payable at the same time as the dividend and in such case the dividend may be set off against the call.	Dividend all call together.
194	No dividend shall be payable except in cash provided that nothing in the foregoing shall be deemed to prohibit the Capitalisation of profits or reserve of the Company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on the shares held by the members of the Company.	Dividend in cash
195	A transfer of share shall not pass the rights to any dividend declared thereon before the registration of the transfer by the Company.	Effect to transfer.
196	The Company may pay interest on capital raised so far as it shall be authorized to do by the Act.	Payment to interest on capital.
197	No dividend shall be paid in respect of any shares except to the registered holder of such share or to his order or to his bankers but nothing contained in this Article shall be deemed to require the bankers of a registered shareholder to make a separate application to the Company for the payment of the dividend Nothing in this Article shall be deemed to effect in any manner the operation of Article 195.	To whom dividends payable
198	Anyone of the several persons who are registered as the joint	Dividend to joint

	holders of any share may give effectual receipts for all dividends, bonuses and other payment in respect of such share.	holders
199	Notice of the dividend whether interim or otherwise shall be given to the person entitled to share therein in the manner hereinafter provided.	Notice of Dividends
200	Any dividend, interest or other moneys payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members.	Dividend how remitted
201	The Company shall comply with the provisions of Section 124 of the Act, in respect of unpaid or unclaimed dividend.	Unpaid or unclaimed dividends
Books and Documents		
202(1)	The Books of Account shall be kept at the office or at such other place in India as the Board may, from time to time, decide.	Where to be kept
(2)	The books of account and other relevant books and papers shall be maintained in physical and electronic mode and shall remain accessible in India, so as to be usable for subsequent reference. There shall be a proper system for storage retrieval, display or printout of the electronic records.	Manner of keeping books of accounts
Accounts		
203	Subject to section 130 and 131 of the Act, every Balance Sheet and Statement of Profit and Loss of the Company when audited and adopted by the Company in General Meeting shall be conclusive.	When accounts to be deemed finally settled.
Audit		
204	Once at least every year, the accounts of the Company shall be examined and the correctness to the Statement of Profit and Loss and Balance Sheet, ascertained by the Auditor or Auditors of the Company.	Audit
205	In compliance with the section 139 of the Act, the Company shall appoint an individual or a firm as an Auditor.	Appointment and remuneration of Auditors.
206	Where the Company has a Branch Office the Provisions of Section 143(8) of the Act shall apply.	Audit of Accounts of Branch
207	All notice of and other communications relating to any General Meeting of the Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditor of the Company and the Auditor shall also be entitled to attend any General Meeting and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor.	Right of Auditor to attend general Meeting
208	The appointment, remuneration, rights and duties of auditors of	Application of

the Company shall be regulated by the provisions of Section 139,141,142 & 148 of the Act.

**Section
139,141,142 &
148 of the Act.**

Service of Notices and Documents

- 209(1) A notice or other document shall be given or sent by the Company to every member either personally or by sending it by post to his registered address in India or if he has no registered address in India by air mail post to the address outside India supplied to the Company for the giving of notices to him or through registered E-mail.
- (a) Service thereof shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice or document, provided that there a member has intimated to the Company in advance that notice or documents should be sent to him under a certificate of posting or by registered post with or without acknowledgement or through registered E-mail and has deposited with the Company a sufficient sum to defray the expenses of doing so, service of the notice or document shall not be deemed to be effected unless it is sent in the manner intimated by the members; and;
- (b) Such service shall be deemed to have been effected : - i) In the case of a notice of a meeting at the expiration of forty-eight hours after the letter containing the same is posted, and, ii) In any other case, at the time at which the letter would be delivered in the ordinary course of post. (iii) In case of E-mail at the time of acknowledgment e-mail received from concerned member or report obtained from concerned agency hired for availing e-mail facility.
- (2) Notwithstanding any provisions to the contrary, any notice or document to be served on a member who has not given an address in India for service of notices or documents shall be sent to such member by air mail and posted not less than twenty one clear days before the same is to be served as required by the Act or by these Articles.
- 210 A notice or other document advertised in a newspaper having wider circulation by the Company shall be deemed to be duly served on the day on which the advertisement appears on every member of the Company who has no registered address in India and has not supplied to the Company an address for the giving of the notices to him.
- 211 A notice to other document may be served by the Company on the joint holders of a share by giving notice to the joint-holder named first in the Register in respect of the share.
- 212 A notice or other document may be served by the Company on 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 representative of the deceased, or assignee of the insolvent or by any like description, at the address in India supplied for the purpose by the persons claiming to be entitled, or, until such an address has been

**How notice to be
served on
members**

Service by Post.

**Notice to
members who
have not
supplied
address.**

**Notice to joint-
holders.**

**Notice to
persons entitled
by transmission.**

so supplied, by giving the notice in any manner in which the same might have been, if the death or insolvency had not acquired.

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|-----|---|--|
| 213 | Any notice required to be or which may be given by advertisement shall be advertised once in one or more newspapers having wider circulation. | How to be advertised |
| 214 | Every person who by operation of law or transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such shares which previous to his name and address being entered on the register shall have been duly given to the person from whom he derives his title to such share. | Transferee etc. bound by prior notices. |
| 215 | Subject to the provisions of Article 218 to 222, any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these Articles shall, notwithstanding such member be then deceased and whether or not the Company have notice of his decease, be deemed to have been duly served in respect of any registered share, whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holders thereof and such service shall for purposes of these percents be deemed a sufficient service of such notice or document on his heirs, executors or administrators and all persons, if any, jointly interested with him any such share. | Notice valid though member deceased |
| 216 | The signature to any notice to be given by the Company may be written or printed. | How notice to be signed. |
| 217 | Subject to the provisions of Section 318 of the Act, in the event of a winding - up of the Company, every member of the Company shall be bound, within eight weeks after the passing of an effective resolution to wind-up the Company, to serve notice in writing on the Company appointing some householder residing in the neighbourhood of the office upon whom all summons, notices, process, orders and judgements in relation to under the winding-up of the Company may be served and in default of such nomination, the Liquidator of the Company shall be at liberty, on behalf of such member, to appoint some such persons, and service upon any such appointee whether appointed by the member or the Liquidator shall be deemed to be good personal service on such member for all purposes and where the Liquidator makes any such appointment he shall with all convenient speed, give notice thereof to such member by advertisement in some daily newspapers circulating in the neighbourhood of the office or by a registered letter sent by post and addressed to such member at his address as registered in the Register and such notice shall be deemed to be served on the day on which the advertisement appears or the letter should be delivered in the ordinary course of the post. The provisions of this Article shall not prejudice the right of the Liquidator of the Company to serve any notice of other document in any other manner prescribed by these Articles. | Service of process in winding up. |

Inspection

218(a)	The Books of Account and other books and papers shall be open to inspection by any Director during business hours.	Inspection
(b)	The Board shall, from time to time determine whether and to what extent and at what times and place, and under what conditions or regulations, the Books of Account and other books and documents of the Company, other than those referred to in Articles 172 (b) and 219 or any of them, shall be open to the inspection of the members not being directors and no member (not being a Director) shall have any right of inspecting any books of account or book or document of the Company except as conferred by law or authorized by the Board or by the Company in general meeting.	
219	Subject to the provisions of Section 128 (3) of the Act, where under any provisions of the Act any person, whether a member of the Company or not, is entitled to inspect any register, return certificate, deed, instrument or document required to be kept or maintained by the Company the person entitled to inspection shall on his giving to the Company not less than twenty four hours previous notice in writing of his intention specifying which register, etc., he intends to inspect, be permitted to inspect the same during the hours of 11 a.m.. and 1 p.m.. on such business days as the Act requires them to be given for inspection.	Inspection of Registers etc.
220	A Copy of every Balance Sheet (including the Statement of Profit & Loss), the Auditors' Report and every other document required by law to be annexed or attached as the case may be, to the Balance Sheet which is to be laid before the Company's General Meeting shall be made available for inspection at the Regd. Office of the Company during working hours for a period of 21 days before the date of the meeting. A statement containing the salient features of such document in the prescribed forms or copies of the documents aforesaid as the company may deem fit, will be sent to every member of the Company and to every Trustee for the holding of any Debentures issued by the Company not less than 21 days before the date of meeting.	Annual Accounts
221	The Company, may in accordance with the provisions of Section 91(1) of the Act, close the Register of Members or of the debenture holders as the case may be.	

Reconstruction

- 222 Subject to the provisions of the Act, on any sale of the undertaking of the Company, the Board or the liquidator on a winding-up may if authorized by a Special Resolution accept fully paid or partly paid up shares debentures or securities of any other company incorporated in India, or to the extent permitted by law of a Company incorporated outside India, either then existing or to be formed for the purchase in whole or in part of the property of the Company and the Board (if the profits of the Company permit) or the Liquidates (in a winding-up) may distribute such shares or securities or any other property of the Company amongst the members without realisation or vest the same in trustee for them and any Special Resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefit or property otherwise than in accordance with the strict legal rights of the members or contributors of the Company, and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of shares shall be bound, to accept and shall be bound by any valuation or distribution is authorized and waive all rights in relation thereto, save only in case the Company proposed to be in the course of being wound up, such statutory rights (if any) under section 319 of the Act, as are incapable of being varied or excluded by these Articles.

Reconstruction

Compromises, Arrangements and Amalgamation

- 223 The Company shall have power to compromise or make arrangements with creditors and members amalgamate or merge with other company or companies in accordance with the provisions of this Act and with any other applicable laws.

Secrecy

- 224 Every Director, Company Secretary, Trustees for the Company, its members or debenture holders, member of a Committee, servant, officer, agent, accountant or other person employed in or about the business of the Company shall, if so required by the Board before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of Matters relating thereto 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 Board or by any general meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these Articles contained.
- 225 No shareholders or other persons (not being a Director) shall be entitled to enter upon the properties of the Company or to inspect or examine the premises or properties of the Company without the permission of the Board or, Subject to Article 228 to require discovery of or any information respecting any detail of the trading

Secrecy

**No shareholder
to enter the
premises of the
Company
without**

of the Company on any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or of any matter whatsoever, which may relate to the conduct of the business of the Company any which in the opinion of the Board it will be inexpedient in the interest of the Company to communicate.

permission.

Winding Up

- 226(a) In the event of the Company being wound up, the holders of Preference Shares, if, any shall be entitled to have the surplus assets available for distribution amongst members as such applied in the first place in repayment to them the amount paid-up on the Preference Shares held by them respectively and payment of arrears of dividend up to the commencement to the winding up, whether declared or not, but shall not be entitled to any further participation in such surplus assets. If the surplus available as aforesaid shall be insufficient to repay the whole of the amount paid up on the preference Shares any arrears of dividend, such assets shall be distributed amongst the holders of Preference Shares so that the losses shall be borne by the holders of Preference shares in proportion to the Capital paid up or which ought to have been paid up thereon and the arrears of dividend as aforesaid.
- (b) If the Company shall be wound up and the assets available for distribution among the members as such after payment to the Preference Share holders as aforesaid shall be insufficient to repay the whole of the paid up capital such assets shall be distributed so that as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the shares held by them respectively. And if in the winding up the assets available for distribution among the members after payment to the Preference shareholders as aforesaid shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the Commencement of the winding up paid up on the shares held by them respectively.
- (c) This Article is to be without prejudice to the rights and privileges amongst the holders of Preference of different series or shares issued upon special terms and conditions.

Distribution of Assets

- 227 If the Company shall be wound up, whether voluntarily or otherwise, the liquidator may, with the sanction of a Special Resolution divide amongst the contributors, in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of assets of the Company in trustees upon such trusts for the benefit of the contributors or any of them, as the liquidators, with the like sanction shall think fit.
- 228 For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

Winding up of the Company

- 229 The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity & Insurance

- 230 (i) Every Director, Managing Director, Manager, Company Secretary or Officer of the Company of any person (whether an officer of the Company or not) employed by the Company and any person appointed as Auditor, shall be indemnified out of the funds of the Company against all liability incurred by him as such Director, Managing Director, Manager, Secretary, Officer, employee or Auditor, in defending any proceeding whether civil or criminal, in which judgement is given in his favour, or in which he is acquitted, or in connection with any application under Section 463 of the Act, in which relief is granted to him by the Court.
- (ii) Subject as aforesaid, every director, managing director, manager, Company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.

Indemnity

- 231 The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

Insurance

General Power

- 232 Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is authorised by the Articles, then and in that case this Article authorises and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

General power

FROM THE TIME THAT PART II OF THESE ARTICLES OF ASSOCIATION COMES INTO FORCE, IN THE EVENT OF ANY CONFLICT OR INCONSISTENCY BETWEEN THE PROVISIONS OF PART I AND PART II OF THESE ARTICLES OF ASSOCIATION IN RELATION TO ANY SUBJECT MATTER, THE PROVISIONS OF PART II SHALL PREVAIL IN RESPECT OF SUCH SUBJECT MATTER.

Conflict between Part I and Part II

Descriptions

1. PART II OF THESE ARTICLES OF ASSOCIATION SETS OUT CERTAIN SPECIAL PROVISIONS IN RESPECT OF THE OPERATION AND MANAGEMENT OF THE COMPANY, AND SHALL (FROM THE DATE IT COMES INTO FORCE) SUPPLEMENT (THOUGH NOT SUBSTITUTE IN ENTIRETY) PART I OF THESE ARTICLES OF ASSOCIATION HEREINABOVE. IN THE EVENT OF ANY CONFLICT OR INCONSISTENCY BETWEEN THE PROVISIONS OF PART I AND PART II OF THESE ARTICLES OF ASSOCIATION IN RELATION TO ANY SUBJECT MATTER, THE PROVISIONS OF THIS PART II SHALL PREVAIL IN RESPECT OF SUCH SUBJECT MATTER.
2. PART II OF THESE ARTICLES OF ASSOCIATION SHALL BECOME EFFECTIVE AND BINDING ON THE COMPANY AND ITS MEMBERS ON AND FROM THE DATE OF COMPLETION OF CLOSING FORMALITIES OF THE TRANSACTION CONTEMPLATED IN SHARE SUBSCRIPTION AND INVESTMENT AGREEMENT BETWEEN THE COMPANY AND AICHI STEEL CORPORATION AND SHALL AUTOMATICALLY FALL AWAY AND CEASE TO BE OF ANY EFFECT IN ACCORDANCE WITH THE PROVISIONS OF AND IN THE MANNER SET OUT IN ARTICLE 251 (*FALL AWAY OF RIGHTS*).

Effective Date of Part II; Conflict between Part I and Part II

233 Definitions

When used in this Part II, the following words and expressions shall have the meanings set out against them, respectively herein below. Any capitalized term used but not defined in this Part II shall have the meaning ascribed to such term in Part I of these Articles.

Defined Terms used in Part II

- (i) “Act” shall mean the (Indian) Companies Act, 2013, as amended from time to time, together with any rules, regulations, or notifications issued thereunder
- (ii) “Affiliate” in relation to a Person,
 - (a) being a corporate entity, shall mean any Person, which Controls, is Controlled by, or is under the common Control with such Person; and
 - (b) being an individual, shall mean such Person's Relative, and any Person, which is Controlled by such individual or a Relative of such individual.

