



**MEMORANDUM AND ARTICLES
OF
ASSOCIATION
OF
NAHAR INDUSTRIAL ENTERPRISES LIMITED
CIN: L15143PB1983PLC018321**



COMPANY NO. 16-18321

CERTIFICATE OF REGISTRATION OF THE ORDER
OF COMPANY LAW BOARD BENCH, NEW DELHI
CONFIRMING TRANSFER OF THE REGISTERED
OFFICE FROM ONE STATE TO ANOTHER.



The Nahar Industrial
Enterprises Limited

having by special resolution altered the provisions
of its Memorandum of Association with respect to the
place of the Registered Office by changing it from
the state of NCT of Delhi to the State
of Punjab and such alteration
having been confirmed by an order of Company Law Board
Bench, New Delhi bearing date the 31st day of
May, 1996 ~~1995~~ (31-5-1996)

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

Given under my hand at JALANDHAR this
11th day of June One Thousand Nine
Hundred and Ninty ~~thous~~ Six.
(11-6-1996)

(K. N. KAMBOJ)
रजिस्ट्रार
Registrar of Companies
पंजाब, हिमाचल प्रदेश एवं चण्डीगढ़
Punjab, Himachal & Chandigarh
जालंधर नगर / Jalandhar City.

FRESH CERTIFICATE OF INCORPORATION
CONSEQUENT ON CHANGE OF NAME

COMPANY NO...55-16638.....

NCT OF
In the Office of the Registrar of Companies, Delhi & Haryana
(under the Companies Act, 1956 (1 of 1956))

IN THE MATTER OF.....OSWAL FATS AND OILS LIMITED

I hereby certify that...OSWAL FATS AND OILS LIMITED

....., which was originally incorporated on TWENTY SEVENTH
day of.....SEPTEMBER.....One Thousand Nine Hundred EIGHTY THREE

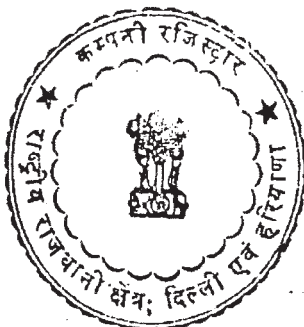
under the Companies Act, 1956 (Act 1 of 1956) under the name.....OSWAL FATS AND OILS
.....LIMITED.....

....., having duly passed the necessary resolution in
terms of Section 21 of the Companies Act, 1956 and the approval of the Central Government
signified in writing having been accorded thereto under Section 21 read with Government of
India, Department of Company Affairs Notification No. G.S.R. 507(E) dated 24-6-1985 by
Registrar of Companies, Delhi & Haryana, New Delhi vide letter No. 21/55-16638/829.

dated.....21.10.94...the name of the said Company is this day changed to.....

.....NAHAR INDUSTRIAL ENTERPRISES LIMITED..... and this Certificate
is issued pursuant to Section 23(1) of the said Act.

Given under my hand at NEW DELHI this...TWENTY FIRST.....
day of...OCTOBER.....One Thousand Nine Hundred and Ninety FOUR.



(P. SHEELA)

ASSTT. REGISTRAR OF COMPANIES,
NCT OF DELHI AND HARYANA

Co. No. 16638



Certificate for Commencement of Business

व्यापार प्रारंभ करने का प्रमाण-पत्र

Pursuant to section 149 (3) of the Companies Act, 1956

कम्पनी अधिनियम १९५६ की धारा १४९ (३) के अनुसरण में

I hereby certify that the OSWAL FATS AND OILS LIMITED

में एतद द्वारा प्रमाणित करता हूँ कि

ओसवाल फैट्स एण्ड ऑयल्स लिमिटेड

which was incorporated under the Companies Act, 1956 on

जो कि कम्पनी अधिनियम, १९५६ के अन्तर्गत पंजीकृत की गई थी दिनांक 5 अक्टूबर, 1905

the TWENTY SEVENTH day of SEPTEMBER 19 83

and which has filed a duly verified declaration in the

और जिस ने कि यथावत् निर्धारित प्रपत्र में सत्यापित घोषणा पत्र प्रस्तुत

prescribed from that the conditions of section ~~149(3)(a)(i)(ii)(d)~~ /

कर दिया है कि उस ने धारा ~~१४९(३)(क)से(ग)~~ / १४९(२) (क)से(ग)

148 (2) (a) to (c) of the said Act. have been complied with, is entitled

को सभी शर्तों का अनुपालन कर दिया है, अतः व्यापार प्रारंभ करने की

to commence business.

अधिकारी है।

Given under my hand at NEW DELHI

मेरे हस्ताक्षर से आज दिनांक 25 अक्टूबर, 1905

this SEVENTEENTH day of OCTOBER

One thousand nine hundred and

EIGHTY THREE

को जारी किया गया।



(SOORAJ KAPOOR)
Registrar of Companies

कम्पनी रजिस्ट्रार
दिल्ली एवं हरियाणा



प्राइम माई. प्रार.
Form I, R.
निगमन का प्रमाण-पत्र

Certificate of Incorporation

चक्र 16638..... 1905.....

No. 16638..... of 19... 83-84.....

मैं एतद् द्वारा प्रमाणित करता हूँ कि आज..... ओसवाल फॅट्स एंड.....
..... प्राय्वत लिमिटेड
कम्पनी अधिनियम 1956 (1956 का 1) के अधीन निगमित की गयी है और यह
कम्पनी परिसीमित है।

I hereby certify that..... OSWAL FATS AND OILS LIMITED.....

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

मेरे हस्ताक्षर से आज ता. 5... अश्विन, ... 1905..... को दिया गया।

Given under my hand at..... NEW DELHI..... this... TWENTY SEVENTH....
da. of ... SEPTEMBER... One thou. and nine hundred and..... EIGHTY-THREE....



Sd/-

(सुरज कपूर)

कम्पनी रजिस्ट्रार

(SOORAJ KAPOOR)

Registrar of Companies

DELHI & HARYANA

(THE COMPANIES ACT, 2013)
(PUBLIC COMPANY LIMITED BY SHARES)
MEMORANDUM OF ASSOCIATION OF
NAHAR INDUSTRIAL ENTERPRISES LIMITED
CIN: L15143PB1983PLC018321

I. The Name of the Company is **NAHAR INDUSTRIAL ENTERPRISES 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:

(A) MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION:

1. To carry on the business of manufacturing, processing, refining, buying, selling, importing, exporting and dealing in wholesale and retail in all kinds of oils, oil seeds, Vegetable Ghee, Oleaginous and saponaceous substances and all kinds of by-products or ingredients thereof.
2. To manufacture, process, buy, sell, import, export and deal in all kinds of washing and toilet soaps, toilet goods and detergents.
3. To purchase or otherwise acquire by cultivation, or in any other manner, seeds and agricultural produce of any description and grow, buy, sell, export, import and deal in grains, rice, wheat and seeds and to process rice manufacture flour or any other products which is or may be manufactured therefrom.
4. To manufacture, process, import, export, buy, sell and otherwise deal in Vanaspati oils, dehydrated vegetable oils, oils made or processed from seeds, cotton seeds, coconuts, products of plantations, horticulture, agriculture and forest produce and oil cakes and soaps and lubricants made from such oils or by-products there.
- +5. To carry on the business of processors, combers, spinners, weavers, knitters, manufacturers, dyers, bleachers, finishers, laminators, balers and pressers of any fibrous or textile material whether an agricultural or animal or natural products or its by-products or chemical or synthetic fibre and more specially jute, hemp, silk, cotton, wool, mesta, nylon, terene, terylene, staple fibre or other synthetic fibre and to manufacture and product from such raw material or textile material and to carry on the business of buyers, sellers and dealers of all such raw or processed or semi processed materials and to transact all manufacturing, cutting and preparing, process and mercantile business that may be beneficial to the said business.
- %6. To carry on all or any of the business of manufacturer, importer, exporter, distributor and dealer in all types and grades of sugar and its allied products and by-products such as molasses, baggase, alcohol and other chemicals extracted from sugar and its allied products and by-products.
- \$7. To set up Distilleries, Breweries and Wineries, to carry on all or any of the business of manufacturer, importer, exporter, distributor and dealer in all types and grades of alcohol and its allied products and by-products such as ena, ethanol, industrial alcohol, technical alcohol, fusel oil, carbon dioxide, cattle feed, DDGS, various grains, liquor bottling, packaging materials for liquor, and other chemicals extracted/ manufactured from alcohol and its allied products and by-product.
- ##8. To carry on all or any of the businesses of constructional engineers, architects, builders, contractors, decorators, wood workers and to acquire develop, buy, sell, real estate multistoried or other buildings and group housing schemes.
- ##9 (a) To purchase, sell, develop, take in exchange or on lease, hire or otherwise acquire, whether for investment or sale or working the same any real or personal estate including lands, mines, building, factories, mills, houses, cottages, shops, warehouses machinery, plant, stock in trade, mineral rights concessions, privileges, licenses, easement or interest in or with respect to any property whatsoever for the purpose of the Company in consideration for a gross sum or rent or partly in one way and partly in other or for any other consideration.

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*Note: Substituted as per Special Resolution of the Company (Item-9) in Annual General Meeting of the Company held on 30th day of September, 1994.

#Note: Substituted as per Special Resolution of the Company (Item-5) in Annual General Meeting of the Company held on 29th day of September, 1995. Confirmed by the Company Law Board, Northern Region Bench, New Delhi, vide their order dated 31st May, 1996.

+Note: Consent of the Shareholders under section 149 (2A) of the Companies Act, 1956 has been obtained by way of Special Resolution (Item-1) in Extra Ordinary General Meeting of the Company held on July 26, 1985 to commence new business. Shifted under Clause III (A) as per Special Resolution passed by way of Postal Ballot (Item-1), the result of which was declared on 30th March 2015.

%Note: Inserted as per Special Resolution of the Company (Item-6) and Consent of the Shareholders under section 149 (2A) of the Companies Act, 1956 has been obtained by way of Special Resolution (Item-7) in Annual General Meeting of the Company held on 30th September, 1998 to commence new business as mentioned in sub-clause. Shifted under Clause III (A) as per Special Resolution passed by way of Postal Ballot (Item-1), the result of which was declared on 30th March 2015.

\$Note: Inserted as the Consent of the Shareholders under section 4 & 13 of the Companies Act, 2013 has been obtained by way of Special Resolution through Postal Ballot (Item-1), the result of which was declared on 30th March, 2015.

##Note: Inserted as per Special Resolution of the Company (Item-8) in Annual General Meeting of the Company held on 27th day of September, 2023.

- ##(b) To carry on business as proprietors of flats and buildings and to let on lease or otherwise apartments therein and to provide for the conveniences commonly provided in flats, suites and residential for business quarters.
- ##(c) To establish, develop, maintain, control and manage industrial park, industrial estate, industrial area and information technology park whether itself or in collaboration or in joint venture or with assistance of any other person or persons whether domestic or foreign, and to create necessary infrastructure for setting up of an industrial park, industrial estate, industrial area and information technology park such as development of land, laying of roads, construction of buildings, both industrial and residential, and to create and provide all allied facilities for the industries to be established in the said industrial park, industrial estate, industrial area and information technology park.
- ##(d) To carry on the business such as developers, builders, contractors, estate agents, commission agent, to purchase, immovable property, any land, to construct, develop any type of residential flats, houses, apartments, bungalows, colonies, residential townships, commercial buildings, multistoried buildings, shopping center, markets, cinemas, hotels, hospitals, schools, warehouses, logistic park other real estate, infrastructural facilities or any right or interest therein either singly or jointly or in partnership with any person(s) or body corporate or any other person, to buy, develop, sell or let on lease, to divide the land into suitable plots, industrial, residential, institutional and commercial, to realize the money in lump sum, easy installments or otherwise and giving it away or parting away the possession of the same in full or in parts on such terms and conditions as may be considered necessary.

(B) MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III(A)

1. To acquire, build, construct, alter, maintain, enlarge, pull down, remove or replace and to work, manage and control any buildings, offices, factories, mills, shops, machinery, engines, roadways, tramways, railways, branches of siding bridges, reservoirs, water courses, wharvas, electric works and (other works and) conveniences which may seem necessary to achieve the main objects of the Company and to join with any other person, or company in doing any of these things.
2. To buy, sell, manufacture, repair, alter, improve, exchange, let out on hire, import, export, and deal in all factories, works, plants, machinery, tools, utensils, appliances, apparatus, products, materials, substances, articles and things capable of being used in any business which this company is competent to carry on and to manufacture experiment with, render marketable and deal in all products of residual and by-products incidental to or obtained in any of the business carried on by the Company.
3. To purchase, take on lease or tenancy or in exchange, hire, take options over or otherwise acquire for any estate or interests, whatsoever and to hold, develop work, cultivate, deal with and turn to account concessions, grants, decrees, licenses, privileges, claims, options, leases, property, real or personal or rights or powers of any kinds which may appear to be necessary or convenient for any business of the Company.
4. To pay for preliminary and pre-incorporation expenses of the Company.
5. To sell, exchange, mortgage, let on lease, royalty or tribute, grant licenses, easements, options and other rights over and in other manner deal with or dispose of the whole or any part of the undertaking property, assets, rights and effects of the company for such considerations as may be thought fit and in particular for such consideration as may be thought fit and in particular for stock, shares whether fully or partly paid-up or securities of any other company having objects whole or in part similar to those of the Company or as may be approved by the shareholders.

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 ##Note: Inserted as per Special Resolution of the Company (Item-6) in Annual General Meeting of the Company held on 27th day of September, 2023.

6. To pay for any rights or property required by the Company and to remunerate any person, firm or body corporate rendering services to the Company either by cash payment or by allotment to him or them of shares or securities of the Company as paidup in full or in part or otherwise.
7. To lend and advance money, either with or without security and give credit to such persons (including Government) upon such terms and conditions as the company may think fit, provided that the Company shall not carry on banking business.
8. To undertake financial or commercial obligations, transactions and operations of all kinds.
9. To guarantee the performance of any contract or obligations, of and the payment of money or dividends and interest on any stock, shares or securities of any company, corporation, firm or person in any case in which such guarantee may be considered directly or indirectly to further the objects of the Company.
10. To guarantee the payment of money unsecured or secured or payable under or in respect of promissory notes, bonds, debentures stocks, contract, mortgages, charges, obligations, instruments and securities of any company or of any authority, supreme, municipal, local or of any persons whomsoever, whether incorporated or not incorporated and generally to guarantee or become sureties for the performance of any contracts or obligations as may be necessary for the purpose of the company.
11. To subscribe for, underwrite, acquire, hold and sell shares, share-stock, debentures, debenture-stock, bonds, mortgages, obligations, securities, of any kind issued or guaranteed by any company (body corporate or undertaking) of whatsoever nature and whatsoever constituted or carrying on business; and to subscribe for, underwrite, acquire, hold and sell shares, debentures and debenture-stocks and debenture bond, mortgages, obligations and other securities issued and guaranteed by any government, sovereign ruler, commissioners, trust, municipal, local or other authority or body of whatever nature, whether in India or elsewhere as may be conducive to the business of the company.
12. To invest any money of the Company not immediately required in such investments (other than shares or stock in the Company) as may be thought proper and to hold, sell or otherwise deal with such investments, as may be necessary for the purpose of the Company.
- [^]13. Subject to Sections 73-76, 179 and 180 of the Companies Act, 2013 and the regulations made thereunder and the directions issued by Reserve Bank of India, to receive money on deposit or loan and borrow or raise money in such manner as the company shall think fit, and in particular by the issue of debentures or debenture-stock (perpetual or otherwise) and to secure the payment of any money borrowed, raised or owing the mortgage, charge or lien upon all or any of the property or assets of the Company (both present or future) including its uncalled capital and also by similar mortgage, charge or lien to secure and guarantee the performance by the company, or any other person or Company, or any obligation undertaken by the Company.
14. To draw, make, accept, endorse, discount, negotiate, execute and issue bills of exchange, promissory notes, bills of lading, debentures and other negotiable or transferable instruments or securities.

[^]Note: Sub-clause 13 was amended as per Special Resolution passed by way of Postal Ballot (Item- 1), the result of which was declared on 30th March, 2015.

15. To apply for, purchase or otherwise acquire and protect, prolong and renew in any part of the world, any patents, patent rights, brevets inventions, trademarks, designs, licenses, protections, concessions and the like, conferring any exclusive or non-exclusive or limited right to their use or any secret or other information to any invention, process or privileges which may seem capable of being used for any of the purposes of the company or the acquisition of which may seem calculated directly or indirectly or benefit the company and to use, exercise, develop or grant licenses or privileges in respect of or otherwise turn to account the property, rights and information so required and to carry on any business in any way connected therewith.
16. To spend money in experimenting on and testing and improving or seeking to improve any patents, rights, inventions, discoveries, processes or information of the Company or which the Company may acquire or propose to acquire.
17. To acquire and undertake all, or any part of the business, property and liabilities of any persons or company carrying on or proposing to carry on any business which this company is authorized to carry on or possessed of property suitable for the purposes of the Company.
18. To procure the registration or recognition of the company in or under the laws of any place outside India.
19. To form, incorporate or promote any company or companies whether in India or elsewhere having amongst its or their objects the equalisation of all or any of the assets or control, management or development of the Company or any other object which in the opinion of the Company could or might directly or indirectly assist the company in the management of its business or the development of its properties or otherwise prove advantageous to the Company and to pay all or any of the costs and expenses incurred in connection with any such promotion or incorporation and to remunerate any person or company in any manner, it shall think fit for services rendered or to be rendered in or about the promotion of any other company in which the company may have an interest.
- [^]20. Subject to the provisions of the Companies Act, 2013 to amalgamate or to enter into partnership or into any arrangement for sharing profits, union of interest, co-operation, joint venture or reciprocal with any person or persons or company or companies carrying on or engaged in any business which the Company is authorized to carry on.
21. To enter into arrangements and take all necessary or proper steps with Governments or with other authorities, supreme, national, local, municipal or otherwise of any place in which the Company may have interest and to carry on any negotiations or operations for the purpose of directly or indirectly carrying out the objects of the Company or effecting any modification in the constitutions of the company or furthering the interest of the members and to oppose any such steps taken by any other company, firm or person which may be considered likely, directly or indirectly to prejudice the interest of the Company or its members and to assist in the promotion whether directly or indirectly of any legislation which may seem advantageous to the company and to obtain from any such Government authority and company any charters, contracts, decrees, rights, grants, loans, privileges, or concessions which the company may think it desirable to obtain and carry out, exercise and comply with any such arrangements, Charters, decrees, rights privileges or concessions.
22. To adopt such means of making known the products of the Company as may seem expedient and in particular by advertising in the press, by circular, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations.

[^]Note: Sub-clause 20 was amended as per Special Resolution passed by way of Postal Ballot (Item-1), the result of which was declared on 30th March, 2015.

23. (a) To undertake and execute any trust, the undertaking of which may seem to the Company desirable and either gratuitously or otherwise and vest any real or personal property, rights or interests acquired by or belonging to the company in any person or Company on behalf of or for the benefit of the company and with or without any declared trust in favour of the Company.
- (b) To accept gifts and to give gifts and donations to create trusts for the welfare of employees, members, directors and/or their dependants, heirs and children and for deserving object for any other person also and to act as trustees.
24. To apply the assets of the company in any way in or towards the establishment, maintenance or extension of any association, institution or fund in any way connected with any particular trade or business or with trade or commerce generally and particularly with trade, including any association, institution or fund for the interests of masters, owners and employees against loss by bad debt, strike, combinations, fire, accidents or otherwise or for the benefit of any clerk, workman or others at any time employed by the company or any of its predecessors in business or their families or dependants and whether or not in common with other persons or classes of persons and in particulars of friendly, co-operative and other societies, reading rooms, libraries, educational and charitable institutions, refractories, dinning and recreation rooms, churches, chapels, schools and hospitals and to grant gratuities, pensions and allowances and to contribute to any funds raised by public or local subscription for any purpose.
25. To aid pecuniary or otherwise, any association, body or movement having for an object the solution, settlement or surmounting of industrial or labour problems or troubles or the promotion of industry or trade.
26. To subscribe or guarantee money for any national, charitable, benevolent, public, general or useful objects or for any exhibition, subject to the provisions of the Act.
27. Subject to the provisions of the Gift Tax Act, 1961 and the Statutory amendments thereof, the company has power to make and receive gifts either in cash or other movable or immovable properties.
28. To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of and give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Company or is allied to or associated with the company or with any subsidiary company or who are or were at any time Directors or officers of the company as aforesaid and the wives, widows, families and dependants of any such persons and also establish and subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interest and well being of the Company or of any such other Company as aforesaid and make payments to or towards the insurance of any such persons as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid.
29. To distribute among the members in specie or otherwise any property of the Company, or any proceeds of sale or disposal of any property of the Company, in the event of its winding up but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.
30. To do all such other things as may be deemed incidental or conducive to the attainment of the above objects or any of them.
31. To carry on, in any mode, the business of store keepers in all its branches and in particular to buy, sell, and deal in goods, stores, consumable articles and effects of all kinds, both wholesale or retail.
- ±32. To carry on business as importers and exporters of goods or merchandise of any description or to act as shippers, underwriters, commission agents, advertising agents, travelling agents, transport agents, forwarding and clearing agents, brokers, estate agents and hardware merchants.

±Note: Consent of the Shareholders under section 149 (2A) of the Companies Act, 1956 has been obtained by way of Special Resolution (Item-7) in Annual General Meeting of the Company held on 30th September, 1998 to commence new business as mentioned in the sub-clause.

33. To carry on business of manufacturers of and dealers in automobile parts, accessories, ancillaries, stores and spares and to engineer, develop, design, assemble, manufacture, produce, import and export, buy, sell and otherwise deal in industrial, mining, agricultural and other machines and all types of tools, plants, equipments, instruments, appliances and hardware of all kinds, general fittings, accessories and appliances of all descriptions made of metal, alloy, glass, synthetic and other fibers, chemical and PVC compounds, plastics or any other material.
34. To carry on the business of electrical engineers, electricians, engineers, contractors, manufacturers, suppliers and dealers in electrical and other appliances, cables, wire-lines, dry-cells, accumulators, lamps and works and to generate, accumulate, distribute and supply electricity for the purpose of light, heat motive power and for all other purposes for which electrical energy can be employed and to manufacture, and deal in all apparatuses and things required for or capable of being used in connection with the generation, distribution, supply accumulate on and employment of electricity, including in the term electricity all power that may be directly or indirectly, derived there from or may be incidentally hereinafter discovered in dealing with electricity.
35. To manufacture and/or produce and/or otherwise engage generally in the manufacture or production of or dealing in electrical kilowatt hour meters, magnets, electromagnets, power cables, industrial jewels, ammeters, voltmeters and other types of measure instruments, electrical or non-electrical, die castings, screws, nuts and bolts, transformers of all types, circuit-breakers, punched card machines, computer and calculators and their accessories, hoists, elevators, trolleys and coaches, winches, power generators, magnetic separators, winders, air compressors, welders, fans of all types, switches and motors of all types, drills, electric grinders, air conditioners, refrigerators, washing machines, television and wireless apparatus including radio receivers and transmitters, electronic instruments, diodes, transistors and allied items, watches and clocks, cameras and any household appliances and any equipment used in the generator, transmission and receiving of sound, light and electrical impulses, and components or parts thereof.
36. To carry on the business as mechanical engineers, machinists, fitters, millwrights, founders, wire drawers. Tube metallurgist, saddlers, galvanizers, japanners, annealers, enamellers, electroplaters and painters.
37. To carry on a general business of providing comparative information about the characteristics, interest of other attributes of individuals, communities, organizations, countries or other social units and of any articles or commodities or economic trends or persons whatsoever, to design, invent, prepare, own, make and on lease, sell or otherwise dispose of to deal in and with computers, data processing machines, tapes, cards, memory equipment or any other equipment and materials of every kind and description useful in connection with this business to license or otherwise authorise others to engage in the foregoing and to engage in general research and development in areas related to or involving the foregoing.
38. To grow, take on lease, acquire, develop, deals in plantations and to process in all aspects timber wood, plywood and all kinds of wood and to make products where in wood is a constituent part and to design, develop, fabricate any products involving the use of wood.
39. To produce, manufacture, use or otherwise, acquire, sell, distribute, deal in and dispose of alkalies and acids, gases, compounds, fertilizers, chemical and chemical products of every nature and description and compounds, intermediates, derivatives and byproducts thereof and products to be made there from (hereinafter for convenience referred to generally as chemicals and products) including specifically, but without limiting the generality of the foregoing, calcium carbide, calcium cyanamide, vat, solubised vat, azoicfolts, naphtols, all types of flotation agents, wetting agents, insecticides and fumigants, Plastics and resins, dyestuffs, explosives, agents, foods, direct colours, basic and rapid fast colour pigments, drugs, biological pharmaceuticals, serums, vitamin products, harmones, sutures, ligature, drugs for disease or disabilities in men or animals, and products, derived from phosphate mines, limestone quarries, bauxite-mines, petroleum gas and other natural deposits useful or suitable in the manufacture of chemicals and chemical products as herein above defined.

40. To manufacture, produce, refine, prepare, store, sell and generally to trade and deal in petroleum and all kinds of mineral oils, all products and by-products thereof including wax, paraffin, soap, paint, varnish, lubricants, illuminant and butter substitutes, oilcloth, candles, glycerin, steering and in connection therewith to acquire, construct, repair, operate and use oil and other refineries, buildings, mills, factories, oil wells, derricks, distilleries, ghanies, rotaries, expellers, mechanical or hydraulic press.
41. To carry on business of manufacturers and dealers, importers and exporters of natural and synthetic resins, moulding powders, adhesives and cements, oil paints, distempers, cellur paints colours, varnishes, enamels, gold and silver leaf enamels, spirits and other allied articles.
42. To carry on development and research work and to manufacture calcine, rennel process, import, export, buy, sell and deal in petroleum coke, calcined coke and coaltar, anthracite coal and to draw out, manufacture and deal in coaltar, canloin products and other by-products as may be possible and to utilise waste gases for industrial uses and purposes.
43. To manufacture, prepare, import, export, buy, sell and otherwise deal in all kinds of glass, glassware, glass goods, mirrors, looking glass, scientific glass, wares, sheet and plate glass, bangles, fallspearls, bottles, phials and all kinds of articles prepared of glass and to carry on the business of glass patent solvers, glass embossers, acclesiastical, lead workers, tablet, show card and show case manufacturers.
44. To manufacture, produce, assemble, distribute, stock, barter, exchange, pledge, repair, use, buy, sell, import and export otherwise deal in all types of scientific instruments and their accessories, testing instruments, process control instruments, electrical and electronic instruments, nautical, aeronautical and survey instruments, optical and ophthalmic instruments, general laboratory medical and surgical instruments, apparatuses, scientific laboratory glassware, photographical, chemical and other instruments, apparatuses, appliances, equipments, devices, contrivances, their accessories and components.
45. To engineer, develop, design, assemble, manufacture, produce, import, export, buy, sell, operate, run, let on hire and otherwise deal in.
 - (a) all kinds of earth moving and agricultural machines, petrol and diesel engines, tools, plants, tractors, equipments, spares, appliances, implements, accessories, mobile or otherwise;
 - (b) heavy vehicles and machines for agricultural and land reclamation, drainage, irrigation, water works, engineering, forest cleaning pumping and other purpose;
 - (c) Spraying machines, vehicles and equipments, whether mobile or otherwise;
 - (d) Mobile workshops and garage equipments, for repair and service machinery;
 - (e) Tubewells, pumps, floating or otherwise, motors and irrigation machinery;
 - (f) Transportation equipments for movements of its products or stores, machines or personnel and as general purpose freight carriers.
46. To undertake the business of distribution and application of chemicals, fertilizers and pesticides, aerial or otherwise and to maintain and run vehicles, aeroplanes and equipments for spraying and to run the said vehicles and aeroplanes for hire and as passengers carrying crafts also.
47. (a) To construct a cinematograph theatre and other building and works and conveniences for the said purpose thereof and to manage, maintain and carry on the said theatre and to let out other buildings when so erected or constructed.

- (b) To carry on the business of proprietors and managers of theatres (cinemas, picture places and concert halls) and to provide for the production, representation and performance (whether by mechanical means or otherwise) of operas, stage plays, operettas, burlesques, vaudevilles, revues, baskets, pantomimes, spectacular pieces, promenade, and other concerts and other musical and dramatic performance and entertainments.
 - (c) To carry on the business of restaurant keepers, wine and spirit merchants, licensed victuallers, theatrical agents, box office keepers, dramatic and musical literature publisher and printers.
 - (d) To manufacture films and other appliances and machines in connection with mechanical reproduction or transmission of pictures, movements, music and sounds and to organise and conduct theatrical production and entertainment of all kinds.
 - (e) To enter into agreements with author or other persons, for the dramatic or other rights of operas, plays, films, operettas, burlesque, vaudevilles, revues, baskets, pantomimes, spectacular pieces, musical compositions and other dramatic and musical performances and entertainment or for the representation thereof in India and elsewhere, as well as of foreign rights and to enter into agreements of all kinds with artists and other persons.
48. To carry on business as tourists, agents and contractors and to facilitate travelling and to provide for tourists and travellers and promote the provisions of conveniences of all kinds in the way of through tickets, circular tickets, sleeping cars or berths, reserved places, hotel and lodging accommodation, guides, safe deposits, inquiry bureaux, libraries, lavatories, reading room, baggage transport and otherwise.
 49. To carry on business of hotel, restaurant, cafe, tavern, beer house, restaurant room, boarding and lodging house keepers, licensed victuallers, wine, beer and spirit merchants, maltsters, manufacturers of aerated mineral and artificial waters and other drinks, purveyors, catters for public amusements, general coach, cab, carriage and motor car proprietors, livery, stable and garage keepers, importers and brokers of food, live and dead stock, hairdressers, perfumers, chemists, proprietors of clubs, baths, dressing rooms, laundries, reading, writing and newspaper rooms, libraries, grounds and places of amusements and recreation, sport, entertainment and instruction of all kinds, tobacco and cigar merchants, agents for railway, roads, air shipping companies and carriers, theatrical and opera-box office proprietors and general agents and to provide services and facilities of all kinds on commercial basis that may be required for the tourist and entertainment industry.
 50. To promote, establish, acquire and run or otherwise carry on the business of any plastic or rubber industry or business of manufacture of materials for use in such industries or business such as wax, paper, bakelite, plywood, celluloid products, chemicals of all sorts and other articles of things and similar or allied products, or process and to sell, purchase or manufacture and to do all things as are in usual or necessary in relation to or in connection with such business, or industry or manufacture.
 51. To carry on all or any of the businesses of transport, cartage and haulage contractors, garage proprietors, owners and charters of road vehicles, aircrafts, ships, tugs, barge and boats of every description, lightmen, carriers of goods and passengers by road, rail, water or air, carmen, cartage, contractors, stevedores, wharfingers, cargo superintendants, packers, hauliers, warehousemen, store-keepers and jobmasters.
 52. To carry on the business of farming, horticulture, floriculture, sericulture, dairies, cultivators of all kinds of food grains, seeds, fruits, proprietors of orchards and traders, exporters, dealers and sellers of the products of farming, dairy, horticulture, floriculture, sericulture and pisciculture and fishing and manufacturers of drinks, alcoholic or otherwise, including beverages produced from such products or otherwise, to carry on the business of cultivators, growers, manufacturers, millers, grinders, rollers, processors, cold stores, canners and preservers and dealers of food grains and other agricultural, dairy, horticultural and poultry products, fruits, vegetables, herbs, medicines, flowers, drinks, fluids, ash and other fresh and preservable products and to extract by-products and derivatives whether edibles, pharmaceutical medicines or any other kind or nature whatsoever and food

preparations of every kind and description and generally on the business of manufacture of and trading in preserved, dehydrated, canned or converted agricultural products, fruits and vegetable, foods, dairy and poultry products and articles and other derivatives of all kinds and description and to set up and run machinery for processing and preserving the same.

53. To establish experimental farms and research stations anywhere in India for conducting experiments, test and research for developing better qualities of food grains and agricultural products and for developing milch strain in cattle by cross breeding or otherwise and increasing egg laying capacity in poultry and also for finding other ways and means of improving other agricultural crops, produce, seeds, fodder crops and cattle feed of all kinds.
54. To manufacture, process, chemically, electrically or by any other means, refine, extract, hydrolize, manipulate, mix, dodies, grand, bleach, hydrogenate, buy, sell, import, export, produce or otherwise deal in seeds and agricultural proprietary articles of all kinds, whether basic or derived and in all forms and in particular protein foods of all kinds and all other ingredients.
55. To buy, sell deal and speculate in shares and securities, foreign exchange, gold, silver, cotton, jute, hessian, oil, oil-seed and hold them as permitted under the law from time to time in force.
56. To organize, run, maintain, operate, promote the business of interior decorators, furniture and carpet designers and manufacturers, boutiques, operators of fashion shows, and to make, acquire, deal in any way in handicrafts, objects of art, precious stones, jewellery, whether artificial or otherwise and articles where in precious metals or precious stones may be used, in textiles fabrics and to manufacture and deal in any products as are dealt in by boutiques, fashion shows and interior decorators.
57. To establish, provide, maintain, and conduct research and other laboratories, training colleges, schools and other institutions for the training, education and instruction of students and others who may desire to avail themselves of the same and to provide for the delivery and holding of lectures, demonstrations, exhibitions, class meetings and conferences in connection therewith.
58. To be interested in promote or undertake the formation and establishment and to take hold and dispose of shares in such organizations, institutions, business or companies, whether industrial, hoteliers, restaurants, agricultural, trading, manufacturing or otherwise as may be considered to be conducive to the profit and interest of the Company and also to acquire, promote, aid foster, subsidise or acquire interests in any such industry or undertaking.
59. To acquire, form or sell to any person, firm or body corporate or unincorporate, whether in India or elsewhere, technical and managerial information, know-how, processes, engineering, manufacturing, operating and commercial data plans, layouts and blue prints useful for the design, creation and operation of any plant or process of manufacture and to acquire and grant or licence other rights and benefits in the foregoing matters and things and to render any kind of management and consultancy services.
60. To carry on business as general, commercial, colour craft and graphers, photographers, engravers, diemakers, publishers of newspapers, books, magazines, art and musical production, plan and chart printers, press and advertising agents, contractors, ink, die, colour and chemical manufacturers, manufacturers of metal and other sign, manufacturers and dealers of containers and components and machinery manufacturers and other dealers in printing machinery, type and all printers supplies, book binders and stationers and dealers in all kinds of supplies and equipment for mercantile and otheruse.
- *61. To carry on the business of manufacturers of and dealers in all kinds and classes of paper and pulp including sulphite and sulphate wood, pulp, mechanical plup and soda pulp and papers including transparent, vellum, writing, printing,

*Note: Consent of the Shareholders under section 149 (2A) of the Companies Act, 1956 has been obtained by way of Special Resolution (Item-7) in Annual General Meeting of the Company held on 27th September, 1991 to commence new business for setting up the paper unit.

glazed, absorbent, news printing, wrapping, tissue, cover, blotting, filter, bank or bond badami, brown, buff or coloured, lined, azure laid, grass or waterproof, hand made parchment, drawing, crafts, carbon, envelop and box and straw duplex and triplex boards and all kinds of articles in the manufacture of which in any form pulp, paper or board is used and also to deal in or manufacture artificial leather of all varieties, grades and colour.

62. To acquire and hold shares, stocks, debentures, debenture stocks, bonds, obligations and securities issued or guaranteed by any company constituted or carrying on business in the Republic of India or elsewhere, any debentures, debenture stocks, bonds, obligations and securities, issued or guaranteed by any government, sovereign-ruler, commissioners, public body or authority, supreme, municipal local or otherwise, whether at home or abroad, to acquire any such shares, stocks, debentures, debenture stocks, obligations or securities by original subscription, tender, purchase, exchange or otherwise and subscribe for the same either conditionally or otherwise and to guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by or incidental to the ownership thereof, to issue shares, debenture stocks, bonds, obligation and securities of all kinds and to frame, constitute and secure the same, as may seem expedient with full power to make the same transferable by delivery or by instrument of transfer or otherwise and either perpetual or terminable and either redeemable or otherwise and to charge or secure the same by trust deed or otherwise on the undertaking of the Company, or upon any specific property and rights, present and future of the company (including, if thought fit, uncalled capital) or otherwise however to export, import, buy, sell, barter, exchange, pledge, make advance upon, invest in and otherwise deal in gold, silver, bullion, stocks, shares securities of all kinds and description.
63. To do all or any of the above things either as principals, agents, trustees, contractors or otherwise and either alone or in conjunction with others and either by or through agents, sub-contractors, trustees and otherwise.
64. To carry on business of a company established with the object of financing industrial enterprises within the meaning of provisions of Companies Act, 2013, and to make loans, give guarantees and provide securities to any other company, whether promoted by this company or not. To acquire, take over with or without consideration and/or carry on the business of financial advisers and management consultants themselves or in partnership with other companies, or other persons. Generally to carry on business as financiers and to undertake and carry out all such operations and transactions as an individual capitalist may lawfully undertake, carry out.
- *65. To manufacture and deal in chemical products such as sodium silicate, coal and coal-tar products and their intermediates, dye, drugs, medicines and pharmaceuticals, petroleum and its products, and derivatives, paints and pigments and varnishes explosives and ammonitinos, vegetable oils, their products and derivatives, all types of heavy chemicals such as sulphuric and other acids, caustic soda, soda ash etc. all types of textile chemicals and sizing and finishing materials, photographic chemicals, clay, soap, glycerine and allied products, all industrial and pharmaceutical organic and in-organic chemicals, fertilizers, pesticides, manures, fungicides and allied products, fats, waxes and their products.
- #66. To establish, manage and operate Mutual Funds, Constituted as Trust under the Indian Trust Act, 1882 for the development of Capital Market.
- #67. To carry on the business of manufacturers, dealers, importers, exporters, buyers, seller, supplier, stockist, agents, merchants, distributors of razor blades, shaving cream, razors, shaving equipments, shaving brushes, cosmetics, shampoo, sports goods, toys.
- #68. To carry on the business of manufacturers, dealers, importers, exporters, buyers, seller, supplier, stockist, agents, merchants, distributors of sea foods, snacks, packed foods, confectionery, bakery products, milk products, tea, coffee, coca and other food beverages and preparations of all kinds.

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*Note: Consent of the Shareholders under section 149 (2A) of the Companies Act, 1956 has been obtained by way of Special Resolution in Annual General Meeting of the Company held on 30th September, 1997 to commence new business as mentioned in sub-clause 67.

#Note: Altered as per Special Resolution of the Company (Item-8) in Extra Ordinary General Meeting of the Company held on 15th day of February, 1992.

- \$69.** To carry on the business as manufacturers, producers, makers, processors, importers, exporters, refiners, smelters, fabricators, steel founders, steel forging and dealers in all kinds and forms of steel in all dimensions and sections including steel ingots and billets, rolled steels, tools and alloy steels, strips, stainless and other special steels, iron and other metals and alloys; all kinds of goods, products, articles or merchandise whatsoever manufactured wholly or partly from steels and/or other metals and alloys.
- +IV.** The Liability of the members is limited and this liability is limited to the amount unpaid, if any, on shares held by them.
- +V.** The authorized share capital of the company is Rs. 205,50,00,000/- divided into 10,00,00,000 equity shares of Rs. 10/- each and 1,05,50,000 – 5.5% Non-Convertible Non-Cumulative Redeemable Preference Shares of Rs. 100/- each. The company has power from time to time to increase or to reduce or re-classify its capital and divide the shares into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions and to vary, modify or abrogate any such rights, privileges or conditions and to purchase / buy-back any of its own fully paid / partly paid shares for cancellation or otherwise in such manner as may be permitted by the Companies Act, 2013 or provided by the regulations of the company for the time being in force.
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\$Note: Sub-clause 71 was inserted as per Special Resolution passed by way of Postal Ballot and the consent of the shareholders under section 149(2A) of the Companies Act, 1956 has been obtained by way of Special Resolution (Item-13) in Annual General Meeting of the Company held on 29th September, 2003 to commence new business as mentioned in sub clause.

+Note: Clause IV was amended as per Special Resolution passed by way of Postal Ballot (Item-2), the result of which was declared on 30th March, 2015.

±Note: Substituted as per Order dated 21.02.2023 of the National Company Law Tribunal (NCLT), Chandigarh Bench regarding amalgamation of Cotton County Retail Limited with the Company.

We the several persons whose names and addresses are subscribed below are desirous of being formed into a company in pursuance of this MEMORANDUM OF ASSOCIATION and we respectively agree to take the number of shares in the capital of the Company as set opposite our respective names:-

S.No.	Names, Addresses, Occupation and Description of Subscriber	Number of Equity Shares taken by each Subscriber	Signature of Subscribers	Signature of Witness with address, description and Occupation
1	KAMAL OSWAL, S/o Sh. Jawahar Lal Oswal. 514, College Road, Civil Lines, Ludhiana. Industrialist	1 (One)	Sd/-	<p>I witness the signatures of all the subscribers who have signed in my presence</p> <p>Sd/- (Om Parkash Arora) S/o Sh. Lahori Ram Arora, 12/11, Shakti Nagar, Delhi – 110 007 (Service)</p>
2	DINESH GOGNA, S/o Sh. Jagdish Prasad Gogna. 160-I-A, Block XIX, Civil Lines, Ludhiana. Service	1 (One)	Sd/-	
3	KAILASH CHANDER JAIN, S/o Late Sh. Suraj Bhan Jain. 372/4, Maya Nagar, Ludhiana– 141 001. Service	1 (One)	Sd/-	
4	NAVDEEP CHANDER SHARMA, S/o Sh. Sham Lal Sharma. 192, Hargobind Nagar, Ludhiana. Service	1 (One)	Sd/-	
5	RAMAKRISHNA RAVINDRAN, S/o Late Sh. K.R. Iyer. H-66, Nanak Pura, Moti Bagh-II, New Delhi-110021. Service	1 (One)	Sd/-	
6	SUDHIR KOHLI, S/o Sh. I.S. Kohli. 11/10, Rly. Colony, Sarojini Nagar, New Delhi. Service	1 (One)	Sd/-	
7	NARESH BATRA, S/o Sh. Amir Chand Batra. B-120, Fateh Nagar, New Delhi– 110 018. Service	1 (One)	Sd/-	
	TOTAL	7 (Seven)		

New Delhi Dated this 14th day of September, 1983

THE COMPANIES ACT, 2013
ARTICLES OF ASSOCIATION
 OF
NAHAR INDUSTRIAL ENTERPRISES LIMITED
CIN : L15143PB1983PLC018321
 (PUBLIC COMPANY LIMITED BY SHARES)
 (INCORPORATED UNDER THE COMPANIES ACT, 1956)
PRELIMINARY

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| 1. The regulations contained in the table "F" in schedule I of 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 Companies Act, 2013 | Table "F" excluded |
| 2. 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

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| 3. 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. In these articles: | Interpretation |
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- (i) "Act" means the Companies Act, 2013 or any statutory modifications or re-enactments thereof for the time being in force 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.
 - (ii) "Articles" means the Articles of Association of the Company as originally framed or as altered from time to time.
 - (iii) "Board of Directors" or "Board" means the collective body of Directors of the Company.
 - (iv) "Company" means Nahar Industrial Enterprises Limited.
 - (v) "Directors" means the Directors of the Company including Independent Directors of the Company
 - (vi) "Dividend" includes any interim dividend.
 - (vii) "Independent Director" means a Director appointed under Section 149 of the Act.

- viii) "Key Managerial Personnel", in relation to a company, means –
- (a) the Chief Executive Officer or the Managing Director or the Manager and in their absence the Whole-time Director
 - (b) the Company Secretary ;
 - (c) the Chief Financial Officer ; and
 - (d) such other person as may be prescribed.
- (ix) "Office" means the Registered Office of the Company for the time being.
- (x) "Month" means calendar month.
- (xi) "Year" means a calendar year and "Financial Year" shall have the meaning assigned there to by Section 2(41) of the Act.
- (xii) "Proxy" includes Attorney duly constituted under a Power of Attorney.
- (xiii) "Register" means the Register of Members of the Company required to be kept under Section 88 of the Act.
- (xiv) "The Registrar" means the Registrar of the Companies, as defined under Section 2(75) of the Companies Act, 2013.
- (xv) "Rules" means the applicable rules for the time being in force as prescribed under relevant sections of the Act.
- (xvi) "Seal" means the Common Seal of the Company.
- (xvii) "Corporation" means the Central or State Financial Corporation or Punjab Financial Corporation or any other Corporation owned or controlled by the Government.
- (xviii) (i) "In writing" and "Written" include printing, lithography and other modes of representing or reproducing words in a visible form.
- (ii) 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.

SHARE CAPITAL AND VARIATION OF RIGHTS

- *4. The authorised Share Capital of the company is Rs. 205,50,00,000/- divided into 10,00,00,000 equity shares of Rs.10/- each and 1,05,50,000 – 5.5% Non-Convertible Non-Cumulative Redeemable Preference Shares of Rs. 100/- each. The company has power from time to time to increase or to reduce its capital and divide the shares in the new capital into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 2013 or provided by the regulations of the company for the time being in force. Share Capital

*Note: Substituted as per Order dated 21.02.2023 of the National Company Law Tribunal (NCLT), Chandigarh Bench regarding amalgamation of Cotton County Retail Limited with the Company.