“Act”

“Affiliate”

(iii)	"Affirmative Vote Matters" shall have the meaning ascribed to it in Article 241(i).	"Affirmative Vote Matters"
(iv)	"Agreed Pre-Consultation Matter" shall have the meaning ascribed to it in Article 242(i).	"Agreed Pre- Consultation Matter"
(v)	"Alternate Director" shall have the meaning ascribed to it in Article 235(iii).	"Alternate Director"
(vi)	"Anti-Dilution Offer Period" shall have the meaning ascribed to it in the Article 248(ii).	"Anti-Dilution Offer Period"
(vii)	"Anti-Dilution Offered Terms" shall have the meaning ascribed to it in the Article 248(i).	"Anti-Dilution Offered Terms"
(viii)	"Anti-Dilution Shares" shall have the meaning ascribed to it in the Article 248(i).	"Anti-Dilution Shares"
(ix)	"Anti-Dilutive Issuance" shall have the meaning ascribed to it in the Article 248.	"Anti-Dilutive Issuance"
(x)	"Anti-Dilutive Subscription Response Notice" shall have the meaning ascribed to it in the Article 248(ii).	"Anti-Dilutive Subscription Response Notice "
(xi)	"Applicable Law" shall mean all applicable laws, by-laws, rules, regulations (including the FEMA Regulations (hereinafter defined)), orders, ordinances, protocols, codes, guidelines, policies, notices, directions, judgments, decrees or other requirements or official directives of any Governmental Authority (hereinafter defined) or Person acting under the authority of any Governmental Authority.	"Applicable Law"
(xii)	"Assets" shall mean assets or properties of every kind, nature, character and description (whether immovable, movable, tangible, intangible, absolute, accrued, fixed, or otherwise), including cash, cash equivalents, receivables, shares, securities, accounts receivables, real estate, plant and machinery, equipment, Intellectual Property, raw materials, inventory, furniture and fixtures and receivables under insurance policies.	"Assets"
(xiii)	"Board" shall mean the board of directors of the Company, as may be constituted, from time to time.	"Board"
(xiv)	"BSE" shall mean BSE Limited.	"BSE"
(xv)	"Business" shall mean the business of manufacturing of billets, steel bars and rods, and bright bars of various categories of special and alloy steels.	"Business"

(xvi)	“Business Day” shall mean a day, other than a Saturday, Sunday and public holidays, (a) on which commercial banks located in Ludhiana, Punjab, New Delhi and Mumbai, India, and Aichi in Japan, are open for business during normal banking hours, and (b) which is designated as a working/ business day in the annual corporate calendar of the Subscriber, a copy whereof will be furnished by the Subscriber to the Company at least 30 (thirty) days prior to commencement of each year to which it relates.	“Business Day”
(xvii)	“Charter Documents” shall mean the Memorandum of Association and these Articles.	“Charter Documents”
(xviii)	“Committees” shall have the meaning ascribed to it in Article 237.	“Committees”
(xix)	“Control” or “Controlled”, together with its grammatical variations, when used with respect to any Person, shall mean the power to direct the management and policies of such Person, directly or indirectly, whether through, (a) the ownership of 50% (fifty per cent.) or more of the voting interests of such Person, (b) the right to appoint or remove a majority of the directors of such Person or similar governing body of such Person, or (c) contract or otherwise.	“Control” or “Controlled”
(xx)	“Dilutive Issuance” shall have the meaning ascribed to it in the Article 248.	“Dilutive Issuance”
(xxi)	“Dilutive Price” shall have the meaning ascribed to it in the Article 248(i).	“Dilutive Price”
(xxii)	“Encumbrance” shall mean any charge, mortgage, lien, option, equity, power of sale, pledge, hypothecation, usufruct, retention of title, right of pre-emption, non-disposal undertaking, right of first refusal or other third party rights, claims or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing and “Encumber” shall be construed accordingly.	“Encumbrance”
(xxiii)	“Fall Away of Rights” shall have the meaning ascribed to it in Article 251.	“Fall Away of Rights”
(xxiv)	“Fall Away Threshold” shall have the meaning ascribed to it in Article 251.	“Fall Away Threshold”
(xxv)	“FEMA Regulations” shall mean the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, as amended from time to time	“FEMA Regulations”
(xxvi)	“Financial Statements” shall mean, in case of any Financial Year, the audited financial statements of a company for such Financial Year (unless otherwise specified), and for any other period, the consolidated unaudited financial results of a company (unless otherwise specified), from the beginning of such period until the end of that period.	“Financial Statements”

(xxvii)	“Financial Year” shall mean the period commencing on April 1 of each year and ending on March 31 of the following calendar year or such other period as is adopted by the Company for reporting of its audited Financial Statements in accordance with Applicable Law.	“Financial Year”
(xxviii)	“Fully Diluted Basis” shall mean that the calculation is required to be made assuming that all outstanding convertible Securities (whether or not by their terms then currently convertible, exercisable or exchangeable), had been converted into, or exercised or exchanged for, equity shares or other similar ownership interests of such Person in accordance with their terms.	“Fully Diluted Basis”
(xxix)	“Governmental Authority” shall mean any government authority, statutory authority, government department, agency, commission, board, tribunal or court or other Applicable Law, rule, or regulation making entity having jurisdiction on behalf of the Republic of India, or any state or other subdivision thereof or any municipality, district or other subdivision thereof.	“Governmental Authority”
(xxx)	“Intellectual Property” shall mean all present and future trademarks, service marks, trade names, domain names, logos, trade dress, patents, rights to inventions, registered and unregistered design rights, copyrights and related rights, rights to use third party and off-the-shelf software, database rights, rights to goodwill or to sue for passing off or unfair competition, rights in know-how and all other similar rights in any part of the world including, where such rights are obtained or enhanced by registration, any registration of such rights and applications and rights to apply for such registrations.	“Intellectual Property”
(xxxi)	“Memorandum of Association” shall mean the memorandum of association of the Company, as may be amended, from time to time.	“Memorandum of Association”
(xxxii)	“Nomination and Remuneration Committee” shall mean the Nomination and Remuneration Committee of the Board.	“Nomination and Remuneration Committee”
(xxxiii)	“NSE” shall mean the National Stock Exchange of India Limited.	“NSE”
(xxxiv)	“Offered Terms” shall have the meaning ascribed to it in Article 243.	“Offered Terms”
(xxxv)	“Ordinary Course” shall mean an action taken by or on behalf of a Person that satisfies all of the following: <ul style="list-style-type: none"> (a) recurring in nature and is taken in the ordinary course of the Person's normal day-to-day operations; (b) consistent with past practices and existing policies; and (c) does not require consent of the shareholders of the Person. 	“Ordinary Course”

(xxxvi)	“Person” shall mean any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, limited liability partnership, joint venture, Governmental Authority or trust or any other entity or organization.	“Person”
(xxxvii)	“Pre-Consultation Period” shall have the meaning ascribed to it in Article 242(ii).	“Pre-Consultation Period”
(xxxviii)	“Pre-emption Offer Period” shall have the meaning ascribed to it in Article 244.	“Pre-emption Offer Period”
(xxxix)	“Pre-emptive Parties” shall have the meaning ascribed to it in Article 243.	“Pre-emptive Parties”
(xli)	“Pre-emptive Right” shall have the meaning ascribed to it in Article 243.	“Pre-emptive Right”
(xlii)	“Pre-emptive Shares” shall have the meaning ascribed to it in Article 243.	“Pre-emptive Shares”
(xlii)	“Pre-emptive Subscription Response Notice” shall have the meaning ascribed to it in Article 244.	“Pre-emptive Subscription Response Notice”
(xliii)	“Prior Intimation” shall have the meaning ascribed to it in Article 242(ii).	“Prior Intimation”
(xliv)	“Pro Rata Share” shall mean the proportion of the number of Securities held by a Pre-emptive Party to the aggregate number of Securities held by all Shareholders of the Company, in each case on a Fully Diluted Basis.	“Pro Rata Share”
(xlv)	“Promoters” shall mean, collectively, the following Persons: (a) Shri Paul Oswal, (b) Shakun Oswal, (c) Sachit Jain, (d) Suchita Jain, (e), Soumya Jain, (f) Sagrika Jain, (g) Amber Syndicate, (h) Paras Syndicate, (i) Eastern Trading Company, (j) Northern Trading Company, (k) Vardhman Holdings Limited, (l) Vardhman Textiles Limited, (m) VTL Investments Limited, (n) Devakar Investment and Trading Company Private Limited, (o) Mahavir Spinning Mills Private Limited, (p) Santon Finance & Investment Company Limited, (q) Flamingo Finance & Investment Company Limited, (r) Ramaniya Finance & Investment Company Limited, (s) Adishwar Enterprises LLP, (t) Mahavir Shares Trust, (u) SP Oswal Trust, and (v) Mrs. Shakun Oswal Trust.	“Promoters”
(xlvi)	“Proposed Issuance” shall have the meaning ascribed to it in Article 243.	“Proposed Issuance”

(xlvii)	“Recognised Stock Exchanges” shall mean the BSE and the NSE.	“Recognised Stock Exchanges”
(xlviii)	“Relative” shall have the meaning ascribed to it in the Act.	“Relative”
(xlix)	“Restricted Party” shall mean global steel manufacturers, global automobile manufacturers, global automobile parts manufacturers and global trading companies.	“Restricted Party”
(l)	“SEBI LODR Regulations” shall mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment, consolidation, replacement or re-enactment for the time being in force, and to all statutory instruments, orders or other subordinate legislations made pursuant to such statutory provision.	“SEBI LODR Regulations”
(li)	“Securities” shall mean the Shares and such other instruments, securities, shares, options (whether granted, vested, exercised or not), warrants (whether exercised or not), or arrangements which are convertible into, exchangeable for or exercisable into, Shares of the Company (whether or not by their terms then so convertible, exchangeable or exercisable).	“Securities”
(lii)	“Shareholder” shall mean any Person holding Securities of the Company.	“Shareholder”
(liii)	“Shares” shall mean fully paid-up equity shares of the Company having a face value of INR 10 (Indian Rupees Ten only) per share, which are, as on May 29, 2025, listed, and traded on the Recognised Stock Exchanges.	“Shares”
(liv)	“Subscriber” shall mean Aichi Steel Corporation, a Japanese corporation (Kabushiki Kaisha) incorporated under the laws of Japan, having its registered office at 1, Wanowari, Arao-machi, Tokai-shi, Aichi-ken 476-8666, Japan.	“Subscriber”
(lv)	“Subscriber Director” shall have the meaning ascribed to it in Article 235(i).	“Subscriber Director”
(lvi)	“Subscriber Interpreter” shall have the meaning ascribed to it in Article 235(iv).	“Subscriber Interpreter”
(lvii)	“Subscriber Observer” shall have the meaning ascribed to it in Article 235(v).	“Subscriber Director”
(lviii)	“Unsubscribed Promoter Pre-emptive Shares” shall have the meaning ascribed to it in Article 246.	“Unsubscribed Promoter Pre-emptive Shares”

- (lix) “Unsubscribed Shares” shall have the meaning ascribed to it in Article 242(ii). **“Unsubscribed Shares ”**

Management of the Company

234 Subject to Applicable Law and the provisions of Part II of these Articles:

- (i) the Assets, Business and affairs of the Company shall be managed exclusively by and under the direction of the Board; and
- (ii) the Board shall exercise all powers of the Company and do all lawful acts and things as are required or permitted under Applicable Law and the Charter Documents.

235 (i) The Board shall comprise of a maximum of 15 (fifteen) directors. The Promoters shall have the right to nominate 4 (four) directors, and subject to Article 251 (*Fall Away of Rights*), the Subscriber shall have the right to nominate for appointment to the Board: **Subscriber Director(s)**

- (a) 2 (two) directors, as long as the Subscriber and/ or its Affiliates collectively hold(s) 20% (twenty per cent.) or more of the equity share capital of the Company (on a Fully Diluted Basis); and
- (b) 1 (one) director, in case the Subscriber and/ or its Affiliates collectively hold(s) less than 20% (twenty per cent.) but more than 10% (ten per cent) of the equity share capital of the Company (on a Fully Diluted Basis),

(each director so nominated by the Subscriber and appointed to the Board, is referred to as a “**Subscriber Director**”). Each Subscriber Director on the Board, shall, at all times, be a non-executive director and shall not be deemed to be responsible for or being involved in the day to day affairs of the Company.

(ii) The Subscriber may request for the removal of a director nominated by it and nominate a new director for appointment in his/her place by giving a notice in writing to the Company and the Board.

(iii) Subject to Applicable Law and the Charter Documents, the Subscriber shall have the right to nominate an alternate director to a Subscriber Director, (“**Alternate Director**”) to act as an alternate director to such Subscriber Director during the absence of such director for a period of 3 (three) months or more from India, by giving a written request/ notification to the Company. The Alternate Director shall hold office until such time that the relevant Subscriber Director returns to India. All references to the Subscriber Director in Articles 234 to 241 (*Management of the Company*) (if the context so permits) shall be deemed to include a reference to the relevant Alternate Director. It is hereby clarified that all provisions applicable to the Subscriber Director shall equally apply to the Alternate Director appointed/ proposed to be appointed in accordance with the Articles 235(iii).

- (iv) Each Subscriber Director appointed on the Board of the Company, shall have the right, at the Subscriber's own expense, to be accompanied by an interpreter (each, a "**Subscriber Interpreter**"), who shall be an employee of the Subscriber, at any duly convened meeting of the Board or any Committee. The Company shall take all steps necessary to facilitate the participation of such Subscriber Interpreters, including, but not limited to, permitting their attendance (whether in person, telephonically, through audio-visual means or otherwise) and providing access to relevant documentation required for the purposes of interpretation. **Subscriber Interpreter(s)**
- (v) In addition to the right to nominate Subscriber Director(s), in accordance with Article 235(i) to 235(iv) above, and subject to Article 251 (*Fall Away of Rights*), the Subscriber shall have the right to nominate for appointment to the Board: **Subscriber Observer(s)**
- (a) 2 (two) non-voting observers, as long as the Subscriber and/ or its Affiliates collectively hold(s) 20% (twenty per cent.) or more of the share capital of the Company (on a Fully Diluted Basis); and
- (b) 1 (one) non-voting observer, in case the Subscriber and/ or its Affiliates collectively hold(s) less than 20% (twenty per cent.) of the share capital of the Company (on a Fully Diluted Basis) but more than 10% (ten percent) of the share capital of the Company (on a Fully Diluted Basis),
- Each non-voting observer so nominated by the Subscriber and appointed, as a non-voting observer, to the Board, is referred to as a "**Subscriber Observer**") to attend all the meetings of the Board and the Committees (whether in person, telephonically, through audio-visual means or otherwise) in a non-voting, observer capacity.
- (vi) The Subscriber may request for the removal of a Subscriber Observer by it and nominate a new Subscriber Observer for appointment in his/ her place by giving a Notice in writing to the Company and the Board.
- 236 (i) The Board shall hold regular meetings at the registered office of the Company or at such other place as is acceptable to the Board at least once every quarter, and at least 4 (four) such meetings shall be held in every calendar year provided that not more than 120 (one hundred and twenty) days shall intervene between 2 (two) consecutive meetings of the Board. The notice and agenda for each meeting of the Board shall be sent to each of the directors, the Alternate Directors (appointed in accordance with Article 235(iii) and the Subscriber Observers (appointed in accordance with Article 235(v)) in accordance with Applicable Law. Subject to Applicable Law, a meeting of the Board may be convened at a shorter notice period with the prior written consent of all the directors. **Board Meetings**
- (ii) The Company may provide the option to its Directors, the Alternate Directors, and the Subscriber Observers to participate in meetings of the Board, through audio-visual means, in compliance with Applicable Laws.

- (iii) The quorum for a Board meeting shall be as required under the Applicable Law, provided that, subject to Article 251 (*Fall Away of Rights*), no matter shall be taken-up, decided, acted upon or implemented by the Board pertaining to an Affirmative Vote Matter, unless at least 1 (one) Subscriber Director (or his Alternate Director) is present at such Board meeting (and throughout the meeting). The Subscriber has the right to waive in writing the aforementioned requirement of the presence of a Subscriber Director for the purpose of quorum for such meeting. Other than in respect of any Affirmative Vote Matter (which shall only be taken up and/or approved in the manner set out in the foregoing provisions of this Article 236(iii), and Article 241 below), in case none of the Subscriber Directors (and their Alternate Directors) are not present at such Board meeting, the Board shall have the right to take-up, decide, act upon or implement any matter, which was contained in the original notice and agenda for such Board meeting, and any other matter for which prior written approval of the Subscriber has been obtained. For avoidance of doubt, presence of a Subscriber Director shall not be required to constitute quorum, in the Board meeting wherein Affirmative Vote Matter is not scheduled to be discussed.
- (iv) Subject to the provisions of Article 241 (*Affirmative Vote Matters*) hereof, a decision shall be said to have been made and a resolution passed at a meeting of the Board only if passed at a validly constituted meeting and if such decisions/resolutions are approved by a majority of the directors, which, unless otherwise mandated by Applicable Law, shall mean approval by a majority of the directors present (physically or through any other means permissible by Applicable Law) and voting at such meeting of the Board.
- (v) No resolution shall be deemed to have been duly passed by the Board by circulation or written consent, unless the resolution has been circulated in draft, along with necessary papers (if any), to all the directors by delivery, post or courier at their addresses registered with the Company in India or through electronic mail and majority of the directors approve such resolution. Provided that, subject to Article 251 (*Fall Away of Rights*), if the resolution which has been circulated in draft includes any Affirmative Vote Matter(s), such Affirmative Vote Matter(s) shall not be approved unless a Subscriber Director votes in favour of such Affirmative Vote Matter(s).
- (vi) Costs related to travel within India and accommodation incurred by all directors of the Company for attending meetings of the Board will be borne by the Company.

237 The Board shall have right to constitute: (i) such committees of the Board, as may be required under Applicable Law; (ii) or any other committees, as may be deemed necessary by the Board, in relation to the Business and operations of the Company (such committees being referred to as “**Committees**”). Subject to Applicable Law and subject to Article 251 (*Fall Away of Rights*), the membership of any such

Committees

Committee shall include at least 1 (one) Subscriber Director or 1 (one) member nominated by a Subscriber Director, unless otherwise agreed by a Subscriber Director in writing. All principles with respect to meetings of the Board (including quorum requirement) as contained in Articles 234 through 241, shall, *mutatis mutandis*, apply to all Committees and all meetings respectively thereof.

238 Should the Board/ management of the Company wish to reconsider any decision/ recommendation of the 'HR Committee' (being a management committee of the Company, and not a committee/ sub-committee of the Board) to the Company, then such decision/ recommendation shall only be referred to the Nomination and Remuneration Committee for reconsideration. The decision of the Nomination and Remuneration Committee in this regard, shall, subject to Article 251 (*Fall Away of Rights*), be made with the unanimous consent of all the members of the Nomination and Remuneration Committee.

239 The Company shall obtain and maintain at all times an appropriate directors' and officers' liability insurance policy for all directors, Alternate Directors, and Subscriber Observers.

**Directors'/
Officers'
Liability
Insurance**

240 Subject to Applicable Law, the Company shall indemnify, defend and hold harmless each director, Alternate Director and Subscriber Observer who was, or is made a party, or is threatened to be made a party, to any action, suit or proceeding, whether civil, criminal, administrative or investigative (including any action brought by or in the name of the Company, including any for non-compliance by the Company with any Applicable Law(s) including defaults under the Act, SEBI LODR Regulations or applicable taxation or labour law), by reason of the fact that such director, Alternate Director and/or Subscriber Observer is, or was a director, alternate director and/or observer (as the case may be), or otherwise relating to any action taken or omitted to be taken in such person's capacity as a director, alternate director and/or observer (as the case may be), against all losses, liabilities, costs (including counsel fees and other legal costs), expenses, damages, penalties, actions, proceedings, claims and demands actually and reasonably incurred by him in connection with such suit, action or proceeding or the defence, litigation or settlement thereof, except in case of any loss, liability, cost or expense accrued, incurred or suffered, and/or borne by such director, Alternate Director and/or Subscriber Observer due to the gross negligence, fraud or wilful default on the part of such director, Alternate Director and/or Subscriber Observer. It is clarified that, the indemnity obligation of the Company under this Article 240 shall only be to the extent such loss, liability, cost or expense accrued, incurred or suffered, and/or borne by the director, Alternate Director and/or Subscriber Observer is not covered under the directors' and officers' liability insurance policy maintained by the Company in terms of Article 239 above.

**Director
indemnificatio
n**

- 241(i) Subject to Article 251 (*Fall Away of Rights*), if an Affirmative Vote Matter(s) is tabled at a meeting of the Board (or any committees or sub-committees thereof), either at a physical Board meeting or a Board meeting held by audio-visual electronic communication or by circular resolution, such Affirmative Vote Matter(s) shall not be approved unless a Subscriber Director votes in favour of such Affirmative Vote Matter(s).
- Affirmative
Vote Matters.**

For the purposes of Part II of these Articles, the matters listed herein below shall, in relation to the Company, be referred to as the **"Affirmative Vote Matters"**:

- (A) As long as the Subscriber and/or its Affiliates collectively hold 10% (ten per cent) or more (but less than 15% (fifteen per cent)) of the share capital of the Company (on a Fully Diluted Basis), the following matters covered herein shall be deemed to be Affirmative Vote Matters in relation to the Company:
- (a) Any amendment to the Charter Documents of the Company, that either: (I) adversely affects the then existing rights of the Subscriber; or (II) grants any right to a Restricted Party.
 - (b) Any mergers, acquisitions, demergers, restructurings, amalgamations, spin-offs, bankruptcy, divestments, dissolution, winding up, liquidation, rescheduling of debt, other similar or related actions, or reconstitution, reconstruction, reorganization involving the Company; or sale, lease, assignment or otherwise disposing of any assets of the Company in a Financial Year other than in the Ordinary Course of Business and in excess of an amount equivalent to INR 150,000,000 (Indian Rupees One Hundred and Fifty Million only), except the demerger or sale or transfer of the 'Bright Bar' division of the Company.
 - (c) Incurring any new debt on behalf of the Company in any Financial Year, other than any debt contemplated in the annual business plan of the Company and provided the amount of such new debt exceeds 15% (fifteen per cent.) of the amount of debt contemplated in the annual business plan of the Company.
 - (d) (I) Other than (X) the issuance of employee stock options or issuance of any Shares upon the conversion of such employee stock options; or (Y) issuance of any new Securities pursuant to a rights issue of Shares to the existing shareholders of the Company at the date of such issue/offer, issue of any Securities by the Company or a right or option to acquire any Securities of the Company: (1) to any Restricted Party; or (2) at a price per Security lower than the price per Subscription Shares, subject to adjustments to such price for any consolidation, split, sub-division or reclassification of the Shares or for any corporate action of the Company in relation to issue of any Securities by the Company without receipt of any consideration by it including on account of capitalization of profits or reserves/ bonus issues; and/or (II) reduction of capital by the Company.

- (e) Passing any resolution for liquidation, winding-up or dissolution of the Company.
 - (f) Any material changes in the Company's Business or commencement of any new line of business by the Company or cessation of any existing line of business by the Company and/or the acquisition of any assets not related to the Business .
 - (g) Entering into any joint venture, shareholders' agreement or the entry into any partnership or joint venture or co-operation agreement with any Person, or other strategic agreements, except in the Ordinary Course.
 - (h) Incurring capital expenditure in on behalf of the Company in any Financial Year, other than any capital expenditure contemplated in the annual business plan of the Company and provided the amount of such new capital expenditure exceeds 25% (twenty five per cent.) of the amount of capital expenditure contemplated in the annual business plan of the Company.
 - (i) Any agreements or commitments to do any of the foregoing.
- (B)** For so long as the Subscriber and/or its Affiliates collectively hold 15% (fifteen per cent.) or more of the share capital of the Company on a Fully Diluted Basis, the matters set out herein shall be deemed to constitute Affirmative Vote Matters in relation to the Company:
- (a) Any amendment to the Charter Documents of the Company, other than for: (I) the issuance of employee stock options or issuance of any Shares upon the conversion of such employee stock options; or (II) issuance of any new Securities pursuant to a rights issue of Shares to the existing shareholders of the Company at the date of such issue/offer; and (III) issue of any Securities by the Company or a right or option to acquire any Securities of the Company other than : (X) to any Restricted Party; or (Y) at a price per Security lower than the price per Subscription Shares, subject to adjustments to such price for any consolidation, split, sub-division or reclassification of the Shares or for any corporate action of the Company in relation to issue of any Securities by the Company without receipt of any consideration by it including on account of capitalization of profits or reserves/ bonus issues.
 - (b) Any mergers, acquisitions, demergers, restructurings, amalgamations, spin-offs, bankruptcy, divestments, dissolution, winding up, liquidation, rescheduling of debt, other similar or related actions, or reconstitution, reconstruction, reorganization involving the Company; or sale, lease, assignment or otherwise disposing of any assets of the Company in a Financial Year other than in the Ordinary Course of Business and in excess of an amount equivalent to INR 150,000,000 (Indian Rupees One Hundred and Fifty Million only), except the demerger or sale or transfer of the 'Bright Bar'

division of the Company.

- (c) Incurring any new debt on behalf of the Company in any Financial Year, other than any debt contemplated in the annual business plan of the Company and provided the amount of such new debt exceeds 15% (fifteen per cent.) of the amount of debt contemplated in the annual business plan of the Company.
- (d) Creation of any new Encumbrance by the Company on its assets, other than (I) in the Ordinary Course of Business, or (II) in relation to any debt contemplated in the annual business plan of the Company, or (III) for any debt which is not contemplated in the annual business plan of the Company if such debt does not exceed 15% (fifteen per cent.) of the amount of debt contemplated in the annual business plan of the Company.
- (e) (I) Other than (X) the issuance of employee stock options or issuance of any Shares upon the conversion of such employee stock options; or (Y) issuance of any new Securities pursuant to a rights issue of Shares to the existing shareholders of the Company at the date of such issue/offer, issue of any Securities by the Company or a right or option to acquire any Securities of the Company: (1) to any Restricted Party; or (2) at a price per Security lower than the price per Subscription Shares, subject to adjustments to such price for any consolidation, split, subdivision or reclassification of the Shares or for any corporate action of the Company in relation to issue of any Securities by the Company without receipt of any consideration by it including on account of capitalization of profits or reserves/bonus issues; and/or (II) reduction of capital by the Company.
- (f) Passing any resolution for liquidation, winding-up or dissolution of the Company.
- (g) Any material changes in the Company's Business or commencement of any new line of business by the Company or cessation of any existing line of business by the Company and/or the acquisition of any assets not related to the Business.
- (h) Any consolidation, subdivision or alteration of any rights attached to any share capital of the Company or any of its subsidiaries.
- (i) Authorizing a buy-back or redemption of Shares.
- (j) Entering into any joint venture, shareholders' agreement or the entry into any partnership or joint venture or co-operation agreement with any Person, or other strategic agreements, except in the Ordinary Course.
- (k) Entering into a related party transaction which is not on an arm's length with a value beyond INR 15,000,000 (Indian Rupees Fifteen Million only) per annum.
- (l) Any appointment or removal of the statutory or internal auditor of the Company.

- (m) Incurring capital expenditure in on behalf of the Company in any Financial Year, other than any capital expenditure contemplated in the annual business plan of the Company and provided the amount of such new capital expenditure exceeds 25% (twenty five per cent.) of the amount of capital expenditure contemplated in the annual business plan of the Company.
 - (n) Extending any loan or advance by the Company to any Shareholder or any third party, or the entry by the Company into any guaranty, indemnity, or surety contract or any contract of a similar nature in favour of or for the benefit of any Shareholder or any third party outside the Ordinary Course of Business.
 - (o) The acquisition by the Company through subscription, purchase or otherwise, of the securities of any other body corporate, together with all acquisitions by the Company since August 10, 2019, exceeding INR 200,000,000 (Indian Rupees Two Hundred Million only).
 - (p) Any corporate action and/or restructuring by the Company that is likely to result in the Subscriber triggering a mandatory open offer under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (as amended from time to time), following such corporate action and/or restructuring.
 - (q) Any agreements or commitments to do any of the foregoing.
- (ii) Subject to Article 251 (*Fall Away of Rights*), any action taken by the Company, directors, or employees or any resolution of the Board (or its committee) in relation to an Affirmative Vote Matter which has not been first approved in accordance with Article 241(i) above shall be in violation of Part II of these Articles and shall be invalid and void ab initio.
- 242 (i) As long as the Subscriber and/or its Affiliates collectively hold 10% (ten percent) or more of the share capital of the Company (on a Fully Diluted Basis), no resolution or decision regarding any Agreed Pre-Consultation Matter shall be passed or taken up by the Board or any Committee (*as the case may be*), unless the matter has been discussed between the Company and the Subscriber in accordance with the Article 242.
- Agreed Pre-Consultation Matters**
- For the purposes of Part II of these Articles, the matters listed herein below shall, in relation to the Company, be referred to as the “**Agreed Pre-Consultation Matters**”:
- (a) Approval of the annual business plan of the Company and any deviation, revisions therefrom.
 - (b) incurring capital expenditure on behalf of the Company, in respect of any single capital expenditure proposal, wherein the aggregate total outlay of such proposal exceeds INR 10,000,000 (Indian Rupees Ten Million only) and such capital expenditure is in addition to the capital expenditure proposals contemplated in

the annual business plan of the Company for the relevant Financial Year, provided the aggregate of such single capital proposals do not exceed 25% (twenty five per cent.) of the amount of capital expenditure contemplated in the annual business plan of the Company.

- (c) Distribution of profits and/or declaration of dividends.
 - (d) Changes to the size, or composition of the Board, which, currently comprises of 6 (six) independent directors, 4 (four) non-executive directors, and 3 (three) executive directors.
 - (e) entering into any contract (whether written or not) or business alliance with a Restricted Party.
- (ii) If any matter, decision, action, or resolution related to an Agreed Pre-Consultation Matter is to be considered by the Board or any Committee (*as the case may be*), the Company shall provide the Subscriber with prior notice of at least 15 (fifteen) Business Days prior to such matter being circulated as a part of the notice for convening any meeting of the Board and/or Committee (*as the case may be*) ("**Pre-Consultation Period**"). This notice shall include a detailed description of the proposed matter, decision, action, or resolution, along with all relevant supporting documents, to allow the Subscriber to understand the Company's proposal regarding the Agreed Pre-Consultation Matter ("**Prior Intimation**").
- (iii) After providing the Subscriber with the Prior Intimation, the Company and Subscriber shall, in good faith, discuss the Agreed Pre-Consultation Matter during the Pre-Consultation Period. If the Subscriber provides any observations or comments on the proposed Agreed Pre-Consultation Matter, the Company shall, in good faith, consider such observations/comments before seeking approval from the Board and/or any Committee (*as the case may be*). In the event the Company, in good faith, decides to reasonably not consider or deviate from the observations/comments provided by the Subscriber to the Company to any Agreed Pre-Consultation Matter, then, the Company undertakes to provide its reasoning, in writing, for such deviation or not consideration of the observations/comments provided by the Subscriber to the Subscriber before seeking approval from the Board and/or any Committee (*as the case may be*) for such Agreed Pre-Consultation Matter. For the avoidance of doubt, the Company shall not be obligated to implement any observation or comments provided by the Subscriber, before seeking approval from the Board and/or any Committee (*as the case may be*).