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| <p>5. 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.</p> | <p>Shares under control of Board</p> |
| <p>6. 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 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.</p> | <p>Directors may allot shares otherwise than for cash</p> |
| <p>7. The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:</p> <p>(a) 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> <p>(b) Preference share capital</p> | <p>Kinds of Share Capital</p> |
| <p>8. Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.</p> | <p>Power to issue Redeemable Preference Shares</p> |
| <p>9.(i) The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.</p> | <p>Power to pay commission in connection with securities issued</p> |
| <p>(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.</p> | <p>Rate of Commission</p> |
| <p>(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.</p> | <p>Mode of payment</p> |
| <p>10. 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 law required, be bound to recognize any equitable or other claim to or interest in such shares on the part of any other person.</p> | <p>Trust not recognized</p> |
| <p>11. Notwithstanding anything contained in the Articles of Association, all the rules, regulations, provisions, rights etc. as mentioned in the Depositories Act, 1996 or the Rules made thereunder including any statutory modifications and re-enactment thereof for the time being in force shall be applicable to the securities in the Electronic Form.</p> | <p>Securities in electronic form</p> |

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| 12. (i) | If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of 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, as prescribed by the Act. | Variation of Member's Rights |
| (ii) | To every such separate meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply. | Provision as to general meetings |
| 13. (i) | The Board or 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 |
| (ii) | 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 |
| (iii) | 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 |
| 14. | 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 |

CERTIFICATE

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| 15. (i) | 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 |
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| (ii) 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 |
| (iii) 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 several joint holders shall be sufficient delivery to all such holders. | One certificate for shares held jointly |
| (iv) 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 dematerialized 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 |
| (v) 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 |
| (vi) The Provision of foregoing Articles relating to issue of certificates shall mutatis mutandis 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 of Debentures etc. |

LIEN

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| <p>16. (i) The Company shall have a first and paramount lien -</p> <p style="margin-left: 40px;">(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</p> <p style="margin-left: 40px;">(b) on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company:</p> <p style="margin-left: 40px;">Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</p> | <p>Company's Lien on Shares.</p> |
| (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 |

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| 17. | The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien: | As to enforcing lien by sale |
| | Provided that no sale shall be made — | |
| | (a) unless a sum in respect of which the lien exists is presently payable; or | |
| | (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. | |
| 18. | (i) To give effect to any such sale, the Board may authorize 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 |
| 19. | (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 |
| 20. | 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 recognize 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 notwithstanding that it has received notice of any such claim. | Outsider's lien not to affect Company's lien |
| 21. | The provisions of these articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company. | Provisions as to debentures etc. |

CALLS ON SHARES

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| <p>22. (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, 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.</p> | <p>Board may make calls</p> |
| <p>(ii) Not less than fourteen day's 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.</p> | <p>Notice of call</p> |
| <p>(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.</p> | <p>Board may extend the time of payment</p> |
| <p>(iv) A call may be revoked or postponed at the discretion of the Board.</p> | <p>Revocation of call</p> |
| <p>23. A Call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.</p> | <p>Call to take effect from date of resolution</p> |
| <p>24. The joint holder of the share shall be jointly and severally is liable to pay all calls in respect thereof.</p> | <p>Liability of joint holders of shares</p> |
| <p>25. (i) If the amount payable in respect of any call or installment 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 installment 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.</p> | <p>When interest on call or installment payable</p> |
| <p>(ii) The Board shall be at liberty to waive payment of any such interest either wholly or in part.</p> | <p>Board may waive interest</p> |
| <p>26. (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 installments at fixed times, whether on account of the share or by way of premium, every such amount or installment shall be payable as if it were a call duly made by the 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 installment accordingly.</p> | <p>Sums deemed to be calls</p> |
| <p>(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.</p> | <p>Effect of non payment of sums</p> |

27. 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) 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.

Payment in anticipation of calls may carry interest

28. If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment 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.

Installment on the shares duly paid

29. All calls shall be made on uniform basis on all shares falling under the same class.

Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under same class.

Calls on shares of same class shall be on uniform basis

30. Neither the judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction 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

31. The provisions of these articles relating to calls shall *mutatis mutandis* apply to any other securities including debentures of the Company.

Provisions as to calls to debentures etc.

TRANSFER OF SHARES

32. (i) The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee.
(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

Instrument of Transfer

33. 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.

34. 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
35. (i) No transfer shall be made to a minor or a person of unsound mind.	No transfer to Minor
(ii) No fee shall be charged for registration of transfer, grant of probate, grant of letter of administration, certificate of death or marriage, Power of Attorney or similar other instruments.	No fee for registration of transfer etc.
36. The Board may, subject to the right of appeal conferred by the Act decline to register - (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or (b) any transfer of shares on which the Company has a lien.	Board may refuse to register transfer
37. In case of shares held in physical form, the Board may decline to recognize any instrument of transfer unless - (a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act; (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and (c) the instrument of transfer is in respect of only one class of shares.	Board may decline to recognize instrument of transfer
38. The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer of any share.	Register of transfer
39. All instruments of transfer duly approved shall be retained by the Company and in case of refusal, instrument of transfer shall be returned to the person who lodges the transfer deed(s).	When instrument of transfer to be retained
40. On giving not less than seven days previous notice in accordance with section 91 and rules made there under, 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
41. The provisions of these Articles relating to transfer of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.	Provisions as to debentures, etc.

TRANSMISSION OF SHARES

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| 42. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares. | Title to shares on death of a member |
| (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons. | Estate of deceased member liable |
| 43. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either –
(a) to be registered himself as holder of the share; or
(b) to make such transfer of the share as the deceased or insolvent member could have made. | Transmission Clause |
| (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency. | Board's Right Unaffected |
| (iii) The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer. | Indemnity to the Company |
| 44. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. | Right to election of holder of share |
| (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share. | Manner of testifying election |
| (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member. | Limitations applicable to notice |
| 45. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company: | Claimant to be entitled to same advantage |

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

46. The provisions of these Articles relating to transmission by operation of law shall *mutatis mutandis* apply to any other securities including debentures of the Company.

Provisions as to debentures, etc.

FORFEITURE OF SHARES

47. If a member fails to pay any call, or installment 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 installment remains unpaid or a judgment 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 installment 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 installment not paid notice must be given

48. 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

49. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share not actually paid before the forfeiture.

In default of payment of shares to be forfeited

50. 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 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.

Receipt of part amount or grant of indulgence not to affect forfeiture

51. 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

52. The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.	Effect of forfeiture
53. (i) A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.	Forfeited shares may be sold, etc.
(ii) At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.	Cancellation of forfeiture
54. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.	Members still liable to pay money owing at the time of forfeiture
(ii) All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realization. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.	Member still liable to pay money owing at time of forfeiture and interest
(iii) 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.	Ceaser of liability
55. (i) 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
(ii) The Company may receive the consideration, if any, given for the share on any sale, re-allotment 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 and transferee of forfeited shares
(iii) The transferee shall thereupon be registered as the holder of the share; and	Transferee to be registered as holder
(iv) 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, re-allotment or disposal of the share.	Transferee not affected

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| <p>56. Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove 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 register of members 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 sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.</p> | <p>Validity of sales</p> |
| <p>57. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative 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 shares to the person(s) entitled thereto.</p> | <p>Cancellation of share certificate in respect of forfeited shares</p> |
| <p>58. The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering those on such terms as they think fit.</p> | <p>Surrender of share certificates</p> |
| <p>59. The provisions of these Articles as to forfeiture shall apply in the case of non payment of any sum which, by the terms of issue of a share, 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.</p> | <p>Sums deemed to be calls</p> |
| <p>60. The provisions of these Articles relating to forfeiture of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.</p> | <p>Provisions as to debentures etc</p> |

ALTERATION OF CAPITAL

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| <p>61. Subject to the provisions of the Act, the Company may, by ordinary resolution-</p> <p>(a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;</p> <p>(b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares:</p> <p style="padding-left: 40px;">Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;</p> <p>(c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;</p> <p>(d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;</p> <p>(e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.</p> | <p>Power to alter share capital</p> |
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62. Where shares are converted into stock:

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

Shares may be converted into stock

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

Right of Stockholders

(c) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" or "member" shall include "stock" and "stock holder" respectively.

63. The Company may, by Special Resolution, reduce in any manner and in accordance with the provisions of the Act and the Rules —

Reduction of capital

(a) its share capital; and/or

(b) any capital redemption reserve account; and/or

(c) any securities premium account; and/or

(d) any other reserve in the nature of share capital.

JOINT HOLDERS

64. Where two or more persons are registered as joint holders (not more than three) 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:

Joint-holders

(a) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of 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 recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of 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

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| <p>(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 receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.</p> | <p>Delivery of certificate and giving of notice to first named holder</p> |
| <p>(e) 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 respect thereof.</p> | <p>Vote of joint holders</p> |
| <p>(f) Several executors or 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.</p> | <p>Executors or administrators as joint holders</p> |
| <p>(g) The provisions 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.</p> | <p>Provisions as to debentures, etc.</p> |
65. (i) Every holder/joint holder of securities of the Company may at any time, nominate, in accordance with provisions of and in the manner provided under the Act and the Rules, a person whom all rights in the securities of the Company shall vest in the event of death of the holder/all the joint holders.
- Nomination by Joint Holder
- (ii) Subject to the provision of the Act and the Rules and Clause (i) above, any person who becomes a nominee by virtue of the provisions of Act, upon the production of such evidence as may be required by the Board or any committee thereof, elect either to be registered himself as holder of the securities, as the case may be, or make such transfer of the securities, as the case may be, as the deceased shareholder or debenture holder, as the case may be, could have made, in accordance with the provisions of and in the manner prescribed by the Act and the Rules:
- Provided that the Board may, at any time, give notice requiring any such persons to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied within ninety days, the Board may thereafter withhold payment of all dividends or interests, bonuses or other moneys payable in respect of the securities, as the case may be, until the requirements of the notice have been complied with.

- (iii) A person, being a nominee, becoming entitled to any securities by reason of death of the holder shall be entitled to the same dividends or interests and other advantages to which he would be entitled if he were the registered holder of the securities except that he shall not, before being registered as a holder in respect of such securities, be entitled in respect of these securities to exercise any right conferred by membership in relation to meetings of the company.

BORROWING POWERS

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| 66. The Board may, from time to time, at its discretion, subject to the provisions of Section 179 and 180 of the Act, raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purposes of the Company. | Power to borrow |
| 67. The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and in particular, by the issue of bonds, perpetual or redeemable debenture or debenture stock or any mortgage, or other security on the undertaking of the whole or of the property of the Company (both present and future), including its uncalled capital for the time being, provided that debentures with the rights to allotment of or conversion into shares shall not be issued except with the sanction of the Company in general meeting and subject to the provisions of the Act. | Conditions on which money may be borrowed |
| 68. Any debentures, debenture-stock, bonds or other securities may be issued at premium or otherwise and with any special privileges, as to redemption, surrender, drawings, 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. | Issue at premium etc. or with special privileges |
| 69. Save as provided in Section 56 of the Act, no transfer of debenture shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of debentures. | Instrument of transfer |
| 70. Subject to the provisions of Section 58 and 59 of the Act, the Board may, without assigning any reason, refuses to register the transfer of any debentures. | Refusal to register transfer |

RESERVES AND CAPITALISATION OF PROFITS

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| <p>71. (i) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it think 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 equalizing dividends; and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than share of the Company) as the Board may, from time to time, think fit.</p> <p>(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p> | <p>Reserves</p> |
| <p>72. (i) The Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve —</p> <p>(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</p> <p>(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> | <p>Capitalisation</p> |
| <p>(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii) below, either in or towards :</p> <p>(a) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(b) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;</p> <p>(c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b).</p> | <p>Sum how applied</p> |

- (iii) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
 - (iv) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.
73. (i) 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 amounts resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and
 - (b) generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power— Board's Power to issue fractional certificate/coupon etc.
- (a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and
 - (b) to authorize 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 or other securities to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.
- (iii) Any agreement made under such authority shall be effective and binding on such members. Agreement binding on members

BUY-BACK OF SHARES

74. Notwithstanding anything contained in these Articles but subject to all applicable provisions 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

75. All general meetings other than annual general meeting shall be called extraordinary general meeting . Extraordinary general meeting
76. The Board may, whenever it thinks fit, call an extraordinary general meeting. Powers of Board to call EGM

77. The Board shall on the requisition of such member or members of the company as is specified in sub section (2) of Section 100 of the Act forthwith proceed to call an extra ordinary General Meeting of the Company and in respect of any such requisition and of any Meeting to be called pursuant thereto, all the other provisions of section 100 of the Act and of any statutory modification thereof for the time being shall apply.	Calling of Extra Ordinary General Meeting on requisition
78. (i) The quorum for a General Meeting shall be as provided in Section 103 of the Act.	Quorum for general meeting
(ii) 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.	Presence of Quorum
(iii) No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.	Business confined to election of Chairperson whilst chair vacant
(iv) If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon a requisition of share holders shall stand cancelled but in any other case it shall stand adjourned to the same day in the next week at same time and place, unless the same shall be a public holiday. When the meeting shall stand adjourned to the next day not being a public holiday at the same time and place and if at such adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, those members who are present and not being less than the required members as prescribed in the Act shall be a quorum and may transact the business for which the meeting was called.	
79. The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.	Chairperson of the meetings
80. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.	Directors to elect a Chairperson
81. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by poll or electronically, choose one of their members to be Chairperson of the meeting.	Members to elect a Chairperson
82. On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.	Casting vote of Chairperson at general meeting
83. (i) Notwithstanding anything contained in these Articles, pursuant to Section 110 of the Act, the company may and in the case of matters	Postal Ballot

related to such business as the Central Government may, by notification declare or any other statutory authority stipulate to be conducted only by postal ballot (including voting by electronic mode), shall get any resolution passed by means of postal ballot (including voting by electronic mode).

- (ii) If a resolution is assented by the stipulated majority of the shareholders by means of postal ballot (including voting by electronic mode) it shall be deemed to have been duly passed at a general meeting in that behalf.
84. (i) 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
- (ii) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting –
- (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.
- Certain matters not to be included in Minutes
- (iii) 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.
- Discretion of Chairperson in relation to Minutes
- (iv) 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
85. Any act or resolution which, under the provisions of this Article or of the Act, is permitted shall be sufficiently so done or passed if effected by an ordinary resolution unless either the Act or the Articles specifically require such act to be done or resolution passed by a special resolution.
- Sufficiency of ordinary resolutions
86. (i) The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:
- (a) be kept at the registered 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 Saturday.
- Inspection of minute books of general meeting
- (ii) 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 (i) above:
- Members may obtain copy of minutes
- Provided that a member who has made a request for provision of a

soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.

87. The Board, and also any person(s) authorized 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
88. (i) Before or on the declaration of the result of the voting on any resolution on a show of hands or electronically, poll may be ordered to be taken by the Chairman of the meeting on his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares, in the company which confer a power to vote on the resolution, not being less than one tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than five lakh rupees has been paid up. Poll
- (ii) The demand for the poll may be withdrawn at any time by the person or persons who made the demand.
- (iii) Where a poll is to be taken, the Chairperson of the meeting shall appoint such number of persons, as he deems necessary, to scrutinize the poll process and votes given on the poll and to report thereon to him in the manner as prescribed under the Act and the Rules.
- (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) If a poll be demanded, 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

89. (i) The Chairperson may, *suo motu*, adjourn the meeting from time to time and from place to place. Chairperson may adjourn the meeting
- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Business at adjourned meeting
- (iii) 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. Notice of adjourned meeting

- (iv) 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.

VOTING RIGHTS

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| <p>90. Subject to any rights or restrictions for the time being attached to any class or classes of shares -</p> <p>(a) on a show of hands, every member present in person shall have one vote; and</p> <p>(b) on a poll, the voting rights of members shall be in proportion to his shares in the paid-up equity share capital of the company.</p> <p>(c) No company or body corporate shall vote by proxy so long as a resolution of its Board of Directors under Section 113 of the Act is in force and the representative named in such resolution is present at the General meeting at which the vote by proxy is tendered.</p> | <p>Entitlement to vote on show of hands and on poll</p> |
| <p>91. A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.</p> | <p>Voting through electronic means</p> |
| <p>92. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.</p> <p>(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p> | <p>Vote of joint holders</p>
<p>Seniority of names</p> |
| <p>93. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.</p> | <p>How members non <i>compos mentis</i> and minor may vote</p> |
| <p>94. Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.</p> | <p>Votes in respect of shares of deceased or insolvent members etc.</p> |
| <p>95. Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.</p> | <p>Business may proceed pending poll</p> |
| <p>96. (i) 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.</p> | <p>Restriction on voting rights</p> |

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| (ii) | 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 |
| 97. | 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

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| 98. | (i) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting. | Member may vote in person or otherwise |
| | (ii) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his Attorney duly authorized in writing or if such appointer is a corporation under its common seal or the hand of its Attorney. | Instrument appointing proxy to be in writing. |
| | (iii) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. | Proxies when to be deposited |
| 99. | An instrument appointing a proxy shall be in the form as prescribed in the Rules. | Form of proxy |
| 100. | A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given: | Proxy to be valid Notwithstanding death of the principal |
| | <p>Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.</p> | |

BOARD OF DIRECTORS

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| 101. | Unless otherwise determined by the Company in General Meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen). | Number of Directors |
| 102. | The first directors of the company are: | First Directors |

(i) Sh. Kamal Oswal (ii) Sh. Dinesh Gogna (iii) Sh. Shiv Kumar Bhargava (iv) Sh. Neelam Kumar Oswal		
103.	The Directors shall have power at any time and from time to time to appoint any person as a Director as an addition to the Directors but so that the total number of Directors shall not at any time exceed the maximum number fixed by the Articles. Any director so appointed shall hold office only until the next annual general meeting of the Company and shall be eligible for re-election.	Power of Directors to add its number
104.	A director shall not be required to hold any share qualification.	Share qualification
105.	(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. (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. (iii) 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— (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. (iv) The fee payable to directors (other than Managing Directors or Whole Time Director, if any) for attending each meeting of the Board or Committee thereof, shall be such sum as may be fixed by the Board within the limits prescribed by the Companies Act, 2013 or the Central Government from time to time.	Remuneration of directors Remuneration to require member's consent Travelling and other expenses
106.	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
107.	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

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| 108. | Subject to the Provisions of Section 184 and 188 and other provisions of the Act, neither shall the Directors (including Managing Director) be disqualified from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company with a relative of such Director or the Managing Director or with any firm in which any Director or a relative is a partner or with any other partner or with a Private Company in which such Director is a member or director interested 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 realized by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby establish. | Directors may contract with Company |
| 109. | 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. |
| 110. | 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 OF DIRECTORS

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| 111. | (i) Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles. | Appointment of additional directors |
| | (ii) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act. | Duration of office of additional director |
| 112. | At the Annual General Meeting at which a Director retires, the Company may fill up the vacancy by appointing the retiring Director who is eligible for re-election or some other person 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 |
| 113. | Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any Financing corporation or company or body (herein after referred to as the "Corporation) or so long as the Corporation hold any shares, debentures in the Company as result of direct subscription or underwriting or conversion of loans, debentures into equity capital of the Company or so long as any guarantee given by the Corporation in respect of any financial obligation or commitment of the Company remains out standing the | Nominee Director |

Corporation shall, pursuant to an agreement between it and the Company, have a right to appoint from time to time one or more persons as Director(s) on the Board of Directors of the Company which Director is hereinafter referred to as the "Nominee Director". The Nominee Director shall not be required to hold qualification shares and shall not be liable to retire by rotation of Director. The financial Institutions may at any time and from time to time remove the nominee Director appointed by it and may, in the event of such removal and also in case of death or resignation of the Nominee Director, appoint another in his place and also in case of death or resignation of the Nominee Director, appoint another in his place and also fill any vacancy which may occur as a result of the Nominee Director ceasing to hold office for any reason whatsoever. Such appointment or removal shall be made in writing by the Financial Institutions and shall be delivered to the Company at its Registered Office. The Board of the Company shall have no power to remove the Nominee Director from Office. Each such Nominee Director shall be entitled to attend all General meetings, Board meetings and meetings of the Committee of which he is a member and he and the Financial Institution appointing him shall also be entitled to receive notices of all such meetings as also the minutes of all such meetings. The nominee Directors 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 shall ipso facto vacate his office immediately the moneys owing by the Company to the Financial Institutions are paid off or on the Financial Institution ceasing to hold shares/debentures in the Company.

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| 114. | (i) The Board may appoint an alternate director to act for a director (hereinafter in this article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act. | Appointment of alternate director |
| | (ii) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. | Duration of office of alternate director |
| | (iii) If the term of office of the Original Director is determined before he returns to India the automatic re-appointment 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 |
| 115. | (i) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board. | Board may fill up casual vacancies |
| | (ii) The director so appointed shall hold office only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated. | Duration of office of Director appointed to fill casual vacancy |

ROTATION AND RESIGNATION OF DIRECTORS

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| 116. | <p>(i) Not less than two-thirds of the total number of Directors shall be persons whose period of office is liable to determination by retirement of Directors by rotation:
 Provided that Independent Directors and Nominee Directors of the Company shall not be liable to retire by rotation.</p> <p>(ii) 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.</p> <p>(iii) The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day those to retire shall in default of and subject to any agreement among themselves, be determined by lot.</p> | Rotation of Directors |
| 117. | A retiring Director shall be eligible for re-election and shall act as a Director throughout the meeting at which he retires. | Retiring Director eligible for re-election |
| 118. | The Office of a director shall <i>ipso facto</i> become vacant if at any time he commits any of the acts set out in Section 167 of the Act. | Vacation of office of Directors. |
| 119. | 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 |
| 120. | 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. | Power to remove Director by ordinary resolution on Special Notice. |
| 121. | Subject to any resolution for reducing the number of Directors, if at any meeting at which an election of Directors ought to take place, the vacancy of the retiring Directors not filled up, the meeting shall stand adjourned till the next succeeding day which is not a public holiday at the same time & place and if at the adjourned meeting, the vacancy of the retiring Directors are not filled up, the retiring Directors or such of them as have not had their vacancy filled up shall be deemed to have been re elected at the adjourned meeting. | Retiring director deemed to be re-elected at the adjourned meeting |

POWERS OF BOARD

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| 122. | The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, shall not exercise or do any act or thing which is hereby or by the statute or otherwise directed or | General powers of the Company vested in Board |
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required to be exercised or done by the Company in general meeting but subject nevertheless to 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.

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| 123. | Without prejudice to the general powers conferred by the preceding Articles, the Board may from time to time and at any time, subject to the restrictions contained in the Act, delegate to any committee of directors, managing director, the managers, secretaries, officers, assistants and other employees or other persons (including any firm or body corporate) any of the powers authorized and discretions for the time being vested to the Board. | Power to delegate |
| 124. | The Board may make such arrangement as may be think fit for the Management of the Company's affairs abroad, and may for this purpose (without prejudice to the generality of their powers) appoint local bodies and agents and fix their remuneration, and delegate to them such powers as may be deemed requisite or expedient. The Foreign Seal shall be affixed by the authority and in the presence of and instruments sealed therein shall be signed by such persons as the Directors shall from time to time by writing under the Common Seal appoint. | Management abroad |

PROCEEDINGS OF THE BOARD

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| 125. | (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. | When meeting to be convened |
| | (ii) The Chairperson or any one Director with the previous consent of the Chairperson or the Company Secretary on the direction of the Chairperson shall, at any time summon a meeting of the Board. | Who may summon Board meeting |
| | (iii) The quorum for a Board meeting shall be as provided in the Act. If a quorum shall not be present within fifteen minutes from the time appointed for holding a meeting of the Directors, it shall be adjourned until such date and time as the Directors present shall appoint. | Quorum for Board Meetings |
| | (iv) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law. | Participation at Board meetings |
| | (v) A meeting of Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion by or under the Articles of the Company and the Act for the time being vested in or exercisable by the Directors generally. | Act of meeting |

126.	(i) The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.	Who to preside at meetings of the Board
	(ii) 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 directors present may choose one of their numbers to be Chairperson of the meeting.	Directors to elect a Chairperson
	(iii) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.	Questions at Board meeting how decided
	(iv) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.	Casting vote of Chairperson
127.	(i) The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.	Delegation of Powers
	(ii) Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.	Committee to conform to Board regulations
	(iii) The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.	Participation at Committee meetings
128.	(i) A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.	Chairperson of Committee
	(ii) 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.	Who to preside at meetings of Committee
129.	(i) A Committee may meet and adjourn as it thinks fit.	Committee to meet
	(ii) Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.	Questions at Committee meeting
	(iii) In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.	Casting vote of Chairperson
130.	All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a director, shall, notwithstanding that it may be	Acts of Board or Committee valid

	afterwards 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 that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.	notwithstanding defect of appointment
131.	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 meeting but subject nevertheless to 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.	Passing of resolution by circulation
132.	<p>(i) 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.</p> <p>(ii) 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 minute 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.</p>	Minutes
CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER		
133.	Subject to the provisions of the Act,—	
	(a) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board on such terms, 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 resolution of the Board.	Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer
	(b) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer subject to the provisions of the Act.	Director may be chief executive officer, etc.
	(c) Any provision of the Act or these Articles requiring or authorizing a thing to be done by a Director, Manager, Secretary or Chief Financial Officer shall not be satisfied by its being done by the same person	Act of Director, Manager or Secretary

acting both as director and as, or in place of the Manager, Secretary or Chief Financial Officer.