Further Issue of Capital

- 243 In the event the Company is desirous of issuing any new Securities (other than by: (a) the exercise of employee stock options; or (b) rights issue, bonus issue; or share split in relation to all existing shareholders of the Company, as on the occurrence of such issuance) ("**Proposed Issuance**"), the Company shall provide a right of first offer to (i) the Subscriber, subject to Article 251 (*Fall Away of Rights*), and (ii) each of

the Promoters (collectively, the “**Pre-emptive Parties**”) to participate in any such Proposed Issuance in accordance with their respective Pro Rata Share (“**Pre-emptive Right**”). The Company shall give the Pre-emptive Parties written notice of any such Proposed Issuance and such notice shall specify: (i) number, class and nature of Securities proposed to be issued (“**Pre-emptive Shares**”); (ii) price for the Proposed Issuance; (iii) manner and time of payment of the subscription amount; and (iv) date of the Proposed Issuance (collectively, “**Offered Terms**”).

- 244 The Pre-emptive Parties shall respond to the Company by serving a notice in writing (“**Pre-emptive Subscription Response Notice**”) within 10 (ten) Business Days from the date of receipt of the Offered Terms (“**Pre-emption Offer Period**”), accepting or rejecting the Offered Terms. If the Pre-emptive Parties accepts the Offered Terms, then the Pre-emptive Party, exercising its Pre-emptive Right, shall, in the Pre-emptive Subscription Response Notice, state the number of Pre-emptive Shares it intends to subscribe as part of the Proposed Issuance.
- 245 In the event the Pre-emptive Parties accept the Offered Terms and deliver the Pre-emptive Subscription Response Notice before the expiry of the Pre-emption Offer Period, the issue and subscription of such number of Pre-emptive Shares, as mentioned in the respective Pre-emptive Subscription Response Notice, to the respective Pre-emptive Parties in accordance with the Articles 243 to 250 shall be consummated by the Company in accordance with Applicable Laws. Each of the Pre-emptive Parties shall have the right to subscribe for all or a portion of their respective Pre-emptive Shares, in accordance with the procedures set forth in Articles 243 to 250 (*Further Issue of Capital*).
- 246 If any of the Promoters who are Pre-emptive Parties do not subscribe to their respective Pro Rata Share of the Pre-emptive Shares (“**Unsubscribed Promoter Pre-emptive Shares**”), then such Unsubscribed Promoter Pre-emptive Shares shall be offered to the other Promoters who are Pre-emptive Parties (pro-rata to their inter se shareholding in the Company) and such other Promoters who are Pre-emptive Parties shall have a period of 5 (five) Business Days to accept or reject the offer to subscribe to the Unsubscribed Promoter Pre-emptive Shares. Each of the Promoters who are Pre-emptive Parties shall have the right to assign their rights under Articles 243 to 250 (*Further Issue of Capital*) to an Affiliate and references in Articles 243 to 250 to the Promoters, shall be deemed to include a reference to an Affiliate who is a holder of the Securities pursuant to an assignment under Articles 243 to 250. Provided, however, that the Promoters shall not have the right to assign their rights under Articles 243 to 250 (*Further Issue of Capital*) to any Person, who is not an Affiliate of the Promoters.
- 247 In the event any of the Pre-emptive Parties does not deliver a Pre-emptive Subscription Response Notice to the Company prior to the

expiry of the Pre-emption Offer Period or reject the Offered Terms or does not subscribe to the entirety of their respective Pro Rata Share of the Pre-emptive Shares ("**Unsubscribed Shares**"), then, subject to Article 246 above, upon the expiry of the Pre-emption Offer Period, the Company shall be entitled to offer the Unsubscribed Shares, in terms no more favourable than, and at a price equal to or higher than, that specified in the Offered Terms, to any other Person, on such terms and conditions as may be agreed by the Company with such Person.

- 248 In the event the Subscriber is not entitled to exercise its Pre-emptive Right in relation to any Proposed Issuance by the Company, owing to any restriction under Applicable Law (such issuance is being referred to as "**Dilutive Issuance**"), including such Dilutive Issuance being undertaken by the Company by way of a qualified institutional placement, the Company shall, upon consummation of such Dilutive Issuance, provide the Subscriber, subject to Article 250 and Article 251 (*Fall Away of Rights*), a right to subscribe to such number of Securities of the Company, by way of preferential allotment, ("**Anti-Dilutive Issuance**") such that the shareholding of the Subscriber (and its Affiliates) in the Company (on Fully Diluted Basis), post such Anti-Dilutive Issuance, is the same as the shareholding of the Subscriber (and its Affiliates) in the Company (on Fully Diluted Basis) prior to the Dilutive Issuance.

For the purposes of Part II of these Articles, the following process shall be followed by the Parties in relation to the Dilutive Issuance and Anti-Dilutive Issuance by the Company:

- (i) Within 2 (two) Business Days from the consummation of the Dilutive Issuance, the Company shall give the Subscriber, a written notice, containing the details of: (a) the Dilutive Issuance (specifying the: (I) name of the Persons who have subscribed to Securities of the Company in such Dilutive Issuance; (II) number, class and nature of Securities subscribed; and (iii) price per Security paid by the subscribers of the Dilutive Issuance ("**Dilutive Price**"); and (b) the Anti-Dilutive Issuance (specifying: (I) number, class and nature of Securities proposed to be issued to the Subscriber as part of the Anti-Dilutive Issuance ("**Anti-Dilution Shares**"); (II) price for each Anti-Dilutive Share which shall be the higher of the Dilutive Price or the price arrived as per Applicable Law; (III) manner and time of payment of the subscription amount for subscribing to the Anti-Dilution Shares; and (IV) proposed date of the Anti-Dilutive Issuance (collectively, "**Anti-Dilution Offered Terms**");
- (ii) The Subscriber shall respond to the Company by serving a notice in writing ("**Anti-Dilutive Subscription Response Notice**") within 45 (forty five) Business Days from the date of receipt of the Anti-Dilution Offered Terms ("**Anti-Dilution Offer Period**"), accepting or rejecting the Anti-Dilution Offered Terms. If the Subscriber accepts the Anti-Dilution Offered Terms, then the Subscriber shall, in the Anti-Dilutive Subscription Response Notice, state the number of the Anti-Dilution Shares it intends to subscribe as part

of the Anti-Dilutive Issuance. If the Subscriber fails to deliver the Anti-Dilutive Subscription Response Notice within the Anti-Dilution Offer Period, it shall be deemed that the Subscriber has rejected the Anti-Dilution Offered Terms and it does not intend to subscribe to Anti-Dilution Shares.

(iii) In the event the Subscriber has accepted the Anti-Dilution Offered Terms and delivered the Anti-Dilutive Subscription Response Notice before the expiry of the Anti-Dilution Offer Period, the issue and subscription of such number of Anti-Dilution Shares, as mentioned in the relevant Anti-Dilutive Subscription Response Notice, to the Subscriber in accordance with the Article 243 to 250, shall be consummated by the Company in accordance with Applicable Laws, within 45 (forty five) Business Days of the issuance of the Anti-Dilutive Subscription Response Notice by the Subscriber to the Company.

249 Subject to the execution of a deed of adherence (in such form as may be agreed with the Company), the Subscriber shall have the right to assign its rights under Articles 243 to 250 (*Further Issue of Capital*) to an Affiliate and references in Part II of these Articles to the Subscriber, shall be deemed to include a reference to an Affiliate that acquires Securities pursuant to such an assignment. Provided, however, that the Subscriber shall not have the right to assign its rights under Articles 243 to 250 (*Further Issues of Capital*) to any Person, who is not an Affiliate of the Subscriber.

250 The Company will not be required to comply with its obligations and the Subscriber shall cease to have any rights under the Articles 243 to 250 if, immediately prior to the Proposed Issuance and / or Dilutive Issuance, the Subscriber along with its Affiliates ceases to hold less than 15% (fifteen per cent.) of the share capital of the Company (on a Fully Diluted Basis), subject to adjustment for any corporate actions of the Company (such as, without limitation, capitalization of profits or reserves/ bonus issues, stock splits, reverse stock splits, consolidation/ sub-division/ reduction of share capital and/ or buy-back of securities).

Fall Away of Rights

251 Notwithstanding anything to the contrary contained in these Articles, Part II of these Articles shall automatically fall away and cease to be of any effect, upon the Subscriber and its Affiliates ceasing to collectively hold at least 10% (ten per cent.) of the share capital of the Company (on a Fully Diluted Basis), subject to adjustments for any corporate action of the Company (such as, without limitation, capitalization of profits or reserves/ bonus issues, stock splits, reverse stock splits, consolidation/ sub-division/ reduction of share capital and/ or buy-back of securities) (such threshold being referred to as “**Fall Away Threshold**” and such termination being referred to as “**Fall Away of Rights**”).

The provisions related to Fall Away of Rights shall not be applicable, if the shareholding of the Subscriber (together with its Affiliates) in the

Company falls below the Fall Away Threshold, as a result of the Dilutive Issuance, provided that the Subscriber has exercised its right to subscribe to Anti-Dilutive Issuance, in accordance with the provisions of Article 248 above.

Upon Part II of these Articles falling away and ceasing to be of any effect pursuant to this Article, all rights and obligations of the Subscriber and the Company under Part II of these Articles shall automatically fall away and cease to be of any effect, without prejudice to the rights and remedies (if any) available to the Subscriber or the Company, as the case may be, under Part II of these Articles, in regards to the rights and obligations accruing prior to the date of such fall away of rights and obligations.

*New set of Articles of Association adopted by special resolution dated 20.09.2019.

*Altered by special resolution dated 25.06.2025.

Sr. No.	Name, Address, description and occupation of the subscribers	Signature of the Subscriber	Name, address, description, occupation and signature of the witness
1.	Vardhman Textiles Limited Chandigarh Road, Ludhiana-141010 Through S.P. Oswal (Chairman & Managing Director) (Company)	sd/-	<p style="text-align: center;">sd/-</p> <p style="text-align: center;">(VIPIN GUPTA)</p> <p style="text-align: center;">H. No. 2166, Sector 32A, Chandigarh Road, Ludhiana- 141010 (Service)</p>
2.	Shri Paul Oswal S/o Late Sh. R.C. Oswal (Nominee of Vardhman Textiles Limited) 2722, "Auro Mirra" Bhawan, Gurdev Nagar, Pakhowal Road, Ludhiana- 141001 (Industrialist)	sd/-	
3.	Shakun Oswal W/o Mr. S.P. Oswal (Nominee of Vardhman Textiles Limited) 2722, "Auro Mirra" Bhawan, Gurdev Nagar, Pakhowal Road, Ludhiana- 141001 (Industrialist)	sd/-	
4.	Sachit Jain S/o Sh. R.K. Jain (Nominee of Vardhman Textiles Limited) 2722, "Auro Mirra" Bhawan, Gurdev Nagar, Pakhowal Road, Ludhiana- 141001 (Business Executive)	sd/-	
5.	Suchita Jain W/o Mr. Sachit Jain (Nominee of Vardhman Textiles Limited) 2722, "Auro Mirra" Bhawan, Gurdev Nagar, Pakhowal Road, Ludhiana- 141001 (Industrialist)	sd/-	
6.	Darshan Lal Sharma S/o Sh. G.M. Sharma (Nominee of Vardhman Textiles Limited) H.No. B-XX-770/2, Gurdev Nagar, Ludhiana- 141001 (Service)	sd/-	
7.	Rajeev Thapar S/o Sh. P.P. Thapar (Nominee of Vardhman Textiles Limited) T-2, Moti Nagar, Ludhiana (Service)	sd/-	

Date: 06.05.2010

Place: Ludhiana

**IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH**

COMPANY PETITION NO. 136 of 2010

Connected with

COMPANY PETITION NO. 104 OF 2010

In the matter of Section 391 and 394 of the Companies Act, 1956

AND

IN THE MATTER OF:

Scheme of Arrangement & De-merger of the Steel Business Undertaking of VARDHMAN TEXTILES LIMITED, and its vesting in VARDHMAN SPECIAL STEELS LIMITED.

AND

IN THE MATTER OF:

VARDHMAN TEXTILES LIMITED, a Company incorporated under the Companies Act, 1956, having its Registered Office at: Chandigarh Road, Ludhiana-141 010 (Punjab).

...PETITIONER NO.1/TRANSFEROR COMPANY

VARDHMAN SPECIAL STEELS LIMITED, a Company incorporated under the Companies Act, 1956, having its Registered Office at: Vardhman Premises, Chandigarh Road, Ludhiana-141 010 (Punjab).

...PETITIONER NO.2/TRANSFeree COMPANY

Petition Under Sections 391 & 394 of the Companies Act, 1956 for Sanction of the Scheme of De-merger & Arrangement of the Steel Business Undertaking of M/s Vardhman Textiles Limited and its vesting in M/s Vardhman Special Steels Limited.

C.P. NO.136 OF 2010

**IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH**

C.P.No.136 of 2010

Connected with C.P.No.104 of 2010

Date of decision: 12.01.2011

VARDHMAN TEXTILES LIMITED

TRANSFEROR COMPANY

AND

VARDHMAN SPECIAL STEELS LIMITED

TRANSFeree COMPANY

CORAM: HON'BLE MR. JUSTICE RAJIVE BHALLA

**Present: Ms.Munisha Gandhi, Advocate and
Mr.Vaibhav Sharma, Advocate for the
petitioner. Mr.D.P.Ojha, Official Liquidator.**

ORDER

RAJIVE BHALLA, J.

The petitioner Companies pray for approval/sanction of the Scheme of De-merger & Arrangement of the Steel Business Undertaking of M/s Vardhman Textiles Limited (Transferor Company) and its vesting in M/s Vardhman Special Steels Limited (Transferee Company).

Vide order dated 08.09.2010 and on a plea for grant of a first motion, the Transferor Company was directed to convene a meeting of shareholders, secured creditors and unsecured creditors on 23.10.2010 for the purpose of considering the proposed Scheme of Arrangement and Demerger. Sh. Randep Singh Rai, Senior Advocate, and Sh. Aman Chaudhary, Advocate, were appointed as the Chairman and the Alternative Co-Chairman, respectively for conducting these meetings. The notice of the meetings was sent individually to shareholders, secured creditors and unsecured creditors and notice of the meetings was also advertised/published in the newspapers i.e. 'Business Standard (English)', 'The Tribune (Chandigarh)' and 'Punjabi Tribune' as well and in the Official Gazette of the State of Punjab. The meetings of the equity shareholders, secured creditors and the unsecured creditors were held on 23.10.2010. The Chairman has filed his report regarding the conduct and result of the meetings.

Upon filing of the present petition, notice was issued to the Regional Director, Ministry of Corporate

C.P. NO.136 OF 2010

Affairs, Noida and the Official Liquidator. It was also ordered that notice be published in the 'Business Standard (English)', the 'Punjabi Tribune' and the Official Gazette of the State of Punjab for 16.12.2010. The affidavit dated 26.11.2010 of publication of notice of hearing filed by Sh. Vipin Gupta, Company Secretary, Vardhman Textiles Limited has been taken on record. The report furnished by the Regional Director and the Official Liquidator was taken on record on 16.12.2010. Mr. B.K. Bansal, Regional Director, Northern Region, Ministry of Corporate Affairs, Noida, has filed a report dated 13.12.2010 by way of an affidavit, containing the following observations:

"3. That the deponent further craves leave to submit that as per Clause 8 of Part-B of the Scheme of Arrangement, all the employees of the Transferor Company/De-merged Company engaged in "Steel Business Undertaking" shall become the employees of the Transferee Company/ Resulting Company without any break or interruption in their services upon sanctioning of the Scheme of Arrangement by the Hon'ble Court.

4. That the deponent further craves leave to submit that at Para 14.1 & 14.2 of Part-C of the Scheme provide as under:

"On or before the Effective date, the Resulting Company shall take necessary steps to increase or alter, to the extent required, its Authorized Share Capital suitably to enable it to issue & allot the equity shares pursuant to this Scheme....."