MANAGING / WHOLE TIME DIRECTOR

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| 134. | Subject to the provisions of Sections 196 and 203 of the Act, the Board may, from time to time appoint one or more Directors to be Managing Directors or Whole Time Directors of the Company and may, from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appointing other or others in his place or their places. | Power to appoint Managing Director or Whole Time Director |
| 135. | Subject to the provisions of Section 152 of the Act and Article 117 hereof a Managing Director or Whole Time Director, while he continues to hold that office, shall not be subject to retirement by rotation, and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire, but (subject to the provisions of any contract between him and the Company) he shall be subjected to the same provisions as to resignation and removal as the other Directors and he shall <i>ipso facto</i> and immediately, cease to be a Managing Director, if he ceases to hold the office of Director from any cause. | To what provisions he shall be subjected |
| 136. | Subject to the provisions of the Act 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 or Whole Time 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 powers, for such time and be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as it think fit, & the Board may confer such powers, either collaterally with or to the exclusion of, and in substitution for 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. | Powers of Managing Director or Whole Time Director |
| 137. | Subject to the provisions of Section 197 and 200 of the Act, a Managing or Whole-time Director may be paid remuneration either by way of monthly payment or at specified percentage of the net profits of the Company or partly by one way and partly by the other as may, from time to time, be determined by a resolution passed by the Company in General Meeting. | Remuneration of Managing Director or Whole Time Director |
| 138. | 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 open to inspection by any member of the Company without payment of fee. | Copies of contract to be kept at Registered office |

THE SEAL

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| 139. | (i) The Board shall provide for the safe custody of the seal. | Custody of Seal |
| | (ii) The seal of the Company shall never be used except by the authority of the Directors or a committee of Directors previously given and one Director at least shall sign every instrument to which the seal is affixed. 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 the authority of the Director to issue the same. | Affixation of Seal |

REGISTERS

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| 140. | 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 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. | Statutory registers |
| 141. | (i) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register. The Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit in respect of keeping of any such register.

(ii) The foreign register shall be open for inspection and may be closed, and extracts may be taken there from and copies thereof may be required, in the same manner, <i>mutatis mutandis</i> , as is applicable to the register of members. | Foreign Register |

DIVIDENDS

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| 142. | Subject to rights of members entitled to shares (if any) with preferential or special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall | How profits shall be divisible |
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	rank for dividend as from a particular date such share shall rank for dividend accordingly.	
143.	The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.	Declaration of dividends
144.	No larger dividend shall be declared than is recommended by the Board but the Company in General Meeting may declare a smaller dividend.	Restriction on amount of dividends
145.	No dividend shall be payable except out of the profits of the Company of the year or any other undistributed profits and declaration of the Board as to the amount of the net profits of the Company for any year shall be conclusive. No dividend shall carry interest as against the Company.	Dividend out of profits only
146.	The declaration of the Board as to the amount of the net profits of the Company for any year shall be conclusive.	What to be deemed net profits
147.	Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.	Interim dividends
148.	(i) The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.	Debts may be Deducted
	(ii) The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member or which any person under the Article is entitled to transfer, until such person shall become a member in respect of such shares shall transfer the same.	Retention of dividends
	(iii) The Board may retain any dividends payable on which the company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists subject to the provisions of the Act.	
149.	Any General Meeting declaring a dividend may make a call on the members of such amount as the meeting fixes but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the company and the member, be set off against the call.	Dividend and call together
150.	Any one of the several persons who are registered as joint-holders of any share may give effectual receipts for all dividends, bonuses and other payments on account of dividends in respect of such shares.	Dividend to joint holders
151.	(i) Any dividend, interest or other monies 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	Dividend how remitted

	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, or to such person and to such address as the holder or joint holders may in writing direct.	
(ii)	Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.	Instrument of payment
(iii)	Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.	When payment a good discharge
152.	No dividend shall bear interest against the Company.	Interest on Dividends
153.	The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.	Waiver of dividends
154.	The Company shall comply with the provisions of Section 124 of the Act, in respect of unpaid or unclaimed dividend.	Unpaid or unclaimed dividend

BOOKS & DOCUMENTS

155.	(i) The Company shall maintain the Books of Account and other relevant books, papers and financial statement for every financial year which give a true and fair view of the state of the affairs of the Company and shall be kept at the registered office or at such other place as the Board think fit.	Where to be kept
	(ii) If the Company shall have a branch office, whether in or outside India, proper books of account relating to the transactions effected at that office shall be kept at that office, and proper summarized returns periodically shall be sent by the Branch Office of the Company at its Registered Office or other place in India, as the Board thinks fit, where the main books of the Company are kept.	
	(iii) The books of account and other relevant books and papers shall be maintained in physical or electronic mode and shall remain accessible in India, so as to be usable for subsequent reference. There shall be a proper system for storage.	Manner of keeping books of accounts
	(iv) The Books of Account of the Company relating to a period of not less than eight years immediately preceding the current year together with	Preservation

	vouchers relevant to any entry in such books of accounts shall be preserved in good order.	
156.	Subject to the provisions of 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
157.	The Board shall, from time to time determine, whether and to what extent and at what times and places and under what conditions or regulations, the books of accounts and books or documents or papers etc. of the Company or any of them shall be open for inspections to members not being Directors, and no member (not being a director) shall have any right of inspecting any book of account or documents of the Company except as conferred by law or authorized by the Board or by the Company in General Meeting.	Inspection by members
158.	The Company shall make the requisite Annual Returns in accordance with the provisions of Section 92 of the Act, and shall file with the Registrar copy of Financial Statement in accordance with Section 137 of the Act.	Annual Return

AUDIT

159.	(i) 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
	(ii) Where the Company has a Branch Office the provisions of Section 143(8) of the Act shall apply.	Audit of Accounts of Branch
160.	(i) In compliance with the Section 139 of the Act, the Company shall appoint an individual or a firm as an Auditor.	Appointment of Auditors
	(ii) The appointment, remuneration, rights and duties of auditors of the Company shall be regulated by the provisions of Section 139 to 148 of the Act and the Rules.	Application of Sections 139 to 148 of the Act
161.	All notices 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
162.	The Auditor's Report shall be read before the Company in Annual General Meeting and shall be open to inspection by any member of the Company.	Auditors Report to be read

NOTICES

163.	The Company shall comply with the provisions of Section 20, 101 and 115 of the Act as to serving of notices. The signature to any notice to be given	How notices served on members
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by the Company may be written or printed.

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| 164. | Every person who, by operation of law, or by transfer or by other means whatsoever, shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered on the register, shall be duly given to the person from whom he derives his title to such share. | Transferees etc.
bound by prior
notices |
| 165. | Any notice or document delivered or sent by post to or left at the registered address of any member or by means of such electronic or other mode as may be prescribed, shall notwithstanding such member be then deceased and whether or not the Company has notice of his demise, be deemed to have been duly served in respect of any registered shares, whether held solely or jointly with other persons by such member, until some other person be registered in his instead as the holder or joint holders thereof and such service shall for all purposes of these presents, be deemed a sufficient service of such notice or document on his or her heirs, executors or administrators, and all persons, if any, jointly interested with him or her in any such shares. | Notice valid though
member deceased |

RECONSTRUCTION

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| 166. | 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, not other than the 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 Liquidators (in a winding-up) may distribute such shares or securities or any other property of the Company amongst the members without realization or vest the same in 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 |
| 167. | 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. | Compromises,
arrangements and
amalgamation |

SECREC Y

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| 168. | 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. | Secrecy |
| 169. | 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 158 to require discovery of or any information respecting any detail of the trading 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 and which in the opinion of the Board it will be inexpedient in the interest of the members of the Company to communicate. | No shareholder to enter the premises of the Company without permission. |
| 170. | If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the shares held by them respectively. And if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up is paid up, or which ought to paid up on the shares held by them respectively. But the Article is to be without prejudice to the right of the holders of shares issued upon special terms and conditions. | Distribution of assets |

WINDING UP

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| *170A. | Notwithstanding anything contained in the Articles of Association of the Company, the holders of 5.5% Non-Convertible Non-Cumulative Redeemable Preference Shares (NCNCRPS) shall carry a preferential right vis-à-vis Equity Shares of the Company with respect to payment of dividend or repayment of capital; shall be non-participating in the surplus funds, assets and profits which may remain after the entire capital has been repaid on winding-up of the Company; shall be paid dividend on a non-cumulative basis; shall carry voting rights as per the provisions of Section 47(2) of the Act; and shall be redeemable at par within a period not exceeding 20 years from the date of their issue or an earlier date only at the discretion of the company. | 5.5% Non-Convertible
Non-Cumulative
Redeemable
Preference Shares
(NCNCRPS) |
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*Note: Substituted as per Special Resolution (Item-9) passed in the Annual General Meeting held on 30th September, 2019.

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| 171. | Subject to the applicable provisions of the Act and the Rules made thereunder- | Winding up of
Company |
| | <ul style="list-style-type: none"> (a) If the Company shall be wound up whether voluntarily or otherwise, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not. (b) 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. (c) 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

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| 172. | <ul style="list-style-type: none"> (i) Subject to the provisions of the Act, every Director, Managing Director, Manager, Company Secretary or Officer of the Company or 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 judgment is given in his favor, 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. | Director's & Officer's
Right of Indemnity |
| | <ul style="list-style-type: none"> (ii) 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

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| 173. | 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 authorized by the Articles, then and in that case this Article authorizes 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 |
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S.No.	Names, Addresses, Occupation and Description of Subscriber	Signature of Subscribers	Signature of Witness with address, description and Occupation
1	KAMAL OSWAL, S/o Sh. Jawahar Lal Oswal. 514, College Road, Civil Lines, Ludhiana. Industrialist	Sd/-	<p>I witness the signatures of all the subscribers who have signed in my presence</p> <p>Sd/- (Om Parkash Arora) S/o Sh. Lahori Ram Arora, 12/11, Shakti Nagar, Delhi – 110 007 (Service)</p>
2	DINESH GOGNA, S/o Sh. Jagdish Prasad Gogna. 160-I-A, Block XIX, Civil Lines, Ludhiana. Service	Sd/-	
3	KAILASH CHANDER JAIN, S/o Late Sh. Suraj Bhan Jain. 372/4, Maya Nagar, Ludhiana– 141 001. Service	Sd/-	
4	NAVDEEP CHANDER SHARMA, S/o Sh. Sham Lal Sharma. 192, Hargobind Nagar, Ludhiana. Service	Sd/-	
5	RAMAKRISHNA RAVINDRAN, S/o Late Sh. K.R. Iyer. H-66, Nanak Pura, Moti Bagh-II, New Delhi-110021. Service	Sd/-	
6	SUDHIR KOHLI, S/o Sh. I.S. Kohli. 11/10, Rly. Colony, Sarojini Nagar, New Delhi. Service	Sd/-	
7	NARESH BATRA, S/o Sh. Amir Chand Batra. B-120, Fateh Nagar, New Delhi– 110 018. Service	Sd/-	

New Delhi Dated this 14th day of September 1983

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IN THE HIGH COURT FOR THE STATES OF PUNJAB AND HARYANA AT CHANDIGARH
COMPANY PETITION NO. 143 OF 1997
THE MATTER OF AN APPLICATION UNDER SECTIONS 391 AND 394 OF THE
COMPANIES ACT, 1956.

PETITION OF

1. NAHAR FABRICS LIMITED REGISTERED OFFICE : VILLAGE JALALPUR, CHANDIGARH-AMBALA ROAD, LALRU, DISTRICT PATIALA IN THE STATE OF PUNJAB

THROUGH SH. B.B.GUPTA, DIRECTOR PETITIONER(S)

2. NAHAR INDUSTRIAL ENTERPRISES LIMITED REGISTERED OFFICE : VILLAGE JALALPUR, CHANDIGARH-AMBALA ROAD, LALRU, DISTRICT PATIALA, IN THE STATE OF PUNJAB

THROUGH SH. KAMAL OSWAL, DIRECTOR PETITIONER(S)

PETITION under sections 391 and 394 of the Companies Act, 1956 for sanction of the Scheme of Amalgamation of Nahar Fabrics Limited with Nahar Industrial Enterprises Limited having its Registered Office at Village Jalalpur, Chandigarh-Ambala Road, Lalru, District Patiala in the state of Punjab, praying that:-

- i) That a notice of hearing of the petition may be ordered to be advertised in The Indian Express (English) and Ajit (Punjabi) as required by Rule 80 of the Companies Court Rules, 1959 and the Punjab Gazette.
- ii) That a notice ordered to be issued to the Central Government through the Regional Director (Northern Region) Department of Companies Affairs, Ministry of Finance, Kanpur as required by Section 394-A of the Companies Act, 1956 and also to the official liquidators attached to this Hon'ble Court.
- iii) That a scheme of amalgamation Annexure P-6 to this petition may be sanctioned by this Hon'ble Court as to be binding with effect from 1st October, 1997 to both the Companies and their shareholders and all concerned.
- iv) That all the properties, rights and powers of the Nahar Fabrics Limited including the entire undertaking of the Nahar Fabrics Limited with all its assets and liabilities, furniture, fixtures, office equipment, vehicles, capital work in progress togetherwith all permits, quotas, tenancy and lease rights, industrial and other licenses, offices, deposits, trade marks, privileges and benefits of all contracts, agreements, inventory and sundry debtors, cash and bank balances, loans and advances and other current assets, investments, and work in progress, including all liabilities towards sundry creditors, acceptance, advances, security deposits, interest accrued but not due, advances from customers and other liabilities and all permanent employees in pursuant to section 394(2) of the Act, without any further act or deed, transferred to and vested in or be deemed to have been transferred to and vested in the Nahar Industrial Enterprises Limited for all rights, titles and interest of the Nahar Industrial Enterprises Limited therein, absolutely but subject to all existing charges thereon. A short description of free hold/lease hold property and other properties of the Nahar Fabrics Limited, so vested, will be filed when ordered.
- v) That all proceedings and/or suits and/or appeals now pending by or against the Nahar Fabrics Limited, regarding their dealings shall be continued by or against Nahar Industrial Enterprises Limited ;
- vi) That the petitioner shall within 30 days after the date of obtaining the certified copy of this order cause a certified copy thereof to be delivered to the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh at Jalandhar for registration.
- vii) That any person interested shall be at liberty to apply to this Hon'ble Court in the above matter for such directions as may be necessary;
- viii) That such further or other orders be made/or directions be given as this Hon'ble Court may deem fit and proper.

IN THE HIGH COURT FOR THE STATES OF PUNJAB AND HARYANA AT CHANDIGARH
COMPANY PETITION NO. 199 OF 1997
connected with
COMPANY PETITION NO. 143 OF 1997
IN THE MATTER OF AN APPLICATION UNDER SECTIONS 391 AND 394 OF THE
COMPANIES ACT, 1956.

PETITION OF

1. NAHAR FABRICS LIMITED REGISTERED OFFICE : VILLAGE JALALPUR, CHANDIGARH AMBALA ROAD, LALRU, DISTRICT PATIALA IN THE STATE OF PUNJAB
2. NAHAR INDUSTRIAL ENTERPRISES LIMITED REGISTERED OFFICE : VILLAGE JALALPUR CHANDIGARH-AMBALAROAD, LALRU, DISTRICT PATIALA, IN THE STATE OF PUNJAB

THROUGH SH. KAMAL OSWAL, DIRECTOR PETITIONER

PETITION FOR SANCTION OF THE SCHEME OF AMALGAMATION OF NAHAR FABRICS LIMITED WITH NAHAR INDUSTRIAL ENTERPRISES LIMITED PRAYING THAT:-

- i) That a notice ordered to be issued to the Central Government through the Regional Director (Northern Region) Department of Company Affairs, Ministry of Finance, Kanpur as required by Section 394-A of the Companies Act, 1956 and also to the officials liquidators attached to this Hon'ble Court.
- ii) That a scheme of amalgamation to this petition may be sanctioned by this Hon'ble Court as to be binding with effect from 1st October, 1997 to both the Companies and their Equity shareholders and creditors (Secured and unsecured).
- iii) That all the properties, rights and powers of the Nahar Fabrics Limited including the entire undertaking of the Nahar Fabrics Limited with all its assets and liabilities, furniture, fixtures, office equipment, vehicles, capital work in progress togetherwith all permits, quotas, tenancy and lease rights, industrial and other licenses, offices, deposits, trade marks, privileges and benefits of all contracts, agreements, inventory and sundry debtors, cash and bank balances, loans and advances and bank balances, loans and advances and other current assets, investments, and work in progress, including all liabilities towards sundry creditors, acceptance, advances, security deposits, interest accrued but not due, advances from customers and other liabilities and all permanent employees in pursuant to section 394(2) of the Act, without any further act or deed, transferred to and vested in or be deemed to have been transferred to and vested in the Nahar Industrial Enterprises Limited for all rights, titles and interest of the Nahar Industrial Enterprises Limited therein, absolutely but subject to all existing charges thereon. A short description of free hold/lease hold property and other properties of the Nahar Fabrics Limited, so vested, will be filed when ordered.
- iv) That all proceedings and/or suits and/or appeals now pending by or against the Nahar Fabrics Limited, regarding their dealings shall be continued by or against Nahar Industrial Enterprises Limited ;
- v) That the petitioner shall within 30 days after the date of obtaining the certified copy of this order cause a certified copy thereof to be delivered to the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh at Jalandhar for Registration.
- vi) That any person interested shall be at liberty to apply to this Hon'ble Court in the above matter for such directions as may be necessary;

vii) That such further or other orders be made and/or directions be given as this Hon'ble Court may deem fit and proper.

BEFORE HON'BLE MR. JUSTICE V.K.BALI
DATED 18TH DAY OF DECEMBER, 1997

C.P. No. 143 of 1997 coming on for hearing on 11.9.1997 before Hon'ble Mr. Justice N.K. Sodhi, upon reading the said petition the order dated 11.9.1997 whereby Nahar Fabrics Limited, having its registered office at Village Jalalpur, Chandigarh-Ambala Road, Lalru, District Patiala (herein after to be referred to as the transferor co.) was ordered to convene a meeting of shareholders on 8.11.1997 at 11 A.M. for the purpose of considering and if thought fit approving with or without modification the scheme of amalgamation proposed to be made between the two companies. It has been further directed that the meeting of the creditors (secured and unsecured) of the transferor company shall be convened and held on 8.11.1997 at 12.30 p.m. at the registered office of the company for the aforesaid purpose. It is also directed that the meeting of the shareholders of Nahar Industrial Enterprises Limited with its registered office village Jalalpur, Chandigarh-Ambala Road, Lalru, Dist. Patiala in the state of Punjab (herein after to be called as transferee company) shall be convened and held at its registered office on 8.11.1997 at 2 P.M. for the afore stated purpose. Further more that a meeting of the creditors (secured and unsecured) of the transferee company shall be convened and held at its registered office, on 8.11.1997 at 3.30 p.m. for the aforesaid purpose; and annexed to the affidavit of Sh. B.B. Gupta s/o Sh. N.C. Gupta R/o 547-L, Model Town, Ludhiana, Director of the transferor company dated 27.8.1997, the Gazette dated 10.10.1997 of the State of Punjab, The Tribune (English) dated 30.09.1997, Daily Ajit (Punjabi) dated 1.10.1997 each containing advertisement of the said notice convening of the said meetings directed to be held vide orders dated 11.9.1997. The affidavit of Sh. Atul Gandhi, Chartered Accountant, R/o House No. 62, Sector 2, Chandigarh, dated 27.10.1997 and attested on 28.10.1997 showing the publication and dispatch of the notices convening the said meetings, the reports of the Chairman dated 11.11.1997 as to the result of the meetings and upon hearing Sh. B.S. Gupta, Senior Advocate with Mr. Sanjay Bansal, Advocate for petitioner No. 1 and Sh. S.K. Hiraji, Advocate for petitioner No.2 and upon going through the entire material placed on the file and it appearing from the report that the scheme of amalgamation has been approved unanimously.

This court doth hereby sanction the scheme of amalgamation set forth in annexure 'P6' alongwith the record of Company Petition No. 143 of 1997 herein and in the schedule hereto and doth hereby declare the same to be binding on the members, creditors (secured and unsecured) of the transferor as well as of the transferee company. This court doth further order that the parties to the scheme of amalgamation/arrangement or other persons interested shall be at liberty to apply to this court for any directions that may be necessary in regard to the working of scheme of amalgamation/arrangement.

That the transferee company do file with the Registrar of Companies a Certified copy of this order within fourteen days from this date.

SCHEDULE

Scheme of amalgamation/arrangement as sanctioned by the court dated this 18th day of December, 1997.

(BY THE COURT)

Sd/-
Court Secretary, Liquidation
for Registrar (Judicial)

SCHEDULE

**SCHEME OF ARRANGEMENT
BETWEEN
NAHAR FABRICS LIMITED AND ITS MEMBERS
AND
NAHAR INDUSTRIAL ENTERPRISES LIMITED AND ITS MEMBERS
FOR
AMALGAMATION OF
NAHAR FABRICS LIMITED
WITH
NAHAR INDUSTRIAL ENTERPRISES LIMITED**

A. DEFINITIONS

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

1. "The Transferor Company" or "Amalgamating Company" means NAHAR FABRICS LTD. (NFL), a Company incorporated under the Indian Companies Act, 1956 and having its registered office at Village Jalalpur, Chandigarh-Ambala Road, Lalru, Distt. Patiala (Punjab) -140506.
2. "The Transferee Company" or "Amalgamated Company" means Nahar Industrial Enterprises Ltd. (NIEL) incorporated under the Indian Companies Act, 1956 and having its registered office at Village Jalalpur, Chandigarh-Ambala Road, Lalru, Distt. Patiala, (Punjab) - 140506.
3. "The said Act" means the Companies Act, 1956.
4. "The Transfer Date" means the commencement of business on the 1st day of OCTOBER, 1997.
5. "The Effective Date" means the day on which the last of the sanctions / permissions / approvals specified in the scheme shall have been obtained.

B. SHARE CAPITAL

1. The Authorised Share Capital of the Transferor Company is Rs. 50,00,00,000/- (Rupees Fifty Crores Only) divided into 5,00,00,000 Equity Shares of Rs.10/- each. The issued, subscribed and paid-up Share capital is Rs. 4,27,92,000/- comprising of 42,79,200 Equity Shares of Rs. 10/- each.
2. The Authorised share capital of the Transferee Company is Rs. 20,00,00,000/- (Rs. Twenty Crores only) divided into 2,00,00,000 Equity Shares of Rs. 10/- each. The Issued, subscribed and paid-up Share capital is Rs. 15,82,89,600 divided into 1,58,28,960 Equity Shares of Rs. 10/- each.

C. TRANSFER OF UNDERTAKING

1. The undertaking and business of the Transferor Company shall with effect from the transfer date and without further act or deed stand transferred to the transferee Company pursuant to Sections 391 (2) and

394(2) of the Act and vest in the Transferee Company with all the estate and interest of the Transferor Company as a going concern but subject nevertheless to all charges, if any, affecting the same or any part thereof and on the Transfer Date, the Transferor Company shall be amalgamated with the Transferee company.

2. a). For the purpose of the Scheme the undertaking and business of transferor Company shall include.

- i) All the assets of the Transferor Company immediately before the amalgamation, and
- ii) All the liabilities of the Transferor Company immediately before the amalgamation.

b) Without prejudice to the generality of the foregoing sub-clause (a), the said undertaking and business shall include:

I. All the properties, rights and claims whatsoever of the Transferor Company and their entire undertakings, authorities, privileges, industrial and their licence and rights in respect of properties movable and immovable, leases, tenancy rights and other assets of whatsoever nature including patent rights, Trade Marks and other industrial property rights, registrations, approvals, clearances, fittings and fixtures, telephones, telex and fax connections, cash balances, reserves, security deposits, refunds, outstanding balances, stocks, investments, licences, contracts, agreements and other rights and interests of all description in or arising out of such properties as may belong to or be in possession of the Transferor Company and all books of accounts and documents and records relating thereto, but subject to all charges affecting the same.

Provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Company which shall vest in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged to create any further or additional security therefore after the amalgamation has become effective or otherwise.

II. All the liabilities, debts, obligations and duties of the Transferor Company shall also stand transferred to the Transferee Company with effect from the Transfer Date without further act or deed pursuant to Section 394(2) of the Act so as to become the liabilities, debts, obligations and duties of the Transferee Company.

3. The investment allowance Reserve, General Reserve and the balance in the Profit and Loss Account in the Balance sheet of the Transferor Company shall become the investment allowance Reserve, General Reserve and balance in the Profit and Loss Account of the Transferee Company.

D. LEGAL PROCEEDINGS

Upon the Scheme becoming effective, if any suit, appeal or other proceedings of whatsoever nature by or against the Transferor Company be pending, the same shall be continued, prosecuted and enforced by or against the Transferee Company. Any proceedings that may be taken after the transfer date for any other matter or cause of action concerning the Transferor Company before the effective date shall also be taken by or against the Transferee Company.

E. TRANSFEROR COMPANY'S STAFF, WORKMEN AND EMPLOYEES

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

1. Their services shall have been continuous and shall not have been interrupted by reason of the transfer of the Undertaking ;

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

F. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY TILL EFFECTIVE DATE

With effect from the Transfer Date and upto the Effective Date, the Transferor Company:-

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

G. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

The transfer and vesting of the properties and liabilities and the continuance of the proceedings mentioned above shall not effect transactions or proceedings already concluded by the transferor Company on or after the Transfer Date to the end and intent that the Transferee company accepts on behalf of itself all acts, deeds, bonds, agreements and other instruments of whatsoever nature done and executed by the Transferor Company.

Subject to the other provisions contained in this Scheme, all contracts, deeds, agreements and other instruments of whatsoever nature subsisting or having effect immediately before amalgamation to which the Transferor Company is a party, shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectively as if, instead of the Transferor Company, the Transferee Company had been a party thereto.

H. ISSUE OF SHARES BY THE TRANSFEE COMPANY.

1. Upon the Scheme being sanctioned by the Hon'ble High Court of Punjab and Haryana and the transfers having been effected as provided herein above each of the shareholders of the Transferor Company shall be allotted Nine Equity Shares of Rs.10/- each credited as fully paid up of the Transferee Company in respect of every ten Equity Shares of Rs. 10/- each fully paid up of the Transferor Company, whose names are recorded in the Register of members, on a date (Record Date) to be fixed by the Board of Directors of the Transferee Company.

2. All the holders of equity shares in the Transferor Company will within six months of this Scheme becoming effective, surrender their share certificates for cancellation thereof and shall take all necessary steps to obtain from the Transferee Company fresh share Certificate to which they will be entitled to pursuant to this Scheme.
3. No fractional coupons shall be issued by the Transferee Company in respect of the fractional entitlements, if any, to which the shareholders of the Transferor Company may be entitled on issue and allotment of the Equity Shares of the Transferee Company as aforesaid. The directors of the Transferee Company shall instead consolidate all such fractional entitlements to which the members of the Transferor Company may be entitled on issue and allotment of the Equity Shares of the Transferee Company as aforesaid and thereupon issue and allot Equity Shares in lieu thereof to a Director or an Officer of the Transferee Company on the express understanding that such Director or Officer to whom such Equity Shares be allotted shall sell the same in the market at the best available price and pay to the Transferee Company, the net sale proceeds to the members of the Transferor company in proportion to their fractional entitlements.
4. The 10,20,000 Equity Shares of Rs. 10/- each fully paid-up of the Transferor Company held by the Transferee Company, upon the Scheme of Amalgamation becoming effective shall stand cancelled and the issue and allotment of equity shares of the Transferee Company in respect of the aforesaid shares shall not arise.
5. The shares to be issued and allotted under Paragraph H(1) above by the Transferee Company to the members of Transferor Company shall rank pari-passu in all respect with the existing shares held by the members of the Transferee Company.
6. For the purpose as aforesaid, the Transferee company shall, if and to the extent required, apply for and obtain the requisite consent or approval of the appropriate authorities concerned for the issue and allotment by the Transferee Company to the respective members of the Transferor Company, of the Equity Shares in the said reorganized Share Capital of the Transferee Company in the ratio aforesaid.
7. The Transferee Company shall before allotment of Equity Shares in terms of the Scheme, if required, increase its Authorised Share Capital by the creation of at least such number of Equity Shares of Rs.10/- each as may be necessary to satisfy its obligations under the provisions of the Scheme.

I. MODIFICATIONS/ AMENDMENTS TO THE SCHEME

The Scheme is subject to such modifications as the High Court of Punjab and Haryana may impose or the Transferor Company or Transferee Company may prefer and the High Court may approve and the Board of Directors of the Transferor Company and the Transferee Company may consent on behalf of all concerned to any modification or additions to the Scheme and to agree to any condition which the High Court of Punjab and Haryana, may think fit to impose. In the Construction herein, the word "SCHEME" shall also mean the Scheme as so modified.

J. RIGHTS OF CREDITORS.

This Scheme shall not in any manner affect the rights of any of the Creditors of the transferor company, and in particular the secured creditors shall continue to enjoy and hold charge upon their respective securities.

K. SCHEME CONDITIONAL ON APPROVALS/SANCTIONS

The Scheme is conditional on and subject to:

1. The sanction or approval of the appropriate authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.
2. The approval to the Scheme by the requisite majorities of the members of the Transferor Company and of the members of the Transferee Company.

3. The requisite resolution(s) under the applicable provisions of the said Act being passed by the shareholders of the Transferee Company for any of the matters provided for or relating to the scheme as may be necessary or desirable.
4. The sanction of the High Court of Judicature at Punjab & Haryana under Sections 391 & 394 of the said Act, in favour of the Transferor Company and in favour of the Transferee Company and to the necessary Order or Orders under Section 394 of the said Act, being obtained.
5. The approval to the issue and allotment of Equity Shares in the Transferee Company to the members of the Transferor Company.

L. OPERATIVE DATE OF THE SCHEME

This Scheme although operative from the Transfer date shall take effect finally and from the date on which any of the aforesaid sanctions or approvals or orders shall be last obtained which shall be the Effective Date for the purpose of this Scheme.

M. EXPENSES CONNECTED WITH THE SCHEME

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

N. APPLICATIONS TO HIGH COURT

The Transferor Company and/or any other person interested including the Transferee Company shall be at liberty to apply to the High Court from time to time for necessary directions in matters relating to the Scheme or any terms thereof. Upon this Scheme becoming effective as aforesaid the Transferor Company shall stand dissolved without winding up as and from the Effective Date or such date as the High Court may direct.

O. EFFECT OF NON RECEIPT OF APPROVALS/SANCTIONS

In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the High Court and/ or Order or Orders not being passed as aforesaid on or before the 31.12.98 or within such period or periods as may be agreed upon between the Transferor Company and the Transferee Company through their respective Board of Directors, the Scheme shall become null and void and each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme of Amalgamation.

IN THE HIGH COURT FOR THE STATES OF PUNJAB AND HARYANA AT CHANDIGARH
COMPANY PETITION NO. 143 OF 1997
THE MATTER OF AN APPLICATION UNDER SECTIONS 391 AND 394 OF THE
COMPANIES ACT, 1956.

PETITION OF

1. NAHAR FABRICS LTD. REGISTERED OFFICE : VILLAGE JALALPUR, CHANDIGARH-AMBALA ROAD, LALRU, DISTRICT PATIALA, IN THE STATE OF PUNJAB
THROUGH SH. B.B. GUPTA, DIRECTOR.....PETITIONER(S)
2. NAHAR INDUSTRIAL ENTERPRISES LTD. REGISTERED OFFICE : VILLAGE JALALPUR, CHANDIGARH-AMBALA ROAD, LALRU, DISTRICT PATIALA, IN THE STATE OF PUNJAB
THROUGH SH. KAMAL OSWAL, DIRECTOR.....PETITIONER(S)

PETITION under sections 391 and 394 of the Companies Act, 1956 for sanction of the Scheme of Amalgamation of Nahar Fabrics Limited with Nahar Industrial Enterprises Limited having its Registered Office at village Jalalpur, Chandigarh-Ambala Road, Lalru, District Patiala in the state of Punjab, praying that :-

- I. That a notice of hearing of the petition may be ordered to be advertised in the Indian Express (English) and Ajit (Punjabi) as required by Rule 80 of the Companies Court Rules, 1959 and the Punjab Gazette.
- II. That a notice ordered to be issued to the Central Government through the Regional Director (Northern Region) Department of Companies Affairs, Ministry of Finance, Kanpur as required by Section 394-A of the Companies Act, 1956 and also to the official liquidators attached to this Hon'ble Court.
- III. That a scheme of amalgamation (Annexure P-6 to this petition) may be sanctioned by this Hon'ble Court as to be binding with effect from 1st of October, 1997 to both the companies and their shareholders and all concerned.
- IV. That all the properties, rights and powers of the Nahar Fabrics Limited including the entire undertaking of the Nahar Fabrics Limited with all its assets and liabilities, furniture, fixtures, office equipment, vehicles, capital work in progress togetherwith all permits, quotas, tenancy and lease rights, industrial and other licences, offices, deposits, trade marks, privileges and benefits of all contracts, agreements, inventory and sundry debtors, cash and bank balances, loans and advances and other current assets, investments, and work in progress, including all liabilities towards sundry creditors, acceptance, advances, security deposits, interest accrued but not due, advances from customers and other liabilities and all permanent employees in pursuant to section 394 (2) of the Act, without any further act or deed, transferred to and vested in or be deemed to have been transferred to and vested in the Nahar Industrial Enterprises Limited for all rights, titles and interest of the Nahar Industrial Enterprises Limited therein, absolutely but subject to all existing charges thereon. A short description of free hold/lease hold property and other properties of the Nahar Fabrics Limited, so vested, will be filed when ordered.
- V. That all proceedings and/or suits and/or appeals now pending by or against the Nahar Fabrics Ltd., regarding their dealings shall be continued by or against Nahar Industrial Enterprises Limited.
- VI. That the petitioner shall within 30 days after the date of obtaining the certified copy of this order cause a certified copy thereof to be delivered to the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh at Jalandhar for Registration.
- VII. That any person interested shall be at liberty to apply to this Hon'ble court in the above matter for such directions as may be necessary;
- VIII. That such further or other orders be made and/or directions be given as this Hon'ble Court may deem fit and proper.

IN THE HIGH COURT FOR THE STATES OF PUNJAB AND HARYANA AT CHANDIGARH
COMPANY PETITION NO. 199 OF 1997
connected with
COMPANY PETITION NO. 143 OF 1997
IN THE MATTER OF AN APPLICATION UNDER SECTIONS 391 AND 394 OF THE
COMPANIES ACT, 1956.

PETITION OF

1. NAHAR FABRICS LTD. REGISTERED OFFICE : VILLAGE JALALPUR, CHANDIGARH-AMBALA ROAD, LALRU, DISTRICT PATIALA, IN THE STATE OF PUNJAB
2. NAHAR INDUSTRIAL ENTERPRISES LTD. REGISTERED OFFICE : VILLAGE JALALPUR, CHANDIGARH-AMBALA ROAD, LALRU, DISTRICT PATIALA, IN THE STATE OF PUNJAB

THROUGH SH. KAMAL OSWAL, DIRECTOR.....PETITIONER

PETITION for sanction of the scheme of Amalgamation of Nahar Fabrics Limited with Nahar Industrial Enterprises Limited praying that:-

- I. That a notice ordered to be issued to the Central Government through the Regional Director (Northern Region) Department of Company Affairs, Ministry of Finance, Kanpur as required by Section 394-A of the Companies Act, 1956 and also to the official liquidators attached to this Hon'ble Court.
- II. That a scheme of amalgamation to this petition may be sanctioned by this Hon'ble Court as to be binding with effect from 1st of October, 1997 to both the companies and their equity shareholders and creditors (secured and unsecured).
- III. That all the properties, rights and powers of the Nahar Fabrics Limited including the entire undertaking of the Nahar Fabrics Limited with all its assets and liabilities, furniture, fixtures, office equipment, vehicles, capital work in progress together with all permits, quotas, tenancy and lease rights, industrial and other licences, offices, deposits, trade marks, privileges and benefits of all contracts, agreements, inventory and sundry debtors, cash and bank balances, loans and advances and bank balances, loans and advances and other current assets, investments, and work in progress, including all liabilities towards sundry creditors, acceptance, advances, security deposits, interest accrued but not due, advances from customers and other liabilities and all permanent employees in pursuant to section 394 (2) of the Act, without any further act or deed, transferred to and vested in or be deemed to have been transferred to and vested in the Nahar Industrial Enterprises Limited for all rights, titles and interest of the Nahar Industrial Enterprises Limited therein, absolutely but subject to all existing charges thereon. A short description of free hold/lease hold property and other properties of the Nahar Fabrics Limited, so vested, will be filed when ordered.
- IV. That all proceedings and/or suits and/or appeals now pending by or against the Nahar Fabrics Ltd., regarding their dealings shall be continued by or against Nahar Industrial Enterprises Limited.
- V. That the petitioner shall within 30 days after the date of obtaining the certified copy of this order cause a certified copy thereof to be delivered to the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh at Jalandhar for registration.
- VI. That any person interested shall be at liberty to apply to this Hon'ble court in the above matter for such directions as may be necessary;

VII. That such further or other orders be made and/or directions be given as this Hon'ble Court may deem fit and proper.

BEFORE HON'BLE MR. JUSTICE V.K.BALI
DATED 18 TH DAY OF DECEMBER, 1997

This petition coming on for final hearing before Hon'ble Mr. Justice V.K. Bali in the presence of Mr. Sanjay Bansal, Advocate for petitioner No. 1 and Mr. S.K. Hiraji, Advocate for petitioner No. 2 upon reading the petition and upon reading the affidavit of Sh. B.B. Gupta s/o Sh. N.C. Gupta, R/O House No.547-L, Model Town, Ludhiana, Director of transferor company dated 17.11.1997 and an affidavit of Sh. Kamal Oswal, s/o Sh. Jawahar Lal Oswal, R/o House No. 514, College Road, Civil Lines, Ludhiana dated 17.11.1997 filed in support of the petition upon reading company Application No. 500 of 1997 duly granted by order dated 18.12.1997 passed by the Hon'ble Senior Company Judge, the Notice of petition has been published in 'The Tribune' (English) dated 24.11.1997, The Ajit, Jalandhar dated 24.11.1997 and the Punjab Government Gazette dated 28.11.1997 and also upon reading scheme of arrangement embodied in Annexure 'P8' alongwith the petition and also explanatory statement under section 393 of the Companies Act, 1956 and upon reading the affidavit of Sh. S.B. Mathur, Regional Director (Northern Region), Kanpur, Camp Office, New Delhi dated 9.12.1997 showing that the affairs of the company have not been conducted in a manner prejudicial to the interest of its members or public interest and also upon reading the report dated 15.12.1997 submitted by the official Liquidator attached to this Court, upon reading the affidavit of Sh. B.B. Gupta s/o Sh. N.C. Gupta dated 28.11.1997 and an affidavit of Sh. Dinesh Gogna s/o Sh. J.P. Gogna dated 28.11.1997, this Court doth order:-

- 1) That all the property and rights and powers of the transferor company specified in the first, second and third parts of the schedule hereto and all other property, rights and powers of the 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 of the transferor company therein but subject nevertheless to all charges now affecting the same.;
- 2) That all the liabilities and duties of the transferor company be transferred without further act or deed to the transferee company and accordingly the same shall pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of the transferee company; and
- 3) That all the proceedings now pending by or against the transferor company be continued by or against the transferee company; and
- 4) That the transferee company do without further application allot to such members of the transferor company as have not given such notice of dissent as required in the scheme of amalgamation/arrangement herein the shares in the transferee company to which they are entitled under the said scheme of amalgamation ; and
- 5) That the transferor company do within fourteen days after the date of this order 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 transferor company shall be dissolved as per the scheme of amalgamation/ arrangement and the Registrar of Companies shall place all documents relating to the transferor company and registered with him on the file kept by him in relating to the transferee company and files relating to the said two companies shall be consolidated accordingly; and
- 6) That any person interested shall be at liberty to apply to the Court in the matter for any directions that may be necessary.

SCHEDULE – I

Description of free hold property of the transferor company as delivered by the counsel of the transferor company is enclosed herewith.

PART - II

Description of the lease hold property of the transferor company as supplied by its counsel is also enclosed herewith.

Description of all stocks, shares and debentures and other charges in action of the transferor company as supplied by its counsel is also appended herewith.

Dated the 18th day of December, 1997
(BY THE COURT)

Sd/-
Court Secretary, Liquidation
for Registrar (Judicial)

SCHEDULE

PART - I

Details of the Freehold Property	Value as on 30.09.97(Rs.)
1. Land	
The Company has been allotted 29.47 acres of land at village Jalalpur in the Industrial Park at Lalru by Nahar Industrial Infrastructure Corpn. Ltd. but it is yet to be transferred and conveyance deed to be executed in favour of the Company.	
2. Site Development	6,04,299.80
3. Buildings	7,15,99,525.90
4. Plant & Machinery	21,86,51,943.13
5. Furniture & Fixtures	23,92,569.92
6. Vehicle	18,89,021.47
	<u>29,51,37,360.22</u>
<u>Capital Work in progress</u>	
E T P U/E	12,76,551.26
Cement	1,18,278.00
Looms U/E	69,61,547.46
	<u>83,56,376.72</u>

PART - II

Details of the Leasehold Property

Leasehold Property	NIL
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PART – III

**Details of all Stocks, Shares, Debentures and
other Charges**
Stock

1. Raw Material (Yarn)	160176.78 Kg.	1,81,80,320.05
2. Finished Goods (Fabrics)	1028945.37 Mts	4,84,14,531.69
3. Work in Progress (including waste)[Yarn and Fabrics]		1,11,47,446.65
4. Stores and Spares		70,39,870.66
		<u>8,47,82,169.05</u>
<u>Investments (Shares)</u>		75,000.00
<u>Sales Receivables</u>		9,15,91,289.17
<u>Loans & Advances</u>		7,30,01,545.13
<u>Security Deposit</u>		9,33,294.00
<u>Balances With Schedule Banks</u>		75,49,030.16
<u>Cash in hand</u>		1,50,732.96

**IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH
ORIGINAL JURISDICTION
COMPANY PETITION NO. 198 OF 2001
CONNECTED WITH
COMPANY PETITION NO. 138 OF 2001
COMPANY PETITION NO. 198 OF 2001
IN THE MATTER OF SECTION 391 AND 394 OF THE COMPANIES ACT 1956
AND
IN THE MATTER OF SCHEME OF AMALGAMATION OF
OSWAL COTTON MILLS LIMITED
WITH
NAHAR INDUSTRIAL ENTERPRISES LIMITED
IN THE MATTER OF THE COMPANIES ACT, 1956
AND
IN THE MATTER OF**

OSWAL COTTON MILLS LIMITED
Regd. office: Focal Point, Ludhiana - 141 010
through Mr. Dinesh Oswal, Director

PETITIONER NO. 1

NAHAR INDUSTRIAL ENTERPRISES LIMITED
Regd. Office: Focal Point, Ludhiana - 141 010
through Mr. Dinesh Gogna, Director

PETITIONER NO. 2

Both Companies incorporated under the Companies Act, 1956 Petitioners.
Application under section 394 of the Companies Act, 1956 for sanction of the Scheme of Amalgamation of Oswal Cotton Mills Limited (Transferor Company) with Nahar Industrial Enterprises Limited (Transferee Company) having their registered office at Focal Point, Ludhiana - 141 010 in the State of Punjab

PRAYER

- I. That the Scheme of Amalgamation (Annexure P-7) as envisaged in this petition may be sanctioned by this Hon'ble Court as to be binding with effect from 1st April, 2001 on both the Companies and their Shareholders and all concerned; and
- II. That all the properties, rights and powers of Oswal Cotton Mills Limited inclusive of the entire Undertaking(s) held by them along with all its assets and liabilities, furniture, fixtures, office equipment, vehicles, capital work in progress togetherwith all permits, quotas, tenancy and lease rights, industrial and other licences, offices, deposits, trade marks, privileges and benefits of all contracts, agreements, inventory and sundry debtors, cash and bank balances, loans and advances and other current assets, investments, and work in progress, including all liabilities towards sundry creditors, acceptance, advances, security deposits, interest accrued but not due, advances from customers and other liabilities and all permanent employees in pursuant to section 394(2) of the Act, without any further act or deed be transferred to and vested in or be deemed to have been transferred to and vested in the Nahar Industrial Enterprises Limited for all rights, titles and interest therein, absolutely but subject to all existing charges thereon. A short description of free hold/lease hold property and other properties of the Oswal Cotton Mills Limited, so vested, will be filed when required by this Hon'ble High Court; and
- III. That all proceedings and/or suits and/or appeals now pending by or against Oswal Cotton Mills Limited regarding their dealings shall be continued by or against Nahar Industrial Enterprises Limited.
- IV. That the petitioner shall within 30 days from the date of obtaining the certified copy of this order cause a copy thereof to be delivered to the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh at Jalandhar for registration.
- V. That any person interested shall be at liberty to apply to this Hon'ble court in the above matter for such directions as may be necessary.
- VI. That such further or other orders be made and/or directions be given as this Hon'ble Court may deem fit and proper.

COMPANY APPLICATION NO. 673 OF 2001

**COMPANY APPLICATION NO. 673 OF 2001
IN COMPANY PETITION NO. 198 OF 2001
CONNECTED WITH COMPANY PETITION NO. 138 OF 2001
OSWAL COTTON MILLS LIMITED PETITIONER NO. 1
AND
NAHAR INDUSTRIAL ENTERPRISES LIMITED PETITIONER NO. 2**

APPLICATION UNDER SECTION 151 OF CPC FOR DISPENSING WITH PUBLICATION NOTICE OF HEARING
AS CONTEMPLATED UNDER RULE 80 OF THE COMPANIES (COURT) RULES, 1959.