"Clause V of the Memorandum of Association and Article 4 of the Article of Association of the Resulting Company (relating to the Authorized Share Capital) shall without any further act, instrument or deed be and stand altered, modified and amended pursuant to Sections 16, 31, 94 & 394 and other applicable provisions of the Act....."

4.1 It is submitted that the Memorandum and Article of Association of a Company can be changed/altered only after following the procedure prescribed under the relevant provisions of the Companies Act, 1956. It is, therefore, submitted that this aspect may kindly be considered by this Hon'ble Court.

5. That the deponent further craves leave to submit that in regard to transfer of charge from the De-merged Company to the Resulting Company, the petitioner De-merged Company viz. M/s Vardhman Textiles Ltd. vide its letter dated 08.12.2010 has stated that "It shall be available on the appointed date. "

6. That the deponent further craves leave to submit that the Shares of the Transferor Company/De-merged Company viz. M/s Vardhman Textiles Ltd. are listed at Bombay Stock Exchange & National Stock Exchanges. The Bombay Stock Exchange vide its letter dated 11.08.2010 and National Stock Exchanges vide its letter dated 18.08.2010 have given their 'No Objection' to the proposed Scheme of Arrangement subject to certain condition as mentioned therein. It is submitted that the Transferor Company/De-merged Company may be advised to comply with the conditions raised by the Bombay Stock Exchange and National Stock Exchanges."

In response to these observations, Sh.Vipin Gupta, Company Secretary, Vardhman Textiles Limited has filed an affidavit. A relevant extract from the affidavit dated 16.12.2010, filed by Sh.Vipin Gupta, Company Secretary, Vardhman Textiles Limited, reads as follows: -

"2. That the deponent undertakes that all statutory compliances prescribed under the Companies Act, 1956, shall be complied with for implementation of the proposed Scheme of Arrangement and De-merger of the Steel Business undertaking of Vardhman Textiles Limited, Ludhiana and its vesting in Vardhman Special Steels Limited, Ludhiana.

3. That deponent states that the entire procedure as prescribed under the Act for the alteration of Memorandum and Articles of Association, for increasing share capital shall be followed and complied with.

4. That the deponent states that the transfer of charge on the properties of the Transferee Company in favour of the Banks, shall be done upon transfer of assets and liabilities to the transferee company on the Appointed Date, i.e. 1st January, 2011.

5. That the deponent states that the conditions contained in the No Objections issued by the Bombay Stock Exchange and the National Stock Exchange (Annexure P-5) shall be duly complied with.

6. That the deponent states that all submissions made by the Regional Director, Ministry of Corporate Affairs, Noida, in his report dated 13.12.2010 shall be followed and complied with".

A relevant extract from the affidavit dated 10.01.2011, filed by Sh.Vipin Gupta, Company Secretary, Vardhman Textiles Limited, reads as follows: -

"2. That the deponent undertakes that all statutory compliances prescribed under the Companies Act, 1956, shall be complied with for implementation of the proposed Scheme of Arrangement and De-merger of the Steel Business undertaking of Vardhman Textiles Limited, Ludhiana and its vesting in Vardhman Special Steels Limited, Ludhiana.

3. That the deponent had filed an affidavit dated 16.12.2010 undertaking that all submissions made by the Regional Director, Ministry of Corporate Affairs, Noida, in his report dated 13.12.2010 shall be followed and complied with.

4. That the deponent submits that they have increased the authorized share capital of M/s Vardhman Special Steels Limited to Rs.35 crores and have paid the requisite statutory fee of Rs.15 lacs for the same on 24.12.2010. A copy of the receipt and approval by the Ministry of Corporate Affairs is collectively annexed herewith as Annexure A."

The Official Liquidator has submitted a report after due consideration of the scheme, resolutions passed by the Companies, the Chairman's report dated 29.10.2010 and eventually praying that the Scheme of Arrangement and De-merger may be decided on merits.

Having gone through the Scheme of Arrangement, taking into consideration the views of the Regional Director, the affidavits dated 16.12.2010 and 10.01.2011, filed by Mr. Vipin Gupta, Company Secretary, Vardhman Textiles Limited and the report submitted by the Official

Liquidator, I find no reason to decline the prayer for approval/sanction of the Scheme of De-merger & Arrangement of the Steel Business Undertaking of M/s Vardhman Textiles Limited (Transferor Company) and its vesting in M/s Vardhman Special Steels Limited (Transferee Company), subject to the Transferee Company honouring in letter and spirit the observations recorded in the report submitted by Mr.B.K.Bansal, Regional Director; Northern Region, Ministry of Corporate Affairs, Noida and duly accepted in their affidavits.

The Transferee Company shall issue and allot shares to the equity shareholders of the Transferor Company as per scheme.

A certified copy of this order shall be filed with the Registrar of Companies within 30 days in Form No. 41.

A public notice shall also be published in the daily newspapers, namely "The Times of India" (English) and "Punjabi Tribune" (vernacular). Similarly, a notice be also published in the Official Gazette of the State of Punjab.

Any person interested shall be at liberty to approach this Court in the above matter for any directions that may be necessary.

12.01.2011
shamsher

sd/- Rajive Bhalla
Judge

True Copy

Examiner

IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

COMPANY PETITION NO. 136 OF 2010

Connected with

COMPANY PETITION NO. 104 OF 2010

In the matter of Section 391 and 394 of the Companies Act, 1956

AND

IN THE MATTER OF:

Scheme of Arrangement & De-merger of the Steel Business Undertaking of VARDHMAN TEXTILES LIMITED, and its vesting in VARDHMAN SPECIAL STEELS LIMITED.

AND

IN THE MATTER OF:

VARDHMAN TEXTILES LIMITED, a Company incorporated under the Companies Act, 1956, having its Registered Office at: Chandigarh Road, Ludhiana-141 010 (Punjab).

...PETITIONER NO.1/TRANSFEROR COMPANY

VARDHMAN SPECIAL STEELS LIMITED, a Company incorporated under the Companies Act, 1956, having its Registered Office at: Vardhman Premises, Chandigarh Road, Ludhiana-141 010 (Punjab).

...PETITIONER NO.2/TRANSFeree COMPANY

PETITION UNDER SECTIONS 391 & 394 OF THE COMPANIES ACT, 1956 FOR SANCTION OF THE SCHEME OF DE-MERGER & ARRANGEMENT OF THE STEEL BUSINESS UNDERTAKING OF M/S VARDHMAN TEXTILES LIMITED AND ITS VESTING IN M/S VARDHMAN SPECIAL STEELS LIMITED.

PRAYER

It is, therefore, respectfully prayed that this Hon'ble Court may be pleased to:

- (a) Sanction the Scheme of Arrangement and De-merger (Annexure P-1) so as to be binding on all share holders, secured creditors and unsecured creditors of both the petitioner companies and upon the petitioner companies themselves.
- (b) Issue notice to the Central Government, through the Regional Director, (northern region), Ministry of Corporate Affairs, as required under section 394A of the Act, calling for the report with regard to the Scheme of Arrangement and De-merger (P-1).
- (c) Direct notice of the hearing in the present petition to be ordered to be published in the Business Standard (English) and in the Punjabi Tribune (Punjabi) or any other Newspaper and the Punjab Government Gazette; as required under Rule 80 of the Companies (Court) Rules, 1959;
- (d) To order publication of the sanction of the Scheme of Arrangement and De-merger of the Steel Business Undertaking of Vardhman Textiles Limited and its vesting in Vardhman Special Steels Limited.
- (e) Issue such further or other orders / or directions be given as this Hon'ble Court may deem fit and proper.
- (f) Allow the present petition.

COMPANY PETITION NO.104 OF 2010

In the matter of Section 391 and 394 of the Companies Act, 1956 **AND**

IN THE MATTER OF:

Scheme of Arrangement & De-merger of the Steel Business Undertaking of VARDHMAN TEXTILES LIMITED, and its vesting in VARDHMAN SPECIAL STEELS LIMITED.

AND

IN THE MATTER OF:

VARDHMAN TEXTILES LIMITED, a Company incorporated under the Companies Act, 1956, having its Registered Office at: Chandigarh Road, Ludhiana-141 010 (Punjab).

PETITIONER NO.1/TRANSFEROR COMPANY

VARDHMAN SPECIAL STEELS LIMITED, a Company incorporated under the Companies Act, 1956, having its Registered Office at: Vardhman Premises, Chandigarh Road, Ludhiana-141 010 (Punjab).

PETITIONER NO.2/TRANSFeree COMPANY

PETITION UNDER SECTIONS 391 & 394 OF THE COMPANIES ACT, 1956 FOR SANCTION OF THE SCHEME OF DE-MERGER & ARRANGEMENT OF THE STEEL BUSINESS UNDERTAKING OF M/S VARDHMAN TEXTILES LIMITED AND ITS VESTING IN M/S VARDHMAN SPECIAL STEELS LIMITED.

PRAYER

It is, therefore, respectfully prayed that this Hon'ble Court may be pleased to :-

- (a) Issue necessary directions or orders for holding of the meetings of equity shareholders and creditors (secured and unsecured of Vardhman Textiles Limited i.e. the Transferor Company and to fix the date, time and place of such meeting alongwith the appointment of Chairman/Alternate Chairman for the meeting and other matters as provided in Rule 69 of the Companies (Court) Rules, 1959.
- (b) Issue orders/ directions dispensing with the meetings of the equity shareholders, Creditors (both Secured & unsecured) of the Transferee Company in view of the averments made hereinabove;
- (c) Issue directions for publication of a notice of the meeting of the equity shareholders, secured and unsecured creditors of the Transferor Company in the Business Standard (English) and in the Punjabi Tribune (Punjabi) or any other Newspaper and the Punjab Government Gazette; as required under Rule 74 of the Companies (Court) Rules, 1959;
- (d) Issue such further or other orders / or directions be given as this Hon'ble Court may deem fit and proper.
- (e) Allow the present petition.

Before Hon'ble Mr. Justice Rajive Bhalla

Dated 12th January, 2011

ORDER ON PETITION

That the above Company Petition No.104 of 2010 came up for hearing on 08.09.2010; upon reading the said petition, the order dated 08.09.2010, whereby meetings of the Shareholders, Secured and unsecured creditors of the Transferee Company were dispensed with and it was directed that meetings of the Shareholders, Secured and unsecured creditors of the Transferor

Company be held on 23.10.2010 for the purpose of considering and, if thought fit, approving with or without modification the Scheme of Arrangement & Demerger proposed to be made between transferor and transferee companies and their respective shareholders and creditors and annexed to the affidavit dated 16.08.2010 of Sh. Vipin Gupta, Authorised signatory of the Petitioner No.1/ Transferor Company and Petitioner No.2/ Transferee Company; also upon perusing the "Business Standard" dated 01.10.2010, 'The Tribune' dated 30.09.2010 &, 'Punjabi Tribune' dated 30.09.2010, and Official Gazette of the Government of Punjab dated 01.10.2010, each containing the advertisement of the notice of the meetings directed to be held vide order dated 08.09.2010 and the affidavit of Sh. Randeep Singh Rai, Senior Advocate dated 15.10.2010 showing publication and despatch of the notices convening the said meetings, the reports of the Chairman of the said meetings dated 29.10.2010 as to the result of the said meetings and upon hearing Ms. Munisha Gandhi, Advocate for the petitioner Companies and it appearing from the reports that the proposed scheme of Arrangement & Demerger has been approved unanimously by the Equity Shareholders, Secured and Unsecured creditors of the aforesaid Petitioner No.1/ Transferor Company, as the case may be, present and voting in person or by proxy.

This Court doth hereby sanction the Scheme of Arrangement & Demerger set forth in the Company Petition(s) and in the Schedule hereto and doth hereby declare the same to be binding on the Shareholders and Creditors of the transferor and transferee companies and all concerned:

And

This Court doth further order that a notice of the order sanctioning the Scheme shall be duly notified by public notice in the 'Times of India (English)', 'Punjabi Tribune' and 'Official Gazette of Govt. of Punjab' within 30 days.

That the said companies do file with the Registrar of Companies a certified copy of this order within 30 days from the date of this order.

Any person interested shall be at liberty to approach this Court in the above matter for any directions that may be necessary.

SCHEDULE

Scheme of Arrangement & Demerger as sanctioned by the Court

(See next page)

SCHEME OF ARRANGEMENT & DEMERGER
BETWEEN
VARDHMAN TEXTILES LIMITED
AND
VARDHMAN SPECIAL STEELS LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

SCHEME OF ARRANGEMENT & DEMERGER
BETWEEN
VARDHMAN TEXTILES LIMITED
AND
VARDHMAN SPECIAL STEELS LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS & CREDITORS

Under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956

Background and rationale for the Scheme of Arrangement & Demerger:

Vardhman Textiles Limited ('Demerged Company' or the 'company') is one of the largest textile company in India. The company is engaged in the business of manufacturing and marketing of Textiles (including Yarns and Fabrics). In addition to manufacture of yarns and fabric the company is also engaged in the business of manufacturing of Alloy Steel.

The steel produced by the company is used in automotive components, forging, ball bearings, piston pins, engineering applications, railways, defense etc. The company is the preferred supplier to leading companies like Telco, Ashok Leyland, Maruti, Hindustan Motors, Toyota, M&M and Escorts among others. The steel business is currently operating as a business undertaking of Vardhman Textiles Limited. The Management of the company believes that the steel business of the company has significant potential for expansion and growth. The nature of technology, risk and competition involved in the textile and steel business is significantly different from each other. Consequently, each of the business or undertaking is capable of addressing independent business opportunities, deploying different technologies and attracting different sets of investors, strategic partners, lenders and other stakeholders. *Therefore*, the management believes that the steel and textile business should be pursued under separate independent companies.

The Company therefore proposes to re-organize and segregate, by way of demerger, its business and undertaking engaged in steel business (Steel Business Undertaking).

This Scheme of Arrangement & Demerger is divided into following parts:

- (i) Part A - dealing with definitions and share capital;
- (II) Part B - dealing with demerger of Steel Business Undertaking of Vardhman Textiles Limited
- (iii) Part C - General

PART A

1. DEFINITIONS

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

- 1.1. "Act" means the Companies Act, 1956 and any statutory modification or re-enactment thereof for the time being in force.
- 1.2. "Appointed Date" means January 1, 2011 or such other date as may be approved by the High Court for the purposes of this Scheme.
- 1.3. "Demerged Company" means Vardhman Textiles Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Chandigarh Road, Ludhiana-141010.

- 1.4. "Demerging Undertaking" means Steel Business Undertaking of Vardhman Textiles Limited.
- 1.5. "Effective Date" means the date on which the certified copy of the Order of the High Court of Judicature for Punjab & Haryana at Chandigarh sanctioning the Scheme is filed with the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh.
- 1.6. "Court" or "High Court" means the High Court of Judicature for Punjab & Haryana at Chandigarh.
- 1.7. "Net assets of the Steel business undertaking" would mean the difference *between* the assets and the liabilities of the Steel Business Undertaking taken over by the Resulting Company as part of the demerger of the steel business.
- 1.8. "Record Date" means the date as fixed by the Board of Directors or a Committee, as appointed by the Board of Directors of Demerged Company and Resulting Company for the purposes of issue of shares in Resulting Company to the shareholders of Demerged Company as the case may be, upon coming into effect of this Scheme. The Board of Directors of Demerged Company and Resulting Company shall determine the record date, being a date post filing of the sanction Order of this Scheme with the Registrar of Companies. Shareholders of the Demerged Company, as on the record date will be issued shares in the Resulting Company under this Scheme pursuant to the Demerger.
- 1.9. "Remaining Business" means all the undertakings, businesses, activities and operations of the Demerged Company other than the Steel Business Undertaking.
- 1.10. "Resulting Company" means Vardhman Special Steels Limited, a company Incorporated under the Indian Companies Act, 1956 and having its registered office at Vardhman Premises, Chandigarh Road, Ludhiana- 141010
- 1.11. "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Arrangement and Demerger in its present form or with any modification(s) made under Clause 16 of this Scheme.
- 1.12. "Steel Business Undertaking" means and includes the undertaking of the Demerged Company consisting, inter-alia, all assets including immoveable property as set out in Schedule 1 to the Scheme and all liabilities relating thereto. Assets and Liabilities of the Steel Business Undertaking shall mean and include:
 - 1.12.1. The assets (whether real or personal, corporeal or incorporeal, present, future, contingent, tangible or intangible) pertaining to the Steel Business Undertaking of Demerged Company including but without being limited to land and building, plant and machinery, capital work in progress, intellectual property and rights to use intellectual property, furniture, fixtures, office equipment, appliances, accessories, vehicles, deposits, all stocks, assets, working capital, all customer contracts, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Steel Business Undertaking, whether in India or abroad;
 - 1.12.2. All deposits, advances, loans, receivables, funds, staff advances, advance payments to regulatory authorities, cash, bank balances, accounts and all earnest money and/or deposits including security deposits made / paid by Demerged Company in connection with or relating to the Steel Business Undertaking;
 - 1.12.3. All necessary records, files, papers, process information, computer programs, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the Steel Business Undertaking of Demerged Company

1.12.4. The liabilities pertaining to / arising out of the activities or operations of the Steel Business Undertaking including the following:

- specific loans and borrowings raised, term loans from banks and financial institutions (if any), bank overdrafts, working capital loans & liabilities, amount due to small scale industrial undertakings raised, incurred and utilised solely for the activities or operations of the Steel Business Undertaking.
- liabilities other than those referred to above, being the amounts of general or multipurpose borrowings of the Demerged Company if any, allocated to the Steel Business Undertaking in the same proportion in which the value of the assets (ignoring the revalued amount) transferred under this Scheme bear to the total value of the assets of the Demerged Company immediately before giving effect to this Scheme;

Provided however that any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Steel Business Undertaking or whether it arises out of the activities or operations of the Steel Business Undertaking shall be decided by mutual agreement between the Board of Directors of the Demerged Company and Resulting Company.

1.12.5 All permanent and temporary employees of the Demerged Company employed in/ or relatable to the Steel Business Undertaking as on the Effective Date, and as identified by the Board of Directors of the Demerged Company;

Without prejudice to the generality of the foregoing, it is clarified that all permits, sanctions, quotas, rights, entitlements, consents, permissions, licenses, certificates, authorisations relating to the Steel Business Undertaking shall stand transferred to the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company, and the rights and benefits under the same shall be available to the Resulting Company; All benefits or incentives including income tax, sales tax (including deferment of sales tax), service tax, value added tax and any other direct or indirect tax(es) benefits in respect of the Steel Business Undertaking for which the Demerged Company is entitled to in terms of the various statutes and/or schemes of Union and State Governments, shall be available to and vest in the Resulting Company;

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

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

3. SHARE CAPITAL

3.1 The share capital of Vardhman Textiles Limited or the Demerged Company as on the last audited Balance sheet dated March 31, 2010 was as under:

Particulars	(Amount in Rs.)
Authorised Capital	90,00,00,000
9,00,00,000 Equity shares of Rs.10 each	
1,00,00,000 Redeemable Cumulative Preference Shares of Rs.10each	10,00,00,000
Total	100,00,00,000
Issued, Subscribed and Paid-up	
5,77,69,527 Equity Shares of Rs.10 each	57,76,95,270

The share capital structure of Demerged Company as on 30th June, 2010 is same as on 31st March, 2010 as there has been no change in the Issued, Subscribed and Paid-up share capital of Demerged Company after 31st March, 2010.

Further, during the pendency of the scheme, the Demerged company reserves the right to issue additional equity shares to any institutional investor or existing shareholders or to the public by way of preferential placement of the equity share or by way of right Issue to existing shareholders or by way of a fresh public issue at such price as may be decided. However, in case of any further issuance of equity shares of Demerged Company, prior consent would be obtained from the Board of Directors of the Resulting Company in relation to such issue of equity shares.

Demerged Company has issued USD 60,000,000 Zero Coupon Convertible Bonds ("FCCBs") which are due for redemption in February, 2011. The outstanding amount of FCCBs as on 31st March, 2010 is USD 59,000,000. The above FCCBs are convertible into equity shares of Demerged Company at any time prior to thirty days before Maturity Date of February 17, 2011 in terms of the FCCB Offering Circular dated February 16, 2006. The above mentioned FCCBs are listed on the Singapore Stock Exchange.

3.2 The share capital of Vardhman Special Steels Limited as on 30th June, 2010 is as under:

Particulars	(Amount in Rs.)
Authorised Capital 50,00,000 Equity shares of Rs.10 each	5,00,00,000
Issued, Subscribed and Paid-up 50,000 Equity Shares of Rs.10 each	5,00,000

The entire issued, subscribed and paid-up capital in Vardhman Special Steels Limited is currently held by Vardhman Textiles Limited.

Before the Effective Date, the Demerged Company would contribute to the share capital of the Resulting Company by subscribing to additional 2,250,000 equity shares of Rs. 10/- each at par. As on the effective date the paid up share capital of the Resulting Company would be Rs.23,000,000/- divided into 2,300,000 shares of Rs. 10 each.

Further, in the event of any change in the share capital of the Demerged Company by way of the fresh issue of shares during the pendency of this scheme, the Demerged Company may contribute to the share capital of the Resulting Company by subscribing to such additional number of equity shares of Rs. 10/- each at par as may be agreed upon by the Board of Directors of both the Demerged Company and the Resulting Company.

Further, in the event of additional issue of shares as mentioned above, there would be no change in the consideration as mentioned in clause 5.1 and all the shareholders of the Demerged Company, as on the record date, would be entitled to the shares in the Resulting Company, unless specifically provided for in this scheme.

PART B
DEMERGER OF THE STEEL BUSINESS UNDERTAKING OF
VARDHMAN TEXTILES LIMITED

4. VESTING OF UNDERTAKING

With effect from the Appointed Date and upon the Scheme becoming effective and subject to the provisions of the Scheme, the Steel Business Undertaking of the Demerged Company, as defined in Clause 1.12 above, shall subject to the provisions of this Clause in relation to the mode of vesting and pursuant to Section 394(1) of the Act, and in accordance with Section 394(2) of the Act and Section 2(19AA) of the Income Tax Act, 1961, and without any further act or deed, be transferred to and vested in and/or deemed to be transferred to and vested in the Resulting Company, as a going concern, in the following manner:

- 4.1 With effect from the Appointed Date, the whole of the undertaking and properties comprising the Steel Business Undertaking, as aforesaid, shall, under the provisions of Sections 391 to 394 of the Act and all other applicable provisions, if any, of the Act, without any further act or deed, be transferred to and be vested in and/or be deemed to be transferred to the Resulting Company so as to vest in the Resulting Company all the rights, title and interest pertaining to the Steel Business Undertaking of the Demerged Company.
- 4.2 With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of the Demerged Company relating to the Steel Business Undertaking shall, under the provisions of Sections 391 to 394 of the Act, without any further act or deed, be transferred to and/or deemed to be transferred to the Resulting Company as the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities and obligations have arisen in order to give effect to the provisions of this sub-clause.

It is hereby clarified that upon the Scheme becoming effective, the working capital lenders relating to the Steel Business Undertaking existing as of the Effective Date, that have security over the current assets of Demerged Company, shall be entitled to (a) security over the current assets of the Resulting Company and (b) a charge on the fixed assets of the Resulting Company (subject to first charge created/ to be created in favour of the term lenders, if any).

Further, all loans raised after the Appointed Date but before the Effective Date and liabilities incurred by the Demerged Company after the Appointed Date but before the Effective Date for operations of the Steel Business Undertaking shall be discharged by the Resulting Company. Where any of the liabilities and obligations attributed to the Steel Business Undertaking on or after the Appointed Date have been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of the Resulting Company.

- 4.3 With effect from the Appointed Date, all documents of title, deeds, papers, contracts etc. pertaining to the Steel Business Undertaking shall be handed over to the Resulting Company.
- 4.4 The transfer and vesting of the assets of the Demerged Company relating to the Steel Business Undertaking shall be effected as follows:
- 4.4.1 The immoveable properties including land, building and structures belonging to and/or vested in the Steel Business Undertaking shall pursuant to Section 394(2) of the Act and provisions of this Scheme, without any further act or deed, be transferred to and vested in or deemed to have been transferred to the Resulting Company. With effect from the Appointed Date, the Resulting Company shall be

entitled to exercise all rights and privileges and be liable to pay ground rent, municipal taxes, if any, and fulfill all obligations in relation to or applicable to such immovable properties. The mutation of title to the immovable properties in the name of the Resulting Company shall be made and duly recorded by the appropriate authorities pursuant to the sanction of this Scheme by the Hon'ble High Court and this Scheme becoming effective in accordance with the terms hereof.

- 4.4.2 All the movable assets of the Steel Business Undertaking or assets otherwise capable of transfer by manual delivery or by endorsement and delivery, including cash in hand shall be physically handed over by manual delivery to the Resulting Company to the end and intent that the property therein passes to the Resulting Company on such delivery, without requiring any deed or instrument of conveyance for the same and shall become the property of the Resulting Company accordingly.
- 4.4.3 In respect of movable assets, other than those specified in sub-clause 4.4.2 above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or value to be received, bank balances and deposits, if any, pursuant to the Order of the High Court sanctioning the Scheme, the said debt, loan, advances, etc. would be paid or made good or held on account of the Resulting Company as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realize the same stands extinguished, and that such rights to recover or realize the same shall vest in the Resulting Company. Pursuant to the Order of the High Court sanctioning the Scheme, each person, debtor or deposittee of the Steel Business Undertaking of the Demerged Company would pay the debt, loan or advance or make good the same or hold the same to the account of the Resulting Company and that the right of the Resulting Company to recover or realise the same would be in substitution of the right of the Demerged Company;
- 4.5 All taxes, duties, cess payable by Demerged Company relating to the Steel Business Undertaking and all or any refunds/credit (including cenvat credits)/claims relating thereto shall be treated as the liability or refunds/credit/claims, as the case may be, of the Resulting Company.
- 4.6 This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the said provisions at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with conditions contained in Section 2(19AA) of the Income tax Act, 1961. Such modification will however not affect other parts of the Scheme.

5. CONSIDERATION

Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Steel Business Undertaking of Demerged Company in the Resulting Company, in a terms of this Scheme, the shareholders of Demerged Company would be allotted the shares of the Resulting Company as per details given below: -

- 5.1 The Resulting Company shall, upon coming into effect of Scheme, and in consideration for the transfer of and vesting of the Steel Business Undertaking in the Resulting Company, without any further application, act, instrument or deed, issue and allot to the equity shareholders of Demerged Company, whose names are registered in its register of members on the Record Date, or his/her/its heirs, executors or, as the case may be, successors, 1 (One) fully paid-up Equity Share of Rs.10 (Rupees Ten) each for every 5 (Five) fully paid-up equity shares of Rs.10 (Rupees Ten) each in Demerged Company.
- 5.2 In addition to the provisions of Clause 5.1 above, the Resulting Company may in accordance with the terms and conditions of the FCCB Offering Circular create a provision for issue, without any extra payment required by FCCB holders, to the Depository

representing the holders of FCCBs of the Demerged Company, equity shares of Rs.10/- each of the Resulting Company equivalent to the entitlement of the equity shares of the Demerged Company at the time of exercise of the option of the conversion in terms of the FCCB Offering Circular dated February 16, 2006 i.e. at the conversion price of Rs.423.25 per share with a fixed rate of exchange on conversion of Rs.44.1722=U.S.\$1.00. Accordingly, the FCCB holder shall for every 5 (Five) equity shares of Rs.10/- each of the Demerged Company would also get 1 (One) equity share of Rs.10/- each of the Resulting Company. However, in all respects, the rights of the FCCB holders to receive the shares of the Resulting Company shall be considered only when the Demerged Company and/or the FCCB holder(s) opt for conversion of the FCCBs into shares of the Demerged company pursuant to the Offering Circular.

- 5.3 In the event the FCCB holder(s) do not exercise the option of conversion, the provision for issue of equity shares by the Resulting Company to the Depository as the entitlement of the FCCB holders on account of demerger of the Steel Business Undertaking shall stand cancelled and the Resulting Company shall not have any obligation with regard to the dividends and any other liability in that respect.
- 5.4 The Equity Shares shall be issued in dematerialized form to those shareholders who hold shares of Demerged Company in dematerialized form, in to the account in which Demerged Company shares are held as on the Record Date. All those shareholders who hold shares of Demerged Company in physical form shall also have the option to receive the Equity Shares in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to Demerged Company and / or its Registrar before the Record Date. Otherwise, they would be issued Equity Shares in physical form. All such share certificates shall be sent by the Resulting Company to the shareholders at their registered address as appearing in the Register of Members on the Record Date (or in the case of joint holders to the address of that one of the joint holder whose name stands first in such register in respect of such joint holding) and the Resulting Company shall not be responsible for any loss in transmission.
- 5.4 Resulting Company shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment of Equity Shares to the members of Demerged Company under the Scheme.
- 5.5 The Equity Shares of Resulting Company shall be listed on all the stock exchanges on which the shares of Demerged Company are listed as on the Effective Date. The Resulting Company shall also fulfill the Exchange's criteria for listing and shall also comply with Rules, Byelaws, and Regulations of the Exchange and other applicable statutory requirements and compliances with the necessary procedures that may be required.
- 5.6 Further, the shares issued by the Resulting Company under this scheme shall remain frozen in the account of the depositories from the date of allotment of such shares till the permission for listing or trading of such shares is given by the designated stock exchange.
- 5.7.1 In the event of there being any pending share transfer, whether lodged or outstanding, of any shareholder of Demerged Company, the Board of Directors or any Committee thereof of Demerged Company shall be empowered even subsequent to the Effective Date, to effectuate such transfer as if such changes in the registered holder were operative from the Effective Date, in order to remove any difficulties arising to the transfer of shares after the Scheme becomes effective.
- 5.7.2 However, the provisions of the clause 5.7.1. would not be applicable in case of fresh issue of shares, where the shares are allotted after the scheme becomes effective but before the record date even if the share application money was received by the Demerged Company before the scheme became effective.
- 5.8 The issue and allotment of Equity Shares to the members of Demerged Company, as provided in this Scheme, shall be deemed to be made in compliance with the procedure laid down under Section 81(1A) and any other provisions of the Act.
- 5.9 No coupons shall be issued in respect of fractional entitlements, if any, by Resulting Company, to the members of Demerged Company at the time of issue and allotment of

Equity Shares under Clause 5.1 and 5.2, as the case may be. The Board of Directors of Resulting Company shall consolidate all fractional, entitlements, if any, arising due to the demerger of the Steel Business Undertaking and allot Equity Shares in lieu thereof to a director or such other authorized representative(s) as the Board of Directors of Resulting Company shall appoint in this behalf, who shall hold the Equity Shares issued in Resulting Company, in trust on behalf of the members entitled to fractional entitlements with the express understanding that such director(s) or other authorized representative(s) shall sell the same in the market at such time or times and at such price or prices and to such person or persons, as it / he / they may deem fit, and pay to Resulting Company, the net sale proceeds thereof, whereupon Resulting Company shall distribute such net sale proceeds, subject to taxes, if any, to the members in proportion to their respective fractional entitlements. The Board of Directors of Resulting Company, if it deems necessary, in the interest of allottees, approve such other method in this behalf as it may, in its absolute discretion, deem fit.