PRAYER :

1. That the publication of Notice as contemplated under Rule 80 of the Companies (Court) Rules, 1959 may kindly be dispensed with under the inherent powers of the court in the interest of Justice.

COMPANY PETITION NO. 138 OF 2001

**IN THE MATTER OF SECTION 391 AND 394 OF THE COMPANIES ACT, 1956
AND
IN THE MATTER OF SCHEME OF AMALGAMATION OF
OSWAL COTTON MILLS LIMITED
WITH
NAHAR INDUSTRIAL ENTERPRISES LIMITED
IN THE MATTER OF THE COMPANIES ACT, 1956 AND
IN THE MATTER OF**

OSWAL COTTON MILLS LIMITED
Regd. office: Focal Point, Ludhiana - 141 010
Through Mr. Dinesh Oswal, Director

PETITIONER NO. 1

NAHAR INDUSTRIAL ENTERPRISES LIMITED
Regd. Office: Focal Point, Ludhiana - 141 010
Through Mr. Kamal Oswal, Director

PETITIONER NO. 2

Both Companies incorporated under the Companies Act, 1956 Petitioners.

An Application under section 391(2) and 394 of the Companies Act, 1956 for sanction of the Scheme of Amalgamation of Oswal Cotton Mills Limited (Transferor Company) with Nahar Industrial Enterprises Limited (Transferee Company) having their registered office at Focal Point, Ludhiana - 141 010 in the State of Punjab :

PRAYER

- I. That the meeting of Equity Shareholders of the Transferor Company, as the entire equity share capital of the Transferor Company is held by the Transferee Company, either itself or through its nominees, may be exempted, as all the equity shareholders have given their no objection to the Scheme of Amalgamation. The meeting of Preference Shareholders of the Transferor Company, as the Preference Share Capital of the Transferor Company is held by two shareholders viz. Nahar Spinning Mills Limited and Oswal Woollen Mills Limited, may be exempted as both the Preference Shareholders have given their no objection to the Scheme of amalgamation of Oswal Cotton Mills Limited with Nahar Industrial Enterprises Limited ; and

- II. That the directions be given to call meetings of secured and unsecured creditors of the Transferor Company i.e., Oswal Cotton Mills Limited and Equity Shareholders and of the secured and unsecured creditors of the Transferee Company i.e., Nahar Industrial Enterprises Limited, and to fix the date, time and place of such meeting, along with the appointment of Chairman/Alternate Chairman for the meeting and other matter(s) as provided in Rule 69 of the Company (Court) Rules, 1959; and
- III. That a notice of the meeting of the Shareholders, secured and unsecured creditors may be ordered to be advertised in daily Business Standard (English, all editions), Punjabi Tribune (Punjabi) and the Punjab Gazette as required by Rule 74 of the Company (Court) Rules, 1959; and
- IV. That a notice be issued to the Central Government through Regional Director (Northern Region), Department of Company Affairs, Ministry of Law, Justice and Company Affairs, Kanpur as required by Section 394-A of the Companies Act, 1956 and also to the Official Liquidator attached to this Hon'ble Court; and
- V. That the Scheme of Amalgamation (Annexure P-11) as envisaged in this petition may be sanctioned by this Hon'ble Court as to be binding with effect from 1st April, 2001 on both the Companies and their Shareholders and all concerned; and
- VI. That all the properties, rights and powers of Oswal Cotton Mills Limited inclusive of the entire Undertaking(s) held by them along with all its assets and liabilities, furniture, fixtures, office equipment, vehicles, capital work in progress together with all permits, quotas, tenancy and lease rights, industrial and other licences, offices, deposits, trade marks, privileges and benefits of all contracts, agreements, inventory and sundry debtors, cash and bank balances, loans and advances and other current assets, investments, and work in progress, including all liabilities towards sundry creditors, acceptance, advance, security deposits, interest accrued but not due, advances from customers and other liabilities and all permanent employees in pursuant to section 394(2) of the Act, without any further act or deed be transferred to and vested in or be deemed to have been transferred to and vested in Nahar Industrial Enterprises Limited for all rights, titles and interest therein, absolutely but subject to all existing charges thereon. A short description of free hold/lease hold property and other properties of Oswal Cotton Mills Limited, so vested, will be filed when required by this Hon'ble High Court; and
- VII. That such further or other orders be made and/or directions be given as this Hon'ble Court may deem fit and proper.

BEFORE HON'BLE MR. JUSTICE R.L. ANAND
DATED THE 8TH NOVEMBER 2001

The Company petition No. 198 of 2001 coming on for hearing on 8th November 2001 duly supported by affidavits of Sh. Dinesh Oswal, Director of transferor company and Sh. Dinesh Gogna, director of transferee company both dated 29.10.2001; upon perusing the said petition and Company Application No. 673 of 2001 duly supported by the affidavit of Sh. Kamal Oswal, Director of Transferor Company and Sh. Dinesh Oswal, Director of Transferee Company both dated 06.11.2001 for dispensing with the publication of notice of hearing of petition under section 391 read with 394 of the Companies Act, 1956; upon perusing the report dated 02.11.2001 of Official Liquidator attached to this court and the affidavit of Sh. L.M. Gupta, Regional Director (Northern Region), Department of Companies Affairs, Kanpur dated 01.11.2001 showing that the affairs of the company have not been conducted in a manner prejudicial to the interest of its members of public interest and also upon hearing Sh. Atul Gandhi, Advocate for the Petitioners this court doth order:

1. That all the property and rights and powers of the transferor company specified in the first, second and third parts of the schedule hereto and all other property, rights and powers of the 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 of the transferor company therein but subject nevertheless to all charges now affecting the same.;
2. That all the liabilities and duties of the transferor company be transferred without further act or deed to the transferee company and accordingly the same shall pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of the transferee company; and

3. That all the proceedings now pending by or against the transferor company be continued by or against the transferee company; and
4. That the transferee company do without further application allot to such members of the transferor company as have not given such notice of dissent as required in the scheme of amalgamation herein the shares in the transferee company to which they are entitled under the said scheme of amalgamation ; and
5. That the transferor company do within thirty days after the date of this order 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 transferor company shall be dissolved as per the scheme of amalgamation and the Registrar of Companies shall place all documents relating to the transferor company and registered with him on the file kept by him in relation to the transferee company and files relating to the said two companies shall be consolidated accordingly; and
6. That any person interested shall be at liberty to apply to the Court in the matter for any directions that may be necessary.

SCHEDULE

PART- I

(Short description of the freehold property of the Transferor Company as at 31st March, 2001)

Particulars	Gross Block	Net Block
Land	3,21,16,433.00	3,21,16,433.00
Building	16,04,85,368.31	16,78,69,819.31
Plant and Machinery	71,13,09,456.73	67,25,36,038.53
Furniture and Fixture	43,33,941.78	26,50,171.07
Office Equipment	15,93,897.51	12,57,022.25
Vehicles	38,39,658.40	35,32,160.00
Computer	18,45,822.85	16,51,310.85
Capital Work in Progress		6,80,92,764.53

PART - II

(Short description of the Leasehold property of the Transferor Company as at 31st March, 2001)

----- Nil -----

PART-III

(Short description of all Stocks, Shares, Debentures and other Charges in the action of the Transferor Company as at 31st March, 2001)

Particulars	Amount
Stock:	
1. Raw Material	79,49,504.42
2. Stores and Spares	4,51,82,038.07
3. Work in Process	6,59,17,955.00
4. Finished Goods	17,92,11,235.00
Sundry Debtors	17,71,10,895.43
Cash in hand including Stamps	2,88,246.96
Balance with Banks	1,28,999.41
Loans and Advances	3,33,33,280.60
Security Deposits	13,32,442.00
Balance with Excise Authorities	19,98,274.00

Dated the 8th day of November 2001

(By the Court)

Asstt. Registrar (Civil and Criminal)

For Registrar (Judicial)

IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH
ORIGINAL JURISDICTION
COMPANY PETITION NO. 138 OF 2001
CONNECTED WITH
COMPANY PETITION NO. 198 OF 2001
COMPANY PETITION NO. 138 OF 2001
IN THE MATTER OF SECTION 391 AND 394 OF THE COMPANIES ACT 1956
AND
IN THE MATTER OF SCHEME OF AMALGAMATION OF
OSWAL COTTON MILLS LIMITED
WITH
NAHAR INDUSTRIAL ENTERPRISES LIMITED
IN THE MATTER OF THE COMPANIES ACT, 1956
AND
IN THE MATTER OF

OSWAL COTTON MILLS LIMITED
Regd. office: Focal Point, Ludhiana - 141 010
Through Mr. Dinesh Oswal, Director

PETITIONER NO. 1

NAHAR INDUSTRIAL ENTERPRISES LIMITED
Regd. Office: Focal Point, Ludhiana - 141 010
Through Mr. Kamal Oswal, Director

PETITIONER NO. 2

Both Companies incorporated under the Companies Act, 1956 Petitioners.
Application under section 391(2) AND 394 of the Companies Act, 1956 for sanction of the Scheme of Amalgamation of Oswal Cotton Mills Limited (Transferor Company) with Nahar Industrial Enterprises Limited (Transferee Company) having their registered office at Focal Point, Ludhiana - 141 010 in the State of Punjab :

PRAYER

- i. That the meeting of Equity Shareholder of the Transferor Company, as the entire equity share capital of the Transferor Company is held by the Transferee Company, either itself or through its nominees, may be exempted, as all the equity shareholders have given their no objection to the Scheme of Amalgamation. The meeting of Preference Shareholders of the Transferor Company, as the Preference Share Capital of the Transferor Company is held by two shareholders viz. Nahar Spinning Mills Limited and Oswal Woollen Mills Limited, may be exempted as both the Preference Shareholders have given their no objection to the Scheme of amalgamation of Oswal Cotton Mills Limited with Nahar Industrial Enterprises Limited ; and
- ii. That the directions be given to call meetings of secured and unsecured creditors of the Transferor Company i.e., Oswal Cotton Mills Limited and Equity Shareholders and of the secured and unsecured creditors of the Transferee Company i.e., Nahar Industrial Enterprises Limited, and to fix the date, time and place of such meeting, along with the appointment of Chairman/Alternate Chairman for the meeting and other matter(s) as provided in Rule 69 of the Company (Court) Rules, 1959; and
- iii. That a notice of the meeting of the Shareholders, secured and unsecured creditors may be ordered to be advertised in daily Business Standard (English, all editions), Punjabi Tribune (Punjabi) and the Punjab Gazette as required by Rule 74 of the Company (Court) Rules, 1959; and
- iv. That a notice be issued to the Central Government through Regional Director (Northern Region), Department of Company Affairs, Ministry of Law, Justice and Company Affairs, Kanpur as required by Section 394-A of the Companies Act, 1956 and also to the Official Liquidator attached to this Hon'ble Court; and

- v. That the Scheme of Amalgamation (Annexure. P-11) as envisaged in this petition may be sanctioned by this Hon'ble Court as to be binding with effect from 1st April, 2001 on both the Companies and their Shareholders and all concerned; and
- vi. That all the properties, rights and powers of Oswal Cotton Mills Limited inclusive of the entire Undertaking(s) held by them along with all its assets and liabilities, furniture, fixtures, office equipment, vehicles, capital work in progress togetherwith all permits, quotas, tenancy and lease rights, industrial and other licences, offices, deposits, trade marks, privileges and benefits of all contracts, agreements, inventory and sundry debtors, cash and bank balances, loans and advances and other current assets, investments, and work in progress, including all liabilities towards sundry creditors, acceptance , advance, security deposits, interest accrued but not due, advances from customers and other liabilities and all permanent employees in pursuant to section 394 (2) of the Act, without any further act or deed be transferred to and vested in or be deemed to have been transferred to and vested in Nahar Industrial Enterprises Limited for all rights, titles and interest therein, absolutely but subject to all existing charges thereon. A short description of free hold/lease hold property and other properties of Oswal Cotton Mills Limited, so vested, will be filed when required by this Hon'ble High Court; and
- vii. That such further or other orders be made and/or directions be given as this Hon'ble Court may deem fit and proper.

COMPANY PETITION NO. 198 OF 2001

**IN THE MATTER OF AN APPLICATION UNDER SECTION 391 AND 394 OF
THE COMPANIES ACT, 1956**

AND

**IN THE MATTER OF SCHEME OF AMALGAMATION OF
OSWAL COTTON MILLS LIMITED**

WITH

**NAHAR INDUSTRIAL ENTERPRISES LIMITED
IN THE MATTER OF THE COMPANIES ACT, 1956**

AND

IN THE MATTER OF

OSWAL COTTON MILLS LIMITED
Regd. office: Focal Point, Ludhiana - 141 010
Through Mr. Dinesh Oswal, Director

PETITIONER NO. 1

NAHAR INDUSTRIAL ENTERPRISES LIMITED
Regd. Office: Focal Point, Ludhiana - 141 010
Through Mr. Dinesh Gogna, Director

PETITIONER NO. 2

An Application under section 391 and 394 of the Companies Act, 1956 for sanction of the Scheme of Amalgamation of Oswal Cotton Mills Limited (Transferor Company) with Nahar Industrial Enterprises Limited (Transferee Company) having their registered office at Focal Point, Ludhiana - 141 010 in the State of Punjab :

PRAYER

- i. That the Scheme of Amalgamation (Annexure P-7) as envisaged in this petition may be sanctioned by this Hon'ble Court as to be binding with effect from 1st April, 2001 on both the Companies and their Shareholders and all concerned; and
- ii. That all the properties, rights and powers of Oswal Cotton Mills Limited inclusive of the entire Undertaking(s) held by them along with all its assets and liabilities, furniture, fixtures, office equipment, vehicles, capital work in progress togetherwith all permits, quotas, tenancy and lease rights, industrial and

other licences, offices, deposits, trade marks, privileges and benefits of all contracts, agreements, inventory and sundry debtors, cash and bank balances, loans and advances and other current assets, investments, and work in progress, including all liabilities towards sundry creditors, acceptance, advance, security deposits, interest accrued but not due, advances from customers and other liabilities and all permanent employees in pursuant to section 394 (2) of the Act, without any further act or deed be transferred to and vested in or be deemed to have been transferred to and vested in Nahar Industrial Enterprises Limited for all rights, titles and interest therein, absolutely but subject to all existing charges thereon. A short description of free hold/lease hold property and other properties of Oswal Cotton Mills Limited, so vested, will be filed as when required by this Hon'ble High Court; and

- iii. That all proceedings and/or suits and/or appeals now pending by or against Oswal Cotton Mills Limited regarding their dealings shall be continued by or against Nahar Industrial Enterprises Limited.
- iv. That the petitioner shall within 30 days from the date of obtaining the certified copy of this order cause a copy thereof to be delivered to the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh at Jalandhar for Registration.
- v. That any person interested shall be at liberty to apply to this Hon'ble court in the above matter for such directions as may be necessary.
- vi. That such further or other orders be made and/or directions be given as this Hon'ble Court may deem fit and proper.

COMPANY APPLICATION NO. 673 OF 2001

COMPANY APPLICATION NO. 673 OF 2001

IN COMPANY PETITION NO. 198 OF 2001

CONNECTED WITH COMPANY PETITION NO. 138 OF 2001

OSWAL COTTON MILLS LIMITED
AND

NAHAR INDUSTRIAL ENTERPRISES LIMITED

PETITIONER NO. 1

PETITIONER NO. 2

APPLICATION UNDER SECTION 151 OF CPC FOR DISPENSING WITH PUBLICATION NOTICE OF HEARING AS CONTEMPLATED UNDER RULE 80 OF THE COMPANIES (COURT) RULES, 1959.

PRAYER :

1. That the publication of Notice as contemplated under Rule 80 of the Companies (Court) Rules, 1959 may kindly be dispensed with under the inherent powers of the court in the interest of Justice.

BEFORE HON'BLE MR. JUSTICE R.L. ANAND

DATED THE 8TH NOVEMBER 2001.

The above noted Petition coming on for hearing on 8th November 2001 before Hon'ble Mr. Justice R.L. Anand, upon reading the said petition the order dated 6th September 2001 whereby the exemption has been granted for convening the meetings of the Equity and Preference Share holders of Oswal Cotton Mills Limited (Transferor Company) and separate meetings of the Secured and Unsecured Creditors of the said company were ordered to be convened on 27.10.2001 at 12.00 Noon and 12.30 PM respectively and the meetings of Shareholders, Secured and Unsecured Creditors of Nahar Industrial Enterprises Limited (Transferee Company) were directed to be convened and held on 27.10.2001 at 10.00 A.M., 11.00 A.M. and 11.30 A.M. respectively at their Registered Offices for the purpose of considering and if thought fit approving with or without modification the Scheme of Amalgamation proposed to be made between the two companies and annexed to the Affidavit of Sh. Mansoor Ali, Advocate and Mr. Arun Bansal, Advocate both dated 16.10.2001, Gazette of Punjab Government dated 21.09.2001, the Indian Express (English) dated 25.09.2001 and Dainik Tribune dated 26.09.2001 each containing advertisement of the said notice convening of the said meetings directed to be held vide orders dated 06.09.2001; the affidavits of the Chairman of the meetings showing the publication and dispatch of notices convening the said meetings the reports of the Chairman dated 30.10.2001 as to the result of the meetings and upon hearing Sh. Atul Gandhi, Advocate and upon going through the entire material placed on the record and it appearing from the reports that the Scheme of Amalgamation has been approved unanimously;

This court doth hereby sanction the scheme of amalgamation set forth in the Petition and annexed as Annexure P-7 to the company Petition No. 198 of 2001 herein and in the schedule here to be effective w.e.f. 01.04.2001; and doth hereby declare the same to be binding on the members, secured and unsecured creditors of both the Transferor and Transferee Companies and all concerned.

And this court doth further order that the parties to the scheme of Amalgamation and any other persons shall be at liberty to apply to this court for any directions that may be necessary in regard to the working of scheme of Amalgamation.

That the Transferee company do file with the Registrar of Companies a Certified copy of this order within 14 days from this date.

SCHEDULE

**SCHEME OF ARRANGEMENT FOR THE AMALGAMATION OF
OSWAL COTTON MILLS LIMITED
WITH
NAHAR INDUSTRIAL ENTERPRISES LIMITED**

A. DEFINITIONS

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

1. "The Transferor Company" or "Amalgamating Company" means Oswal Cotton Mills Limited, a Company incorporated under the Indian Companies Act, 1956 and having its registered office at Focal Point, Ludhiana – 141010.
2. "The Transferee Company" or "Amalgamated Company" means Nahar Industrial Enterprises Ltd., a company incorporated under the Indian Companies Act, 1956 and having its registered office at Focal Point, Ludhiana – 141010.
3. "The said Act" means the Companies Act, 1956.
4. "The Transfer Date" means the commencement of business on the 1st day of April 2001.
5. This Scheme though effective from the Transfer Date shall be operative from the date on which certified copies of the orders of the Hon'ble High Court of Punjab & Haryana under Section 391, 392, 394 and 395 of the act are filed with the Registrar of Companies, Punjab, H.P. & Chandigarh at Jalandhar or such other dates as the Hon'ble High Court may direct and such date shall hereinafter be referred to as the "Effective Date". Reference in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" shall be Effective Date.
6. "The Scheme" means this Scheme in its present form or with any modifications approved or imposed by the Hon'ble High Court of Punjab & Haryana.

B. SHARE CAPITAL

1. The Share Capital of the Transferor Company as on 31.03.2001 is:	Rupees
Authorised Share Capital	
16000000 Equity Shares of Rs. 10/- each	16,00,00,000
1500000 7% Non Cumulative Redeemable Preference Shares of Rs. 100/- each	15,00,00,000
TOTAL	<u>31,00,00,000</u>
Issued Subscribed and Paid up Share Capital	
15500700 Equity Shares of Rs. 10/- each	15,50,07,000
1500000 7% Non Cumulative Redeemable Preference Shares of Rs. 100/- each	15,00,00,000
TOTAL	<u>30,50,07,000</u>

The entire Equity Share Capital of the Transferor Company i.e. 1,55,00,700 Equity Shares of Rs. 10/- each are held by Nahar Industrial Enterprises Limited, the Transferee Company, either itself or through its nominees namely 1. Sh. Kamal Oswal 2. Sh. Dinesh Oswal 3 Sh. Sandeep Jain 4. Sh. Gursharan Singh Dhiman 5. Sh. V.K. Bansal 6. Sh. Bharat Bhushan Gupta 7. Sh. Sasanka Sekhar Aich. Each nominee is holding 100 equity shares in the company. As such the Transferor Company is a wholly owned subsidiary of the Transferee Company.

2. The Share Capital of the Transferee Company as on 31.03.2001 is : Rupees

Authorised Share Capital

20000000 Equity Shares of Rs. 10/- each 20,00,00,000

TOTAL 20,00,00,000

Issued Subscribed and Paid up Share Capital

18762240 Equity Shares of Rs. 10/- each 18,76,22,400

Less : Allotment Money in Arrears 36,19,199

TOTAL 18,40,03,201

C. TRANSFER OF UNDERTAKING

1. The undertaking and business of the Transferor Company shall with effect from the transfer date and without further act or deed stand transferred to the transferee Company pursuant to Sections 391 (2) and 394(2) of the Act and vest in the Transferee Company with all the moveable properties and the interests of the Transferor Company as a going concern but subject nevertheless to all charges, if any, affecting the same or any part thereof and on the Transfer Date, the Transferor Company shall stand amalgamated with the Transferee company.
2. a) For the purpose of the Scheme business of transferor Company shall include.
 - I) All the assets of the Transferor Company immediately before the amalgamation, and
 - II) All the liabilities of the Transferor Company immediately before the amalgamation.
- b) Without prejudice to the generality of the foregoing sub-clause (a) hereof the said undertaking and business shall include:
 - i) All the properties, rights and claims whatsoever of the Transferor Company and their entire undertakings, authorities, privileges and rights in respect of the moveable properties, leases tenancy rights and other assets of whatsoever nature including registrations, approvals, clearances, fittings and fixtures, telephones, telex and other communications, fax connections, cash balances, reserves, security deposits, refunds, outstanding balances, stocks, investments, contracts, agreements and other rights and interests of all description in or arising out of such properties as may belong to or be in possession of the Transferor Company and all books of accounts and documents and records relating thereto, but subject to all charges affecting the same. Provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Company which shall vest in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged to create any further or additional security therefore after the amalgamation has become effective or otherwise.
 - ii) All the liabilities, debts, obligations and duties of the Transferor Company shall also stand transferred to the Transferee Company with effect from the Transfer Date without further act or deed pursuant to Section 394(2) of the Act so as to become the liabilities, debts, obligations and duties of the Transferee Company.

3. The General Reserve Account, Special Reserve Account and other reserves as on Transfer Date in the Balance sheet of the Transferor Company shall become the General Reserve Account, Special Reserve Account and other reserves of the Transferee Company.

D. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY TILL EFFECTIVE DATE

With effect from the Transfer Date and upto the Effective Date, the Transferor Company:

1. Shall carry on and be deemed to carry on all its business and activities and stand possessed of its properties and assets for an on account of and in trust for the Transferee Company and all the profits accruing to the Transferor Company or losses arising or incurred by it shall, for all purposes, be treated as the profits or losses of the Transferee Company as the case may be;
2. hereby undertakes to carry on its business until the Effective Date with reasonable diligence and shall not, without the written consent of the Transferee Company, alienate, charge or otherwise deal with the said Undertaking or any part thereof except in the ordinary course of its business ;
3. shall not vary the terms and conditions of the employment of its employees except in the ordinary course of business ;
4. shall not, without the written consent of the Transferee Company, undertake any new business, issue further Shares or declare any dividend other than the dividend for the Financial Year ended on 31st March, 2001.

E. LEGAL PROCEEDINGS

Upon the Scheme becoming effective, if any suit, appeal or other proceedings of whatsoever nature by or against the Transferor Company be pending, the same shall be continued, prosecuted and enforced by or against the Transferee Company. Any proceedings that may be taken after the transfer date for any other matter or cause of action concerning the Transferor Company before the effective date shall also be taken by or against the Transferee Company.

F. TRANSFEROR COMPANY'S STAFF, WORKMEN AND EMPLOYEES

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

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

G. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

The transfer and vesting of the properties and liabilities and the continuance of the proceedings mentioned above shall not affect transactions or proceedings already concluded by the transferor Company:

1. on or before the Transfer Date to the end and that the Transferee company accepts on behalf of itself all acts, deeds, bonds, agreements and other instruments of whatsoever nature done and executed by the Transferor Company.
2. after the Transfer Date but not before the effective date and that the Transferee Company accepts on behalf of itself all acts, deeds, bonds, agreements and other instruments of whatsoever nature done and executed by the Transferor Company.

Subject to the other provisions contained in this Scheme, all contracts, deeds, agreements and other instruments of whatsoever nature subsisting or having effect immediately before amalgamation to which the Transferor Company are a party, shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectively as if, instead of the Transferor Company, the Transferee Company had been a party thereto.

H. DIRECTORS

All the Directors of the Transferor Company shall cease to be Directors of the Transferor Company on the Effective Date without affecting their rights as shareholders, if any, in the Transferor Company. However, if any such director is a director of the Transferee Company, he would continue to hold his office in the Transferee Company.

I. MAIN BENEFITS

The main benefits of amalgamation of the Transferor Company with the Transferee Company will be as follows:

- a) By virtue of the amalgamation, operations of both the Companies shall be ideally brought under single control whereby there will be considerable savings by eliminating duplication of administrative and legal expenses, overheads, and other service charges.
- b) The Transferee Company has two business segments namely Textile Division and Oil & Soap Division. The Textile Division manufactures Cotton/Blended yarn and Grey Fabrics and the Oil and Soap Division manufactures Soap, Vanaspati. The Transferor Company manufactures Processed Fabric & Readymade Garments. It would amount to forward integration of the existing business of the Textile Division of the Transferee Company as the finished product of One Unit will become the raw material for the other Unit. Having regard to the fact of ever increasing competition in the business of the companies it would be prudent to combine the operations of both the companies into one unit and utilizing the common resources and facilities. The Amalgamated Company will have a diversified product range i.e., Yarn, Grey Fabrics, Processed Fabrics, Readymade Garments, Soap and Vanaspati.
- c) After the amalgamation, the Amalgamated Company will be in a better position to operate on a larger scale resulting in large resources and lower debts.
- d) The proposed amalgamation will enable to achieve the optimum size of business which is essential for better utilization of the available resources thereby ensuring long term economic and financial benefits for the companies, their shareholders and employees. The Amalgamated Company with a wider capital base and improved financial ratios like profit and assets etc. will be in a stronger position to mobilise the required funds for expansion by way of Public issue of shares, debentures, acceptance of public deposits and the like.
- e) The control and management of the Company would be more effective, after amalgamation due to better utilization of the manpower from the common pool of administrative and managerial personnel.

- f) After the merger, the Amalgamated Company will be able to source and absorb new technology and its capacity to spend on Research and Development will be enhanced.
- g) With the enhanced capabilities and resources at its disposal, the amalgamated Company will have greater flexibility to meet market and customer needs and will be able to compete more effectively thus further strengthening its market position in domestic and international markets.

J. ISSUE OF SHARES BY THE TRANSFeree COMPANY

1. Upon the Scheme being sanctioned by the Hon'ble High Court of Punjab and Haryana at Chandigarh and the transfers having been effected as provided herein above, no equity share of the Transferee Company shall be allotted to the Equity Shareholders of the Transferor Company as the Transferor Company is a wholly owned subsidiary of the Transferee Company and the entire equity share capital issued by the Transferor Company is held by Transferee Company either itself or through its nominees.
2. The Transferor Company has issued 15,00,000 - 7% Non Cumulative Redeemable Preference Shares of Rs. 100/- each, redeemable after the expiry of Seventh, eighth and ninth year from the date of allotment by repayment of the amounts paid up thereon along with the premium not exceeding 4% per annum (to be calculated for the period of 7 years) in installments of 30%, 35% and 35% respectively. However the Board of Directors of Transferor Company have option to :
 - i. Redeem the Preference Shares at any time before the expiry of 3 years from the date of Allotment, provided written consent of not less than three-fourth of the holders of preference shares is received for redemption.
 - ii. Redeem the Preference Shares at any time after the expiry of 3 years but before the expiry of 7 years from the date of Allotment in cash and at such premium which would be calculated for the period from the date of allotment till the date of redemption.

Upon the Scheme being sanctioned by the Hon'ble High Court of Punjab & Haryana at Chandigarh and the transfers having been effected as provided herein above, each of the holder of 7% Non Cumulative Redeemable Preference Shares of the Transferor Company whose names are recorded in the Register of Members on a date (Cut-off Date) to be fixed by the Board of Directors of the Transferee Company shall be allotted one 7% Non Cumulative Redeemable Preference Share of Rs. 100/- each, credited as fully paid up of the Transferee Company for every one 7% Non Cumulative Redeemable Preference Share of Rs. 100/- each, in respect of their holding in the Transferor Company on the same terms & conditions at which they were issued by the Transferor Company. On Amalgamation when the 7% non-Cumulative Redeemable Preference Shares would be allotted by the Transferee Company, the Date of Redemption would be decided with reference to the Date of allotment of these shares by the Transferor Company.

3. According to stipulations of the Financial Institutions, the Transferor Company has to arrange the fresh capital to the extent of Rs. 12,50,00,000/- (Rupees Twelve Crores fifty lacs only) and accordingly the Promoter Companies had funded the same amount which has been retained by Transferor Company as application money towards 7% Non-Cumulative Redeemable Preference Shares pending allotment. Since the Board of Directors of the Company has already taken a decision of amalgamation with the Transferee Company, therefore, with the consent of subscribers of application money, the amount has been retained in Share Application account only and for which the Transferee Company has agreed to accept the same and would allot the Preference Shares to such applicants against the said application money on amalgamation which would stand pari-passu with the Preference Shares to be allotted by the Transferee Company to Preference Shareholder of Transferor Company except to the Date of redemption. All mandates or other instructions in force at the close of business on the Effective Date relating to the Shares of the Transferor Company shall unless and until revoked, be deemed to be valid and subsisting mandates or instructions to the Transferee Company in relation to the corresponding Shares of the Transferee Company to be issued and allotted pursuant to the Scheme.

4. The Transferee Company undertakes to take all necessary steps so as to enable it to allot 7% Non-Cumulative Redeemable Preference Shares, upon the scheme being sanctioned by the Hon'ble High Court of Punjab and Haryana at Chandigarh. For the purpose as aforesaid, the Transferee Company shall, if and to the extent required, apply for and obtain the requisite consent or approval of the appropriate authorities concerned for the issue and allotment, by the Transferee Company to the respective members of the Transferor Company of the Shares in the said reorganized Share Capital of the Transferee Company as per Scheme.
5. The 7% Non-Cumulative Redeemable Preference Shares issued by the Transferor Company are not quoted at any Stock Exchange nor the 7% Non-Cumulative Redeemable Preference Shares to be allotted by the Transferee Company on amalgamation would be quoted at any Stock Exchange.
6. All the holders of Shares in the Transferor Company will within six months of this Scheme becoming effective, surrender their share certificates for cancellation thereof and shall take all necessary steps to obtain from the Transferee Company fresh share certificate to which they will be entitled to in pursuant to this Scheme. All Share Certificates of Transferor Company shall be deemed to have been cancelled on allotment of Shares of Transferee Company.
7. Upon the Scheme being approved by the shareholders of the Transferee Company it will be deemed that the consent of the shareholders of the Transferee Company has been accorded in pursuant to Section 81 (1-A) and other applicable provisions of the Act for allotment of 7% Non-Cumulative Redeemable Preference Shares of the Transferee Company in pursuant to para J(2) above, to the shareholders of the Transferor Company in accordance with and subject to the provisions of the Scheme.

K. MODIFICATIONS/ AMENDMENTS TO THE SCHEME

The Scheme is subject to such modifications as the Hon'ble High Court of Punjab and Haryana may impose or the Transferor Company or Transferee Company may prefer and the Hon'ble High Court of Punjab & Haryana may approve and the Board of Directors of the Transferor Company and the Transferee Company may accord consent on behalf of all concerned to any modification or addition to the Scheme and to agree to any term and conditions which the Hon'ble High Court of Punjab and Haryana, may think fit to impose.

L. RIGHTS OF CREDITORS.

This Scheme shall not in any manner affect the rights of any of the Creditors of the transferor company, and in particular the secured creditors shall continue to enjoy and hold charge upon their respective securities.

M. SCHEME CONDITIONAL ON APPROVALS/SANCTIONS

The Scheme is conditional on and subject to:

1. the sanction or approval of the appropriate authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.
2. the approval to the Scheme by the requisite majority of the members of the Transferor company and of the members of the Transferee Company.
3. the requisite resolution(s) under the applicable provisions of the Act being passed by the shareholders of the Transferee Company for any of the matters provided for or relating to the scheme as may be necessary or desirable.
4. the sanction of the High Court of Judicature Punjab & Haryana Judicature at Chandigarh under Sections 391 & 394 of the Act, in favour of the Transferor Company and in favour of the Transferee Company and to the necessary Order(s) under Section 394 of the Act, being obtained.
5. the approval to the issue and allotment of Shares in the Transferee Company to the members of the Transferor Company, if any required.

N. OPERATIVE DATE OF THE SCHEME

This Scheme though effective from the Transfer date shall operative from the date on which certified copies of the order of the Hon'ble High Court of Punjab & Haryana at Chandigarh under Section 391, 392 and 394 of the Act are filed with the Registrar of Companies, Punjab, H.P. & Chandigarh at Jalandhar or such other dates as the Hon'ble High Court may direct.

O. EXPENSES CONNECTED WITH THE SCHEME

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

P. APPLICATIONS TO HIGH COURT

The Transferor Company and/or any other person interested including the Transferee Company, shall be at liberty to apply to the Hon'ble High Court of Punjab & Haryana at Chandigarh from time to time for necessary directions in matters relating to the Scheme or any terms thereof.

Upon this Scheme becoming effective as aforesaid the Transferor Company shall stand dissolved without winding up as and from the Effective Date or such date as the Hon'ble High Court Punjab & Haryana at Chandigarh may direct.

Q. EFFECT OF NON RECEIPT OF APPROVALS/SANCTIONS

In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the Hon'ble High Court and/ or Order or Orders not being passed as aforesaid on or before the 30.06.2002 or within such period or periods as may be agreed upon among the Transferor Company and the Transferee Company through their respective Board of Directors, the Scheme shall become null and void and each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme of Amalgamation.

Dated the 8th day of November 2001
(By the Court)
Asstt. Registrar (Civil and Criminal)
For Registrar (Judicial)

**IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH
ORIGINAL JURISDICTION
COMPANY PETITION NO. 168 OF 2004
CONNECTED WITH
COMPANY PETITION NO. 134 OF 2004
IN THE MATTER OF SECTIONS 391 AND 394 OF
THE COMPANIES ACT, 1956
AND
IN THE MATTER OF SCHEME OF AMALGAMATION OF
NAHAR INTERNATIONAL LIMITED
AND
NAHAR SUGAR & ALLIED INDUSTRIES LIMITED
WITH
NAHAR INDUSTRIAL ENTERPRISES LIMITED**

PETITION OF:

- | | | |
|----|--|------------------|
| 1. | Nahar International Limited
Regd. Office: Focal Point, Ludhiana - 141 010
Through Mr. Mukesh Sood, Company Secretary | Petitioner No. 1 |
| 2. | Nahar Sugar & Allied Industries Limited
Regd. Office: Focal Point, Ludhiana - 141 010
Through Mr. Rakesh Gupta, Finance Controller | Petitioner No. 2 |
| 3. | Nahar Industrial Enterprises Limited
Regd. Office: Focal Point, Ludhiana - 141 010
Through Mr. Dinesh Gogna, Director | Petitioner No. 3 |

Petition under section 391 and 394 of the Companies Act, 1956 for sanction of the scheme of amalgamation of Nahar International Limited and Nahar Sugar & Allied Industries Limited having their registered office at Focal Point, Ludhiana - 141 010 with Nahar Industrial Enterprises Limited having its Registered Office at Focal Point, Ludhiana - 141 010

PRAYER :

- (i) That a notice be issued to the Central Government through Regional Director (Northern Region), Department of Company Affairs, Ministry of Finance, Kanpur as required by Section 394A of the Companies Act, 1956 and also to the official liquidator attached to this Hon'ble Court; and
- (ii) That the scheme of amalgamation (Annexure P-10) as envisaged in this petition may be sanctioned by this Hon'ble court as to be binding with effect from 1st April, 2004 on the Companies and their shareholders and all concerned; and
- (iii) That all the properties, rights and powers of Nahar International Limited and Nahar Sugar & Allied Industries Limited inclusive of the entire undertakings held by them along with all its assets and liabilities, furniture, fixtures, office equipment, vehicles, capital work in progress, together with all permits, quotas, tenancy and lease rights, industrial and other licences, offices, deposits, trade marks, privileges and benefits of all contracts, agreements, inventory and sundry debtors, cash and bank balances, loans and advances and other current assets, investments and work in progress including all liabilities towards sundry creditors, acceptance, advances, security deposits, interest accrued but not due, advances from customers and other liabilities and all permanent employees in pursuant to section 392(2) of the Act, without any further act or deed, be transferred and vested in or be deemed to have been transferred to and vested in Nahar Industrial Enterprises Limited for all rights, titles, and interest therein, absolutely but subject to all existing charges thereon.

- A short description of freehold/leasehold property and other properties of Nahar International Limited and Nahar Sugar & Allied Industries Limited, so vested, will be filed as and when required by this Hon'ble High Court; and
- (iv) That all proceedings and/or suits and/or appeals now pending by or against Nahar International Limited and Nahar Sugar & Allied Industries Limited regarding their dealings shall be continued by or against Nahar Industrial Enterprises Limited.
 - (v) That the petitioner shall within 30 days from the date of obtaining the certified copy of this order cause a copy thereof to be delivered to the Registrar of Companies, Punjab, H.P. and Chandigarh at Jalandhar for registration.
 - (vi) That any person interested shall be at liberty to apply to this Hon'ble Court in the above matter for such directions as may be necessary.
 - (vii) That such further or other orders be made and /or directions be given as this Hon'ble Court may deem fit and proper.

COMPANY PETITION NO. 134 OF 2004

**IN THE MATTER OF SECTIONS 391 AND 394 OF
THE COMPANIES ACT, 1956
AND
IN THE MATTER OF SCHEME OF AMALGAMATION OF
NAHAR INTERNATIONAL LIMITED
AND
NAHAR SUGAR & ALLIED INDUSTRIES LIMITED
WITH
NAHAR INDUSTRIAL ENTERPRISES LIMITED**

PETITION OF:

- | | | |
|----|---|------------------|
| 1. | Nahar International Limited
Regd. Office: Focal Point, Ludhiana - 141 010
Through Mr. Jawahar Lal Oswal, Chairman, | Petitioner No. 1 |
| 2. | Nahar Sugar & Allied Industries Limited
Regd. Office: Focal Point, Ludhiana - 141 010
Through Mr. Dinesh Gogna, Director | Petitioner No. 2 |
| 3. | Nahar Industrial Enterprises Limited
Regd. Office: Focal Point, Ludhiana - 141 010
Through Mr. Kamal Oswal, Vice Chairman cum Managing Director | Petitioner No. 3 |

Petition under section 391 and 394 of the Companies Act, 1956 for sanction of the scheme of amalgamation of Nahar International Limited and Nahar Sugar & Allied Industries Limited having their registered office at Focal Point, Ludhiana - 141 010 with Nahar Industrial Enterprises Limited having its Registered Office at Focal Point, Ludhiana - 141 010

PRAYER :

- (i) That meeting of 7% Non-Cumulative Redeemable Preference Shareholders of the Transferee Company, as the preference share capital of the Transferee Company is held by Three Shareholders namely (i) Nahar Spinning Mills Ltd. (ii) Oswal Woollen Mills Ltd. and (iii) Nahar Exports Limited may be exempted as all the three Preference Shareholders have given their no objection to the scheme of amalgamation of Nahar International

Limited and Nahar Sugar & Allied Industries Ltd. with Nahar Industrial Enterprises Ltd; and

- (ii) That the directions be given to call the meetings of equity shareholders and creditors (secured and unsecured) of Nahar International Ltd., Nahar Sugar & Allied Industries Ltd. (Transferor Companies) and Nahar Industrial Enterprises Ltd. (Transferee Company) and to fix the date, time, quorum and place of such meeting alongwith the appointment of Chairman/Alternate Chairman for the meetings and other matters as provided in Rule 69 of the Companies (Court) Rules, 1959. Quorum for the meetings of equity shareholders for all the companies may be fixed keeping in view the attendance record at the Annual General Meeting for the last four years.
- (iii) That a notice of the meeting of the equity shareholders, secured and unsecured creditors may be ordered to be advertised in daily Business Standard (English), Punjabi Tribune (Punjabi) or any other newspaper as desired by this Hon'ble High Court and the Punjab Gazette as required by Rule 74 of the Companies (Court) Rules, 1959; and
- (iv) That a notice be issued to the Central Government through Regional Director (Northern Region), Department of Company Affairs, Ministry of Finance, Kanpur as required by section 394A of the Companies Act, 1956 and also to the official liquidator attached to this Hon'ble Court; and
- (v) That the scheme of amalgamation (Annexure P-16) as envisaged in this petition may be sanctioned by this Hon'ble court as to be binding with effect from 1st day of April, 2004 on the companies and their shareholders and all concerned ; and
- (vi) That all the properties, rights and powers of Nahar International Limited and Nahar Sugar & Allied Industries Limited inclusive of entire undertakings held by them alongwith all its assets and liabilities, furniture, fixtures, office equipment, vehicles, capital work in progress, togetherwith all permits, quotas, tenancy and lease rights, industrial and other licences, offices, deposits, trade marks, privileges and benefits of all contracts, agreements, inventory and sundry debtors, cash and bank balances, loans and advances and other current assets, investments and work in progress including all liabilities towards sundry creditors, acceptances, advances, security deposits, interest accrued but not due, advances from customers and other liabilities and all permanent employees in pursuant to section 392(2) of the Act, without any further act or deed be transferred to and vested in or be deemed to have been transferred to and vested in Nahar Industrial Enterprises Limited for all rights, titles and interest therein, absolutely but subject to all existing charges thereon. A short description of freehold/leasehold property and other properties of Nahar International Limited and Nahar Sugar & Allied Industries Limited, so vested, will be filed as and when required by this Hon'ble High Court; and
- (vii) That such further or other order be made and / or directions be given as this Hon'ble court may deem fit and proper.

**BEFORE HON'BLE MR. JUSTICE M M KUMAR
DATED THE 4TH MARCH, 2005**

The above noted petition no. 134 of 2004 came up for hearing on 23.09.2004 before Hon'ble Mr. Justice M M Kumar upon reading the said petition and the order dated 23rd September, 2004 whereby separate meetings of the shareholders, secured /unsecured creditors of Nahar International Limited and Nahar Sugar & Allied Industries Limited (Transferor Companies) were ordered to be convened and held on Saturday, the 27th November, 2004 at their registered office at Focal Point, Ludhiana - 141 010 (Punjab) as under:-

Transferor Company No. 1

Equity Shareholders	10.00 a.m.
Secured Creditors	10.30 a.m.
Unsecured Creditors	11.00 a.m.

Transferor Company No. 2
Equity Shareholders
Secured Creditors
Unsecured Creditors

11.30 a.m.
12.00 Noon
12.30 p.m.

and separate meetings of the shareholders, preference shareholder, secured/unsecured creditors of Nahar Industrial Enterprises Limited (Transferee Company) were ordered to be convened and held on Saturday the 27th November, 2004 at their registered office at Focal Point, Ludhiana - 141 010 (Punjab) as under:-

Transferee Company

Equity Shareholders
Secured Creditors
Unsecured Creditors
Preference shareholders

2.00 p.m.
2.30 p.m.
3.00 p.m.
3.30 p.m.

for the purpose of considering and if thought fit approving with or without modification the scheme of arrangement for amalgamation proposed to be made between the petitioner companies and annexed to the affidavit of Sh. Vikas Bahl, Advocate dated 18.11.2004, Gazette of Punjab Government dated 29.10.2004, the Hindustan Times dated 3.11.2004 and Punjab Kesari dated 3.11.2004 each containing the advertisement of the said Notice convening of the said meetings directed to be held vide order dated 23.9.2004; upon persuing the affidavit of the chairman of the meetings showing the publication and dispatch of Notice convening the said meetings, the reports of the chairman dated 3.12.2004 as to be results of the said meetings and upon hearing Sh. Atul Gandhi and Ms. Munisha Gandhi, Advocates and upon going through the entire material placed on the record and it appearing from the reports that the scheme of amalgamation has been approved as per provisions of the Companies Act, 1956; This court doth hereby sanction the scheme of arrangement for amalgamation set forth in the petition and annexed as annexure P-10 to the company petition No. 168 of 2004 and in the schedule hereto be; and doth hereby declare the same to be binding on the members, secured and unsecured creditors of both the transferor companies and members, (preference shareholder), secured and unsecured creditors of the Transferee company and all concerned and this court doth further order that the parties to the scheme of arrangement for amalgamation and any other person shall be at liberty to apply to this court for any direction that may be necessary in regard to the working of the scheme of amalgamation.

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

SCHEDULE

**SCHEME OF ARRANGEMENT
FOR THE AMALGAMATION OF
NAHAR INTERNATIONAL LIMITED
NAHAR SUGAR & ALLIED INDUSTRIES LIMITED... (collectively the Transferor companies)
WITH
NAHAR INDUSTRIAL ENTERPRISES LIMITED ... (the Transferee company)**

(I) DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:

1. The **"Transferor Companies"** or **"Amalgamating Companies"** means:-
 - a) **Nahar International Limited** (hereinafter called '**NINL**'), a Company incorporated under the Indian Companies Act, 1956 and having its registered office at Focal Point, Ludhiana - 141 010.
 - b) **Nahar Sugar & Allied Industries Limited** (hereinafter called '**NSAIL**'), a Company incorporated under the Indian Companies Act, 1956 and having its registered office at Focal Point, Ludhiana - 141 010.
2. The **"Transferee Company"** or **"Amalgamated Company"** means Nahar Industrial Enterprises Limited hereinafter called '**NIEL**'), a Company incorporated under the Indian Companies Act, 1956 and having its registered office at Focal Point, Ludhiana - 141 010.
3. **"The Act"** means the Companies Act, 1956 and/or any amendment or re-enactment thereof for the time being in force.
4. **"The Transfer Date"** means the commencement of business on the 1st day of April, 2004.
5. **"High Court"** means the High Court of Judicature of Punjab & Haryana at Chandigarh.
6. **"The Scheme"** means as set out in clause III here in below in its present form or with such modifications as may be made and / or directed by the Hon'ble High Court of Punjab and Haryana at Chandigarh.
7. **"Effective Date"** This scheme, though effective from the Transfer Date, shall be operative from the date on which certified copies of the orders under Section 391 to 394 of the Act of the Hon'ble High Court of Punjab & Haryana are filed with the Registrar of Companies, Punjab, H.P. & Chandigarh at Jalandhar or such other dates as the Hon'ble High Court may direct and such date shall hereinafter be referred to as the "Effective Date". Reference in this scheme to the date of "coming into effect of this scheme" or "effectiveness of this scheme" shall be Effective Date.