6. ACCOUNTING TREATMENT

6.1 In the books of the Resulting Company

- 6.1.1. The Resulting Company shall, upon the arrangement becoming operative, record *the* Assets and Liabilities of the Steel Business Undertaking of the Demerged Company vested in it pursuant to this Scheme, at the respective book values thereof, as appearing in the books of the Demerged Company (excluding revaluation, if any) at the close of business of the day immediately preceding the Appointed Date.
- 6.1.2. The Resulting Company shall in its books of account credit to its Share Capital Account the aggregate face value of the Equity Shares issued by it to the member(s) of the Demerged Company pursuant to the Scheme.
- 6.1.3. The difference between value of the net assets of the Steel Business Undertaking transferred pursuant to this Scheme and the face value of Equity Shares allotted shall be transferred to the General Reserve. In case of there being a deficit, the same shall be debited to the Profit and Loss Account.

In the books of the Demerged Company

- 6.1.4. All the assets and liabilities pertaining to the Steel Business which cease to be the assets and liabilities of the Demerged Company shall be reduced by the Demerged Company at their book values.
- 6.1.5. The aggregate of the net assets of the Steel Business undertaking transferred to the Resulting Company standing in the books of the Demerged Company, shall be adjusted against the General Reserves.

7. CONDUCT OF BUSINESS

- 7.1 As and from the date of approval of this Scheme by the Board of Directors of the Demerged Company and the Board of Directors of the Resulting Company and till the Effective Date, the Demerged Company:
 - 7.1.1 Shall be deemed to have been carrying on all business activities relating to the Steel Business Undertaking and stand possessed of all the assets, rights, title, interest of the Steel Business Undertaking for and on account of, and in trust for, the Resulting Company;
 - 7.1.2 Shall ensure that all profits accruing or losses arising or incurred by it (including the effect of taxes if any thereon) from the Appointed Date till the Effective Date, relating to the Steel Business Undertaking shall for all purposes, be treated as the profits, taxes or losses, as the case may be, of the Resulting Company;

- 7.1.3 Shall carry on the business of the Steel Business Undertaking with reasonable care and diligence and in the same manner as it had been doing hitherto;
- 7.1.4 Shall not, without the written concurrence of Board of the Resulting Company, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of any of its properties defined in Clause 1.12 above 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 respective Boards of Directors of the Demerged Company and the Resulting Company;
- 7.1.5 Shall not vary or alter, except in the ordinary course of its business and as may be required for reorganization, the terms and conditions of employment of any of its employees in relation to the Steel Business Undertaking.
- 7.2 With effect from the Effective Date, the Resulting Company shall continue and carry on and shall be authorised to carry on the businesses carried on by the Steel Business Undertaking of the Demerged Company.

8. STAFF, WORKMEN & EMPLOYEES

On the Scheme becoming operative, all staff, workmen and employees of the Steel Business Undertaking of the Demerged Company in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Resulting Company with effect from the Appointed Date without any break in their service. The terms and conditions of their employment with the Resulting Company shall not be less favorable than those applicable to them in the Demerged Company on the Effective Date.

The equitable interest in accounts/funds of the employees, staff and workmen whose services are transferred to the Resulting Company, relating to superannuation fund and gratuity fund shall be identified, determined and transferred to the respective Trusts/Funds of the Resulting Company and such employees shall be deemed to have become members of such Trusts/ Funds of the Resulting Company. With effect from the Effective Date, the Resulting Company shall make the necessary contributions for such transferred employees, staff and workmen of the Demerged Company in relation to the existing gratuity fund, superannuation fund, provident fund benefits and benefits under any other special fund or scheme. It is clarified that the services of such permanent employees of the Demerged Company will be treated as having been continuous and not interrupted for the purposes of such Funds.

The Resulting Company shall contribute to the existing gratuity and superannuation funds of the Demerged Company in respect of its employees, staff and workmen till such time the gratuity and superannuation funds are constituted and got registered with the Income tax authorities by the Resulting Company. The Income Tax department will register the gratuity and superannuation funds of the Resulting Company for the said purpose.

9. LEGAL PROCEEDINGS

- 9.1 All legal proceedings of whatsoever nature by or against the Demerged Company pending and/or arising at the Appointed Date in relation to the Steel Business Undertaking shall be continued and enforced by or against the Resulting Company, and the Resulting Company will bear the liabilities of such proceedings at its own cost. The Demerged Company shall extend all its assistance to defend such proceedings at the cost of the Resulting Company. The Resulting Company hereby undertakes to reimburse and indemnify the Demerged Company against all liabilities and obligations that may have to be incurred by the Demerged Company in respect thereof.
- 9.2 Subsequent to the Appointed Date, if any proceedings are initiated by any third party (including regulatory authorities) by or against the Steel Business Undertaking of the

Demerged Company under any statute, such proceedings shall be continued and enforced only against the Resulting Company and the Resulting Company shall bear the liabilities of such proceedings at its own cost. The Demerged Company shall extend all its assistance to defend the liabilities of such proceedings at the cost of the Resulting Company. The Resulting Company hereby undertakes to reimburse and indemnify the Demerged Company against all liabilities and obligations that may have to be incurred by the Demerged Company in respect thereof.

10. CONTRACTS, DEEDS, ETC.

Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments including any contract for exploitation of Intellectual property rights and all other rights, title, interest, labels and brand registrations, copyrights, patents, trademarks, trade names and other industrial or intellectual property rights of any nature whatsoever, pertaining to the Steel Business Undertaking to which the Demerged Company is party and which are subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Resulting Company, as the case may be, and may be enforced by or against the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party thereto. Further, all contracts with third parties relating to the Steel Business Undertaking to which the Demerged Company is party, shall be in full force and effect against or in favour of the Resulting Company. The Resulting Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Demerged Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. The Resulting Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Demerged Company and to implement or carry out all formalities required on the part of the Demerged Company to give effect to the provisions of this Scheme.

11. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities under Clause 4 above and the continuance of proceedings by or against the Demerged Company under Clause 9 above shall not affect any transaction or proceedings already concluded by the Demerged Company on or after the Appointed Date till the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company in respect thereto as done and executed on behalf of itself.

12. GENERAL TERMS AND CONDITIONS:

12.1. The Resulting Company shall be entitled to claim credit for TDS Certificate and advance tax payments of Demerged Company between the Appointed Date and Effective Date relating to the Steel Business Undertaking vesting in the Resulting Company. Accordingly, the Demerged Company and the Resulting Company are expressly permitted to construct their respective income tax returns and related TDS certificates and shall have the right to prepare and file revised returns, if any, and to claim refund, advance tax credits, etc. upon this Scheme becoming effective and have expressly reserved the right to make such provisions in their respective income tax returns and related TDS certificates and the right to claim refund, advance tax credits, etc. pursuant to the sanction of this Scheme.

12.2. No stamp duty shall be payable in the State of Punjab for vesting of the Steel Business Undertaking in the Resulting Company pursuant to this Scheme, as no stamp duty is payable in the State of Punjab on transfer of property through an order of the Hon'ble High Court sanctioning a scheme of arrangement under Sections 391-394 of the Act.

- 12.3. Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, sales tax remissions, tax holidays, incentives, concessions and other authorizations, shall stand vested in the Resulting Company by the Order of the Hon'ble High Court sanctioning the Scheme, the Resulting Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on record.

13. REMAINING BUSINESS AND OTHER LIABILITIES

The Demerged Company shall continue to carry on the Remaining Business. All the assets, liabilities and obligations pertaining to the Remaining Business arising prior to, on or after the Appointed Date including liabilities other than those transferred to the Resulting Company under Clause 1.10 of this Scheme shall continue to belong to, be vested in and be managed by the Demerged Company.

Part C

GENERAL

14. REORGANIZATION OF CAPITAL

- 14.1 On or before the Effective Date, the Resulting Company shall take necessary steps to increase or alter, to the extent required, its Authorized Share Capital suitably to enable it to issue and allot the equity shares pursuant to this Scheme, subject to the payment of stamp duty and corresponding registration fees as per Schedule X to the Companies Act 1956 and the same shall be effective from the Appointed Date as described in Paragraph 1.2 of the Scheme.
- 14.2 Clause V of the Memorandum of Association and Article 4 of the Articles of Association of the Resulting Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to sections 16, 31, 94 and 394 and other applicable provisions of the Act, as the case may be, and on the members of the Resulting Company giving their consent to the Scheme, it shall be deemed that the shareholders of the Resulting Company have given their consent/approval to the alteration of the Memorandum and Articles of Association of the Resulting Company as required under section 17 and other provisions applicable of the Act.
- 14.3 The new equity shares in the Resulting Company to be issued to the members of the Demerged Company pursuant to Clause 5 above shall be subject to the Memorandum and Articles of Association of the Resulting Company and shall be *pari passu* in all respects with the existing shares in the Resulting Company.
- 14.4 It is clarified that the Resulting Company, for the purpose of issuing the aforesaid shares to the shareholders of the Demerged Company, shall not be required to pass a separate Special Resolution under Section 81(1A) of the Act or any other provisions of the Act, and on the members of the Resulting Company giving their consent to the Scheme, it shall be deemed that the shareholders of the Resulting Company have given their consent to issue aforesaid shares to the shareholders of the Demerged Company as required under Section 81(1A) of the Act.

15. APPLICATION TO HIGH COURT

Demerged Company and Resulting Company shall make applications / petitions under Sections 391 to 394 and other applicable provisions of the Act to the High Court of Judicature at Chandigarh or such other appropriate authority for sanction of this Scheme.

16. MODIFICATION OR AMENDMENT TO THE SCHEME

16.1 The Demerged Company and the Resulting Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize including any committee or sub-committee thereof, may make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the High Court or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. The Demerged Company and the Resulting Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize including any committee or sub-committee thereof, shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

16.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Demerged Company may give and is hereby authorised to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

17. SCHEME CONDITIONAL ON APPROVAL / SANCTIONS

The Scheme is conditional upon and subject to the following:

- The sanction of the Hon'ble High Court of Punjab and Haryana or any other appropriate authority under Section 391 and 394 of the Act in favour of the Resulting Company and the Demerged Company under the said provisions and to the necessary order or orders or authenticated copy under Section 394 of the said Act being obtained and the same being filed with the Registrar of Companies.
- The requisite consents, approvals or permissions of the requisite authorities and of shareholders and creditors of the Demerged Company and the Resulting Company as may be directed by the Hon'ble High Court of Punjab & Haryana is being obtained; and
- All other sanctions and orders as are legally necessary or required in respect of the Scheme being obtained.
- The Demerged Company and the Resulting Company shall be at liberty to withdraw from the Scheme, in case any condition or alteration imposed by the Hon'ble High Court or any other authority is not on terms acceptable to them or otherwise.

18. EFFECT OF NON RECIEPT OF APPROVALS

In the event of any of the said sanctions and approvals referred to in the preceding clause not being obtained and/ or the Scheme not being sanctioned by the High Court or such other competent authority, 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 rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. Each party shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme.

19. COSTS

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by the Demerged Company.

20. ARBITRATION

In case any doubt or difference or issue shall arise between the parties hereto or any of their shareholders, creditors, employees and/ or persons entitled to or claiming any right to any shares in the Demerged Company or the Resulting Company as to the construction of this Scheme or as to any account, valuation or apportionment to be taken or made in connection herewith or as to anything else contained in or relating to or arising out of this Scheme, the same shall be referred to the arbitration of Mrs. Munisha Gandhi, Advocate, Punjab & Haryana High Court, under the Arbitration and Conciliation Act 1996, whose decision shall be final and binding on all concerned.

Schedule 1

Schedule of Immovable Property of Resulting Undertaking

SCHEDULE

Short Description of the freehold property pertaining to the Steel Business Undertaking of the Demerged Company

1. Land measuring 52048.6 square yards situated at C-58, Phase- V, Focal Point, Ludhiana in the state of Punjab acquired vide Vasika No. 4486 dated 03.10.1973.
2. Land measuring 6.11 acres situated at C-58 , Phase V, Focal Point, Dhandari Kalan, Ludhiana in the state of Punjab acquired vide Vasika No. 4880 dated 25.05.1989.
3. Land measuring 7702 square yards situated at C-58 A, Opposite Plot No. C-26, Phase- V, Focal Point, Dhandari Kalan, Ludhiana in the state of Punjab acquired vide Vasika No. 509 dated 12.04.2004.
4. Land measuring 1.29 acres situated at C-58, Phase- V, Focal Point, Ludhiana in the state of Punjab acquired vide Vasika No. 6714 dated 13.05.1994 in the Revenue Estate of Village Jamalpur Awana having its Hadbast No. 177 Khewat No 761, Khatuni No. 852, Tehsil & District Ludhiana, in the State of Punjab. Out of 69 kanal 02 marla, the Demerged Company is the owner of 10 kanal 6-1/2 marla (1.29 acres). Details are as under:-

District	Tehsil	Village	Khasra No.	Area	
				Kanal	Marla
Ludhiana	Ludhiana	Jamalpur Awana	200/1	69	02

The aforesaid land is transferred along with the buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth.

Dated this 12th January, 2011

(By the Court)

Court Secretary (Liquidation)
For Registrar (Judicial)

COMPANY PETITION NO. 136 OF 2010

Connected with

COMPANY PETITION NO. 104 OF 2010

In the matter of Section 391 and 394 of the Companies Act, 1956

AND

IN THE MATTER OF:

Scheme of Arrangement & De-merger of the Steel Business Undertaking of VARDHMAN TEXTILES LIMITED, and its vesting in VARDHMAN SPECIAL STEELS LIMITED.

AND

IN THE MATTER OF:

VARDHMAN TEXTILES LIMITED, a Company incorporated under the Companies Act, 1956, having its Registered Office at: Chandigarh Road, Ludhiana-141 010 (Punjab).

...PETITIONER NO.1/TRANSFEROR COMPANY

VARDHMAN SPECIAL STEELS LIMITED, a Company incorporated under the Companies Act, 1956, having its Registered Office at: Vardhman Premises, Chandigarh Road, Ludhiana-141 010 (Punjab).

...PETITIONER NO.2/TRANSFeree COMPANY

PETITION UNDER SECTIONS 391 & 394 OF THE COMPANIES ACT, 1956 FOR SANCTION OF THE SCHEME OF DE-MERGER & ARRANGEMENT OF THE STEEL BUSINESS UNDERTAKING OF M/S VARDHMAN TEXTILES LIMITED AND ITS VESTING IN M/S VARDHMAN SPECIAL STEELS LIMITED.

PRAYER

It is, therefore, respectfully prayed that this Hon'ble Court may be pleased to:

- (a) Sanction the Scheme of Arrangement and De-merger (Annexure P-1) so as to be binding on all share holders, secured creditors and unsecured creditors of both the petitioner companies and upon the petitioner companies themselves.
- (b) Issue notice to the Central Government, through the Regional Director, (northern region), Ministry of Corporate Affairs, as required under section 394A of the Act, calling for the report with regard to the Scheme of Arrangement and De-merger (P-1).
- (c) Direct notice of the hearing in the present petition to be ordered to be published in the Business Standard (English) and in the Punjabi Tribune (Punjabi) or any other Newspaper and the Punjab Government Gazette; as required under Rule 80 of the Companies (Court) Rules, 1959;
- (d) To order publication of the sanction of the Scheme of Arrangement and De-merger of the Steel Business Undertaking of Vardhman Textiles Limited and its vesting in Vardhman Special Steels Limited.
- (e) Issue such further or other orders / or directions be given as this Hon'ble Court may deem fit and *proper*.
- (f) Allow the present petition.

Dated 12th January, 2011

ORDER ON PETITION

The above noted Company Petition No.136 of 2010 coming up for further hearing on 10.11.2010; upon perusing the said petition duly supported by affidavit dated 09.11.2010 of Sh. Vipin Gupta, Authorised signatory of the Petitioner No. 1/ Transferor Company and Petitioner No.2/ Transferee Company; upon perusing the order dated 10.11.2010 whereby notice of the petition was issued to the Regional Director, Ministry of Corporate Affairs, Noida and the Official Liquidator and also a notice of the petition was directed to be published in 'Business Standard (English)', & 'Punjabi Tribune' and Official Gazette of the Govt. of Punjab; upon perusing affidavit dated 26.11.2010 of Sh. Vipin Gupta, Authorised signatory of the Petitioner No.1/ Transferor Company and Petitioner No.2/ Transferee Company, 'Business Standard (English)' dated 24.11.2010, 'Punjab Tribune' dated 24.11.2010 and Punjab Govt. Gazette dated 19.11.2010 showing publication of notice of the petition under Section 394 of the Companies Act, 1956; and upon reading the affidavit dated 13.12.2010 of Shri B.K. Bansal, Regional Director, Northern Region, Ministry of Corporate Affairs, Noida; and upon perusing the affidavits dated 16.12.2010 & 10.01.2011 of Sh. Vipin Gupta, Authorised signatory of the Petitioner No.1/ Transferor Company and Petitioner No.2/ Transferee Company, and the report of Official Liquidator dated nil; and after hearing Ms. Munisha Gandhi, Advocate with Mr. Vaibhav Sharma, Advocate for the Petitioner companies and Sh. D.P. Ojha, Official Liquidator and perusing all other materials placed on record:-

THIS COURT DOTH ORDER:

- 1) a) That all the property, rights and powers relating to "Steel Business Undertaking" of the Transferor Company namely Vardhman Textiles Limited specified in the first, second and third parts of the Schedule hereto and all other property, rights and powers relating to "Steel Business Undertaking" of the said Transferor Company be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to Section 394(2) of the Companies Act, 1956, be transferred to and vest in the Transferee Company for all the estate and interest relating to "Steel Business Undertaking" of the said Transferor Company therein but subject nevertheless to all charges now affecting the same; and
- b) That all the liabilities and duties relating to "Steel Business Undertaking" of the said Transferor Company be transferred without further act or deed to the Transferee Company and accordingly the same shall, pursuant to Section 394(2) of the Companies Act, 1956, be transferred to and become the liabilities and duties of the Transferee Company; and
- c) That all proceedings now pending by or against the aforesaid "Steel Business Undertaking" of the Transferor Company be continued by or against the Transferee Company; and
- d) That the transferee Company do without further application allot to the members of the aforesaid Transferor company, the shares in the Transferee Company to which they are entitled as per the Scheme as sanctioned by the Court.
- e) That the aforesaid Transferor and Transferee Company do within 30 days cause a certified copy of this order to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered, the Registrar of Companies shall place all documents relating to "Steel Business Undertaking" aforesaid transferor company and registered with him on the file kept by him in relation to the transferee company and the files shall be kept accordingly.
- f) That any person interested shall be at liberty to apply to this Court in the above matter for any direction as may be necessary.

SCHEDULE

(As supplied by the counsel)

(See Next Page)

SCHEDULE
(As supplied by the Counsel)
SCHEDULE – I

IN THE HIGH COURT FOR THE STATES OF PUNJAB AND HARYANA
AT CHANDIGARH
ORIGINAL COMPANY JURISDICTION COMPANY PETITION NO. 104 OF 2010.

IN THE MATTER OF

The Companies Act, 1956;

AND

IN THE MATTER OF

Petition under Section 391-394 of the Companies Act, 1956; AND

IN THE MATTER OF:

SCHEME OF ARRANGEMENT AND DEMERGER BETWEEN VARDHMAN TEXTILES LIMITED
AND VARDHMAN SPECIAL STEELS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS
AND CREDITORS.

AND

IN THE MATTER OF:

VARDHMAN TEXTILES LIMITED, a Company incorporated under the Companies Act, 1956,
having its Registered Office at: Chandigarh Road, Ludhiana-141 010 (Punjab).

PETITIONER NO.1/TRANSFEROR COMPANY

VAKDHMAN SPECIAL STEELS LIMITED, a Company incorporated under the Companies Act,
1956, having its Registered Office at: Vardhman Premises, Chandigarh Road, Ludhiana-141 010
(Punjab).

PETITIONER NO.2/TRANSFeree COMPANY

SCHEDULE-1
PART -1

(Short Description of the freehold property pertaining to the Steel Business Undertaking of the Transferor Company)

1. Land measuring 52048.6 square yards situated at C-58, Phase- V, Focal Point, Ludhiana in the state of Punjab acquired vide Vasika No. 4486 dated 03.10.1973.
2. Land measuring 6.11 acres situated at C-58 , Phase V, Focal Point, Dhandari Kalan, Ludhiana in the state of Punjab acquired vide Vasika No. 4880 dated 25.05.1989.
3. Land measuring 7702 square yards situated at C-58 A, Opposite Plot No. C-26, Phase- V, Focal Point, Dhandari Kalan, Ludhiana in the state of Punjab acquired vide Vasika No. 509 dated 12.04.2004.
4. Land measuring 1.29 acres situated at C-58, Phase- V, Focal Point, Ludhiana in the state of Punjab acquired vide Vasika No. 6714 dated 13.05.1994 in the Revenue Estate of Village Jamalpur Awana having its Hadbast No. 177 Khewat No 761, Khatuni No. 852, Tehsil & District Ludhiana, in the State of Punjab. Out of 69 kanal 02 marla, the Demerged Company is the owner of 10 kanal 6½ marla (1.29 acres).

The aforesaid land is transferred along with the buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth.

PART II

(Short Description of the leasehold property pertaining to the Steel Business Undertaking of the Transferor Company)

NIL

PART III

(Short description of all stocks, shares, debentures and other charges in action pertaining to the Steel Business Undertaking of the Transferor Company.)

NIL

PART IV

(Indicative List of licenses, exemption certificates and statutory approvals under various applicable laws pertaining to the Steel Business Undertaking of the Transferor Company)

All licenses, consents, certificates, registrations, permissions, sanctions, approvals, petitions, applications, remissions, authorizations, reservations, concessions, deductions, exemptions, tax holidays, benefits, entitlements, incentives, refunds, claims, demands, liabilities, quotas, permits and miscellaneous matters pertaining to the Steel Business Undertaking of the Transferor Company, whether in the present name viz. 'Vardhman Textiles Limited', or former name viz. 'Mahavir Spinning Mills Limited' of Vardhman Textiles Limited, shall vest with the Transferee Company.

Without affecting the generality of the foregoing, the licenses, consents, certificates, registrations, permissions, sanctions, approvals, petitions, applications, remissions, authorisations, reservations, concessions, deductions, exemptions, tax holidays, benefits, entitlements, incentives, refunds, claims, demands, liabilities, quotas, permits and miscellaneous matters of the Transferor Company, which will vest in the Transferee Company shall include but not limited to the following:

1. **Pertaining to Customs, Import-Export and related matters of the Steel Business Undertaking of the Transferor Company to be passed on to the Transferee Company:**
 - a) All advance licenses, licenses issued under the Export Promotion Capital Goods (EPCG) Scheme and duty drawback claims, rebate claims and pending applications in respect of the foregoing.

- b) Bonds/Letter of Undertaking submitted to customs department, shipping companies, Directorate General of Foreign Trade (DGFT) etc.
 - c) All pending demands, liabilities, refunds, claims, obligations, etc. under the Customs Act and related matters.
 - d) All pending appeals, applications, petitions, litigations, under the Customs Act or related matters.
 - e) Registration cum Membership Certificate issued by Engineering Export Promotion Council.
- 2. Pertaining to Income-Tax and related matters of the Steel Business Undertaking of the Transferor Company to be passed on to the Transferee Company:**
- a) Tax Deduction (TDS) Account Numbers, Tax Collection at Source (TCS) Numbers and pending applications in respect of the foregoing.
 - b) All pending assessments, appeals, applications, petitions, litigations, liabilities, etc. pertaining to TDS and TCS provisions under the Income-Tax Act, 1961.
- 3. Pertaining to Excise Matters of the Steel Business Undertaking of the Transferor Company to be passed on to the Transferee Company:**
- a) All registrations, licenses and permissions under the Central Excise Act including but not limited to permissions for factory stuffing, self-sealing and self-certification of containers, removal of excisable goods without payment of duty, licenses for private bonded warehouses, permissions for imports at concessional rate of duty for capital goods, spares and others, permissions for job-work and pending applications in respect of the foregoing.
 - b) CENVAT credits.
 - c) Exemptions and other incentives and benefits under the Central Excise Act.
 - d) All pending demands, liabilities, refunds, claims etc. under the Central Excise Act.
 - e) All pending appeals, applications, petitions, litigations, etc. under the Central Excise Act.
 - f) Letter of Undertakings (LUTs), bonds and other undertakings given under the excise legislations.
- 4. Pertaining to Sales Tax, VAT, Service Tax and related matters of the Steel Business Undertaking of the Transferor Company to be passed on to the Transferee Company:**
- a) Registrations under the Central and State Sales Tax Acts, VAT registrations alongwith pending applications in relation thereto.
 - b) Eligibility Certificates, Sales Tax Exemption Certificates and rights accruing thereunder.
 - c) Registrations under Service Tax Act and pending application in relation thereto.
 - d) All pending demands, liabilities, refunds, claims etc. under the sales tax acts, VAT and Finance Act, 1994 (pertaining to Service Tax).
 - e) All pending appeals, assessments, applications, petitions, litigations etc. under the Sales Tax Acts, VAT and Finance Act, 1994 (pertaining to Service Tax).
- 5. Pertaining to Electricity Matters of the Steel Business Undertaking of the Transferor Company to be passed on to the Transferee Company:**
- a) Permissions/sanctions relating to electricity connections (including Peak Load exemption), connected loads, contracted demand alongwith security deposits, etc. from the State Electricity Boards; approvals from State Electricity Boards and/or Chief Electrical Inspector of the State for installation of electrical Sub-Stations and Systems, diesel generating sets/captive power plants, stand by diesel generating sets or any other

approvals for electrical equipments, installations and electrical drawings, etc.; all applications for electricity connections, load sanctions, demand sanctions and for any other purpose pending with the State Electricity Boards and/or Chief Electrical Inspector of the State.

- b) All refunds, claims, demands, liabilities, etc. due from and/or pending from and/or to the State Electricity Boards.
- c) Agreement with PSTCL for purchase of Power through Open Access and NOC issued there under.

6. Pertaining to Financial Matters of the Steel Business Undertaking of the Transferor Company to be passed on to the Transferee Company:

- a) All sanctions, loan agreements, declarations and undertakings given and charges created thereunder and availment of benefits under the Technology Upgradation Fund Scheme.
- b) All sanctions, working capital agreements, agreements for hypothecation, letters of arrangement and bank consortium agreements.
- c) Bank accounts, letters of credit, forward/option contracts, ISDA agreements and bank guarantees given by vendors.

7. Pertaining to Labour Matters of the Steel Business Undertaking of the Transferor Company to be passed on to the Transferee Company:

- a) Provident Fund registration.
- b) Employees State Insurance registration.
- c) Standing Orders of the Steel Business Undertaking shall vest in the Transferee Company.
- d) Registration under Contract Labour Regulation Act, Apprenticeship Act, and all agreements, registrations under various labour and industrial laws including Factories Act, 1948 and all pending applications in relation to foregoing.

8. Pertaining to Factory/Property/Industrial and Related Matters of the Steel Business Undertaking of the Transferor Company to be passed on to the Transferee Company:

- a) Approvals and licenses issued by the various Departments of the Government in respect of the setting up of the units etc. from time to time.
- b) Investment subsidies, Freight Subsidies, deductions, tax holidays, and other incentives under Various Government Policies and legislations.
- c) Certificates of Commercial Production and any other certificate issued by and approval given by the District Industries Centre.
- d) All No-Objection Certificates, Essentiality Certificates, permissions and approvals alongwith pending applications in connection with all land/property matters including transfers thereof, being issued by District Industries Centre, State Government or any other authority; including but not limited to all No Objection Certificates/ Permissions issued by the Punjab Government.

Further, as the immovable properties of the Steel Business Undertaking now vest in the Transferee Company, Punjab Government, and other State Government and statutory authorities will issue their No-objection certificates, permissions, etc., wherever required, for recording the name of the Transferee Company in the revenue records, letters of allotment, conveyance deeds and/or other documents.

- e) Licenses and permissions given by Municipal Corporation, Town Area Committees, Panchayats and also approvals under various building bye-laws.
- f) Approvals of factory plans and approvals of fire hydrant systems.

- g) Factory Licenses, Industrial Licenses and registrations under the Industrial Entrepreneur Memorandum (IEMs) and/or acknowledgements from the Secretariat for Industrial Assistance.
- h) Consents given by the State Pollution Control Boards issued under the Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1991, permissions relating to sewerage and authorization/permissions for operating facility for collection, storage and disposal of hazardous waste and/or other related permissions and pending applications in respect of the foregoing matters.
- j) Registrations with the inspector of Factories and Labour Commissioner.
- k) Consents and verifications pertaining to weights and other measurements given under the Standards of Weights and Measures Act, 1976 and other related legislations.

However, the Transferee Company will have permission to use the packing material printed in the name of the Transferor Company for a period of ninety days from the Effective Date of the Scheme. Also, the Transferee Company will have permission to sell the packed stock in the name of the Transferor Company till the inventory of packed stock is exhausted.

- l) BIS/ISO Certifications, including OHSAS certification.
- m) Boiler Inspection Certificates.
- n) Explosives Licenses and licenses for procurement and storage of Petroleum Products issued by the concerned authorities and all pending applications relating to Explosives licenses and licenses for procurement and storage of Petroleum Products and Argon Gas pending with concerned Authorities.
- o) Licenses for Weapons including gun licenses.
- p) Water connections.
- q) Sewerage connections from municipal corporations/committees of the Steel Business Undertaking shall vest in the Transferee Company.
- r) Telephone Connections, leased lines, ISDN lines and VSAT usages.

9. Pertaining to Miscellaneous Matters of the Steel Business Undertaking of the Transferor Company to be passed on to the Transferee Company:

- a) Registrations for Professional Tax and registrations under the Shops and Establishments Act.
- b) Fire safety permissions issued by the municipal corporations.
- c) Trade and Health Licenses.
- d) Vehicles Registrations.
- e) Trademark registrations and copyright registrations and applications pending registration along with all agreements including but not limited to the agreement with World Wildlife Fund pertaining to the usage of certain trademarks and/or copyrights.
- f) Gratuity and superannuation funds in respect of the employees of the Steel Business Undertaking shall be respectively transferred to the gratuity and superannuation funds of the Transferee Company. However, the Transferee Company shall continue to contribute to the existing gratuity and superannuation funds of the Transferor Company till such time the gratuity and superannuation funds are constituted and got registered with Income Tax authorities by the Transferee Company. The Income Tax department will register the gratuity and superannuation funds of the Transferee Company for the said purpose.
- g) Lease deeds in respect of the premises taken on lease along with security deposits in relation thereto.

- h) Insurance policies and pending claims in respect thereto.
- i) All pending legal cases or other proceedings.
- j) All pending assessments, appeals, petitions, litigations, applications, refunds, claims, demands, liabilities, etc. under various applicable laws.
- k) Earnest monies and security deposits.
- l) All licenses, contracts, settlements and other agreements.
- m) All OEM's and Customer's Approvals.
- n) All advances/claims pending from suppliers.
- o) All pending Purchase Orders, Returnable Gate Passes, etc.
- p) All outstanding Customer balances.
- q) All sales orders pending for execution.

FOR VARDHMAN TEXTILES LIMITED

(Transferor Company)

Signature :

Name : Vipin Gupta

Designation : Company Secretary