(II) SHARE CAPITAL

1. The Share Capital of the Transferor Company namely **NINL** as on 31.3.2004 is as under:-

Authorised Share Capital	In Rupees
5,00,00,000 Equity Shares of Rs. 10/- each	50,00,00,000
TOTAL	50,00,00,000
 Issued Share Capital	
2,91,34,800 Equity Shares of Rs. 10/- each	29,13,48,000
 Subscribed and Paid up Share Capital	
2,91,32,600 Equity Shares of Rs. 10/- each	29,13,26,000
Add: Forfeited Shares (Amount originally paid up)	7,000
 Less: Allotment/Call money unpaid	<u>1,52,34,542</u>
TOTAL	<u>27,60,98,458</u>

2. The Share Capital of the Transferor Company namely **NSAIL** as on 31.3.2004 is as under:-

Authorised Share Capital	In Rupees
2,00,00,000 Equity Shares of Rs. 10/- each	20,00,00,000
TOTAL	20,00,00,000
Issued Subscribed and Paid up Share Capital	
1,76,00,700 Equity Shares of Rs. 10/- each	17,60,07,000
Less: Allotment Money Unpaid	1,95,738
TOTAL	<u>17,58,11,262</u>

3. The Share Capital of the Transferee Company namely **NIEL** as on 31.3.2004 is as under:-

Authorised Share Capital	In Rupees
2,25,00,000 Equity Shares of Rs. 10/- each	22,50,00,000
27,50,000 7% Non Cumulative Redeemable Preference Shares of Rs.100/- each	27,50,00,000
TOTAL	50,00,00,000
Issued, Subscribed and Paid up Share Capital	
1,87,62,240 Equity Shares of Rs. 10/- each	18,76,22,400
Less: Allotment Money unpaid	36,19,199
Paid up Equity Share Capital	18,40,03,201
27,50,000 7% Non Cumulative Redeemable Preference Shares of Rs.100/- each	27,50,00,000
TOTAL	<u>45,90,03,201</u>

(III) THE SCHEME

"The Scheme" means the Scheme of Arrangement which provides for Amalgamation of the Transferor Companies with the Transferee company, in accordance with sections 391 to 394 of the Act and / or any other relevant provisions of the Act in its present form as described hereunder, or with such modifications as may be made and / or directed by the Hon'ble High Court of Punjab and Haryana.

BACKGROUND AND RATIONALE OF THE AMALGAMATION

- a) The Transferor company, namely Nahar International Limited (NINL) was originally incorporated as Punjab Con-cast Steels Limited on 27th June, 1970, as a public limited company. It was initially promoted by Punjab State Industrial Development Corporation Limited (PSIDC). In the year 1973 Oswal Woollen Mills Limited (OWM) joined hand with PSIDC as co-promoter under a Joint Sector Financial Collaboration Agreement to implement the Mini Steel Plant project. In the year 1980, PSIDC transferred its entire equity holding in the company to OWM and its Associate Companies. Since then the management of the company has been with our group. The NINL commenced its commercial production on 19th December, 1973 and after the initial gestation period the company had been doing well. With a view to diversify the activities of the company and to use available accumulated surplus, the company had put up a spinning unit with the total investment of about Rs.100 crores at Bhiwadi (Rajasthan). This heavy expansion was over and above the normal expansions made by the company ever since 1973 i.e. after the commencement of business in steel industry. To partly finance the cost of the spinning unit, the company had issued fresh equity shares to the general public as well as on right basis to existing shareholders in the year 1992-93. The name of the Company was changed from Punjab Con-cast Steels Limited to Nahar International Limited w.e.f. 6th October, 1994. Thereafter, because of continued recession in the steel industry and the surplus available with the company having been wiped out, it became difficult for the company to even sustain the break even point owing to heavy interest liability. Thus NINL approached financial institutions to restructure its borrowings and also asked them to reduce the rate of interest on term loans to the then prevailing rate of interest.

Further, in view of heavy recession in the steel industry, NINL was compelled to close down its steel division in 2002, to avoid recurring losses. Now NINL is having a spinning division and has been able to show positive results by earning net profit for the year 2003-04. The Board of Directors is of the opinion that since the other group company namely Nahar Industrial Enterprises Limited (NIEL) is running a fully integrated textile manufacturing plant, it is therefore desirable to amalgamate NINL with NIEL. This would enable the business to run on a larger scale, besides bringing down the cost. NIEL would now have a one line integrated industrial unit and also be able to run its spinning division more profitably and economically. Since 1973 NINL had been running its steel business very efficiently and profitably. The company has total expertise of running steel division. However, the company had to shut down its steel division only because of the heavy input cost and required heavy capital expansion. It is obvious that any source or resource which could bring down the cost of inputs in manufacturing steel would have been a reason to sustain steel business in earlier years too. Because of change in Government policy companies have been allowed to use power incase it is being generated in their manufacturing process. Nahar Sugar & Allied Industries Limited (NSAIL) another Transferor company, to avail this benefit of the Government policy had put up steel division with a view to use the surplus electricity generated in that industry for the process of manufacturing sugar. Since NINL has requisite expertise in management and had total knowledge of running steel division successfully for the last number of years and the main input to manufacture steel is electricity which being available almost free of cost with NSAIL another transferor company under the control of same group but being managed by different executives, it has been thought desirable to consolidate these two transferor companies under one management and control so as to have proper and effective management of steel division with the expertise available with the company.

For these reasons the Board of directors now have decided that instead of merging two business i.e. the spinning division of NINL with total integrated textile division of NIEL, it is desirable to amalgamate in such a way that besides control of a large textile division, the steel division though now owned by separate company of the group be also controlled by the experienced management. Merger of NINL and NSAIL would provide an opportunity to run steel business with the power available with Nahar Sugar & Allied Industries Limited to fight all odds in the present competitive era.

- b) The second transferor company namely Nahar Sugar & Allied Industries Limited (NSAIL) was floated in the assisted sector with Punjab State Industrial Development Corporation Limited (PSIDC) and was incorporated on 26th February, 1993. The certificate for commencement of business was issued on 9th March, 1993. To finance the cost of the project, the company made public issue of its equity shares in the year 1994. The company had put a sugar plant in the year 1994 with the capacity of 2500 TCD of sugar cane and NSAIL had been running successfully its sugar unit till 2002. However, because of restricted government policy to dispose of its end products, the company had to bear heavy interest burden because of piling of its stocks and could not achieve the targeted financial results.

As the policy of Government in sugar industry was fluctuating and predominately pro-farmer, it was considered desirable to merge the business of the company with other profit making company having sufficient financial resources at low interest cost. Besides NSAIL had also diversified its activities and put up steel division. The group managing the company had vast experience in managing mini steel plant. Additional reason to put steel division in the company was with an idea to use the extra power generated in the process of manufacturing of sugar, which was going waste and could be utilised to manufacture steel and thereby increase the profitability of the company. Since steel was familiar territory and the cost of power being the major manufacturing cost of inputs in steel division, therefore, steel industry was considered the most appropriate line for diversification which could ensure consistent profitability to the company. For two years the company has successfully managed the steel division and now has decided to go in for expansion as well.

The group managing Nahar Industrial Enterprises Limited, Nahar International Limited and Nahar Sugar & Allied Industries Limited is going for heavy restructuring and consolidation of the existing business with a view to cut down the cost and have efficient control and management of the business. It has been proposed and decided by the Board that the amalgamation proposal of three companies i.e. Nahar Industrial Enterprises Limited, Nahar International Limited and Nahar Sugar & Allied Industries Limited would be in the interest of the company and its shareholders. The unity of control arising out of the merger would first enable the company to arrange funds for its proposed heavy expansion in steel division and also have with them the expertise of managing steel division which presently another transferor company i.e. Nahar International Limited possesses for the last 20 years or more. These considerations have prompted the merger, particularly when entire corporate world is restructuring its activities in such a way so that there are reduced costs and a more effective management control on account of an integrated unit.

- c) The Transferee Company, namely Nahar Industrial Enterprises Limited (NIEL), was originally incorporated as Oswal Fats and Oils Limited on the 27th day of September, 1983 as a Public Limited Company under the Companies Act, 1956 with the Registrar of Companies, Delhi and Haryana at New Delhi. The name of the Company was changed from Oswal Fats and Oils Limited to Nahar Industrial Enterprises Limited and a fresh certificate of incorporation consequent on change of name was granted on 21st October, 1994 by the Registrar of Companies, National Capital Territory (NCT) of Delhi and Haryana, New Delhi. Thereafter, the place of the registered office of the Company was changed from NCT of Delhi to the State of Punjab by Special Resolution passed by the shareholders of the Company and confirmed by the Company Law Board Bench, New Delhi dated 31st May, 1996 and registered by the Registrar of Companies, Punjab, H.P & Chandigarh at Jalandhar vide Certificate No. 16-18321 dated 11th June, 1996. In view of the considerable experience and expertise of the group in setting up and managing the spinning units, NIEL diversified its activities and put up a 100% export oriented spinning unit which commenced its commercial production in March, 1996. With a view to forward integration of textile division, Nahar Fabrics Limited (NFL) was amalgamated with the company vide order dated 18th December, 1997 passed by the Hon'ble High Court of Punjab & Haryana at Chandigarh. Further NIEL expanded its spinning capacity by installing a spinning unit at Ludhiana, which commenced its commercial production in July, 1998. The financial position of the company remained good till financial year 1997-98 and the company paid dividend regularly. Thereafter, the recession in the industry, stiff competition in both domestic & international markets, lower margin and high interest factor on the financial assistance availed from various financial institutions / banks started affecting the performance of the company.

In the first phase of overall restructuring planning of the Transferee Company (NIEL) which resulted in forward integration of its Textile Division, Oswal Cotton Mills Limited (hereinafter referred to as OCML) was amalgamated with the Transferee Company vide order dated 8th November, 2001 passed by the Hon'ble High Court of Punjab and Haryana at Chandigarh. To avoid any further burden of enhanced equity on the Transferee Company, the entire equity share capital of OCML was arranged in such a manner so that upon amalgamation no equity share of the Transferee Company would be allotted in exchange with equity shares of OCML. However, the Board of Directors of the Transferee Company had allotted 27,50,000 - 7% Noncumulative Redeemable Preference Shares of Rs. 100/- each (hereinafter referred to as (the Preference Shares') to the preference shareholders/ applicants of preference shares on the same terms and conditions on which they had been issued by the OCML.

For the last couple of years, the textile industry has been passing through a very difficult period. To mitigate the problems of the Textile Industry, the Government of India announced a scheme of Technology Up-gradation Fund Scheme (TUFS), which provided a little relief to the industry. Today, in the rapidly changing scenario of trade liberalization, the textile industry needs effective planning and strategy to face the emerging challenges arising from the abolition of the quota regime, beginning from the year 2005. The strategic alternatives

examined by the Board of Directors included an amalgamation of the two different group companies with the company. To bring unity and control of three independent companies namely NIEL, NINL and NSAIL which are presently managed and controlled by the same group, the Board of Directors of the Transferee Company has decided that it would be prudent and expedient to combine the operation of all the three companies under a single umbrella to achieve the optimum size of business which is essential for facing the emerging global challenges. The Amalgamated company with sound financial position having more net worth, turnover, market capitalization, consolidated capacities, operational synergies, diversified product range, better utilization of manpower can meet the market and customer needs with greater flexibility and thus further strengthen its position in domestic and international markets. The enlarged enterprise with a competitive edge will enable the Amalgamated company to go in for Joint ventures with overseas partners. Thus the restructuring scheme will generate additional value for the Company's business and its share holders.

(IV) ALLOTMENT OF EQUITY SHARES TO PROMOTERS ON PREFERENTIAL BASIS

The Transferee Company (NIEL) has redeemable Preference Share in their Capital aggregating the face value of Rs.27.50 crores allotted to the promoters of the company. However, in view of the future expansion and requirement of funds by the company, the company would not be in a position to pay back the redemption money of preference shares amounting to Rs.27.50 crores. Various alternatives were considered and it has now been decided that the preference shares may be redeemed during the implementation of the amalgamation scheme and the redemption money should be utilized by the company by allotting equity shares on preferential basis to the promoters / holders of preference shares of the Transferee Company. The promoters have also expressed their desire to increase their stake in the company and have given their consent to the Transferee Company to use the redemption money of preference shares for such further allotment in the equity capital of the company. It is proposed, subject to the approval of the shareholders in their respective meeting, that the promoter should be allotted 5% equity of the enhanced capital in each two successive years. The equity capital will be allotted according to the guidelines issued by SEBI for preferential allotment of shares. This proposal is being mentioned in this scheme with a view to inform all concerned regarding the expected further allotment of equity of the Transferee Company, besides the allotment of equity in pursuance to the amalgamation to the shareholders of the Transferor Companies. The number of equity shares proposed to be allotted to the promoters are as mentioned in para V of the scheme.

(V) EXPECTED CAPITAL STRUCTURE OF THE TRANSFEE COMPANY

i.	Existing Equity Share Capital:-	In Rupees
	1,87,62,240 Equity Shares of Rs. 10/- each	18,76,22,400
ii	Add :	
a)	69,02,287 Equity Shares of Rs. 10/- each to be allotted to the members of NINL on amalgamation with NIEL	6,90,22,870
b)	52,74,338 Equity Shares of Rs. 10/- each allotted to the members of NSAIL on amalgamation with NIEL	5,27,43,380
	Share Capital (Post amalgamation) [(I) +(ii)]	30,93,88,650
iii	Add :	
a)	36,17,000* equity shares of Rs. 10/- each to be allotted upon exercise of option attached to Part-A of the warrant issued to promoters on preferential basis	3,61,70,000
b)	45,75,000* equity shares of Rs. 10/- each to be allotted upon exercise of option attached to Part-B of the warrant issued to promoters on preferential basis	4,57,50,000
	Total equity share capital (ii+iii)	<u>39,13,08,650</u>

*as mentioned elsewhere in the scheme.

(VI) EXPECTED SHAREHOLDING PATTERN OF THE TRANSFeree COMPANY

	Share holding percentage as on 31.3.2004	Share holding Percentage post amalgamation	Shareholding Percentage post exercise of option attached to warrants	
			Part-A	Part-B
Promoters	52.52	52.24	57.24	62.24
Mutual Funds	0.05	0.11	0.10	0.08
Banks & Financial Institutions	0.09	0.70	0.63	0.56
Foreign holding (FIIs, NRIs & OCBs)	0.89	1.41	1.26	1.11
Private Corporate bodies (others)	2.81	3.48	3.11	2.75
Indian Public	43.64	42.06	37.66	33.26
Total	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

(VII) TRANSFER AND VESTING OF UNDERTAKING

1. Upon the scheme being approved by the Hon'ble High Court, the undertaking and business of both the Transferor Companies, with effect from the Transfer Date, without any further act or deed, stand transferred to, and vest in or be deemed to have been transferred to and vested in the Transferee Company in accordance with the provisions of Sections 391 and 394 of the Act with all the estate and interests of both the Transferor Companies as a going concern but subject nevertheless to all charges, if any, affecting the same or any part thereof and on the Transfer Date both Transferor Companies shall stand amalgamated with the Transferee Company.
2. A) For the purpose of the Scheme the business of Transferor Companies shall include:
 - I) All the assets of both Transferor Companies immediately prior to amalgamation.
 - II) All the liabilities of both the Transferor Companies immediately prior to amalgamation.
- B) Without prejudice to the generality of the foregoing sub-clause (A) hereof, the said undertaking and business shall include:
 - I. All properties, rights and claims whatsoever of both the Transferor Companies and their entire undertakings, authorities, privileges, industrial and other licences and rights in respect of the properties moveable and immovable, leases, tenancy rights and other assets of whatsoever nature including patent rights, trade marks and other industrial property rights, registrations, approvals, clearances, fittings and fixtures, telephones, telex and other communications, fax connections, cash balance reserves, security deposits, refunds, outstanding balances, stocks, investments, contracts, agreements and other rights and interests of all description in or arising out of such properties as may belong to or be in possession of both the Transferor Companies and all books of accounts and documents and records relating thereto, but subject to all charges affecting the same, provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to both the Transferor Companies which shall vest in the Transferee Company by virtue of the amalgamation, and the Transferee Company shall not be obliged to create any further and / or additional security therefore after the amalgamation has become effective or otherwise.
 - II. All the liabilities, debts, obligations and duties of both Transferor Companies shall stand transferred to the Transferee Company with effect from the Transfer Date without any further act or deed in accordance with Section 394(2) of the Act, so as to become the liabilities, debts, obligations and duties of the Transferee Company.

3. With effect from the Transfer Date, the Share Premium Account, Capital Reserve Account, General Reserve Account and any other reserves as on the Transfer Date, in the Balance Sheet of both Transferor Companies shall become the Share Premium Account, Capital Reserve Account, General Reserve Account and other reserves of the Transferee Company.
4. With effect from the Transfer Date and upon this scheme becoming effective, the unabsorbed depreciation and unabsorbed accumulated losses as reflected in the balance sheets, and as determined under Income Tax Act, of both Transferor Companies, shall be treated as unabsorbed depreciation and unabsorbed accumulated losses of the Transferee Company, as on the Transfer Date and subject to the provisions of section 72-A of the Income Tax Act, 1961, the Transferee Company shall be entitled to set off and / or carry forward such unabsorbed depreciation and unabsorbed accumulated losses.

(VIII) CONDUCT OF BUSINESS BY TRANSFEROR COMPANIES TILL EFFECTIVE DATE

1. With effect from the Transfer Date and up to the Effective Date, both the Transferor Companies: Shall carry on and be deemed to carry on all its business and activities and stand possessed of its properties and assets for and on account of and in trust for the Transferee Company and all the profits accruing to the Transferor Companies or losses arising or incurred by the Transferor Companies shall, for all purposes, be treated as the profits or losses of the Transferee Company as the case may be ;
2. hereby undertake to carry on its business until the Effective Date with reasonable diligence and shall not, without the written consent of the Transferee Company, alienate, charge or otherwise deal with the said undertaking or any part thereof except in the ordinary course of its business ;
3. shall not vary the terms and conditions of the employment of its employees, except in the ordinary course of business ;
4. shall not, without the written consent of the Transferee Company, undertake any new business, issue further Shares or declare any dividend after the closure of Financial Year ended on 31st March, 2004.

(IX) LEGAL PROCEEDINGS

Upon the scheme becoming effective, if any suit, appeal or other proceeding of whatsoever nature, by or against both the Transferor Companies be pending, the same shall be continued, prosecuted and enforced by or against the Transferee Company. Any proceedings that may arise after the Transfer Date for any other matter and / or cause of action concerning the Transferor Companies before the Effective Date shall also be taken by or against the Transferee Company.

(X) TRANSFEROR COMPANIES STAFF, WORKMEN AND EMPLOYEES

All the staff, workmen and other employees in the service of both the Transferor Companies, immediately prior to the transfer of the undertaking, under the scheme, shall become the staff, workmen and employees of the Transferee Company provided that :

1. Their services shall have been continuous and shall not have been interrupted by reason of the transfer of the undertaking.
2. The terms and conditions of service applicable to the said staff, workmen or employees after such transfer shall not in any way be less favourable to them than those applicable to them immediately prior to the transfer.
3. It is expressly provided that as far as Provident Fund, Gratuity Fund or any other Special Fund created or existing for the benefit of the staff, workmen and other employees of both the Transferor Companies are concerned, upon the Scheme becoming effective, the Transferee Company shall stand substituted for both the Transferor Companies for all purposes whatsoever related to the administration or operation of such funds or in relation to the obligation to make contributions to the said funds in accordance with provisions of such

funds as per the terms provided in the respective Trust Deeds. It is the aim and intent that all the rights, duties, powers and obligations of both the Transferor Companies in relation to such funds shall become those of the Transferee Company. It is further clarified that the services of the employees of both the Transferor Companies shall be treated as having been continuous for the purpose of the aforesaid funds or provisions.

(XI) CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

The transfer and vesting of the properties and liabilities and the continuance of the proceedings mentioned here-in-above in clause IX shall not in any manner affect the transactions or proceedings already concluded by or against both the Transferor Companies :-

1. On or before the Transfer Date and that the Transferee Company accepts on behalf of itself all acts, deeds, bonds, agreements and other instruments of whatsoever nature done and executed by either or both the Transferor Companies.
2. After the Transfer Date but not before the effective date, and that the Transferee Company accepts on behalf of itself all acts, deeds, bonds, agreements and other instruments of whatsoever nature done and executed by both the Transferor Companies.

Subject to the other provisions contained in this Scheme, all contracts, deeds, agreements and other instruments of whatsoever nature subsisting or having effect immediately prior to the amalgamation to which either of the Transferor Companies are a party, shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectively as if, instead of the said Transferor Companies, the Transferee Company had been a party thereto.

(XII) DIRECTORS

All the directors of both Transferor Companies shall cease to be directors of the Transferor Companies on the Effective Date without affecting their rights as shareholders, if any, in the Transferor Companies. However, if any such director is a director of the Transferee Company, he would continue to hold his office in the Transferee Company. The nominee director appointed by ICICI Bank Limited on the Board of NINL would continue to be nominee director on the Board of NIEL.

(XIII) MAIN BENEFIT

It is proposed to amalgamate NINL & NSAIL with NIEL to take forward the restructuring process initiated in 2001 and to harness the advantage flowing from the synergies arising from the proposed amalgamation. The resultant benefits of the proposed amalgamation are as under:-

- a) NINL is engaged in the manufacture of Cotton / Blended yarn and Dyed yarn. The yarn manufactured by NINL is well accepted in both the domestic and international markets. NIEL is engaged in the manufacture of Cotton yarn, Grey/ Processed Fabrics, Readymade Garments, Soap and Vanaspati. The Company's Grey and Processed Fabrics have a well established share in the market and the product is being supplied to leading garment manufacturers in the country as well as to an overseas market. Thus both NINL & NIEL are engaged in the manufacture of various counts of yarn. In fact, NINL is one of the major raw material suppliers of NIEL and NIEL has potential to consume 25% to 27% of the output of NINL as raw material in its weaving unit. The proposed amalgamation would result in NINL having to sell only 73% to 75% of the output in the market. This would enable NINL to concentrate on a better product mix for best realization on the yarn sold in the open market.
- b) The amalgamation of NINL with NIEL will enlarge the backward integration and improve the competitive advantage of the amalgamated entity, significantly expand its business platform, reduce business risk and enhance its strategic position in the textile industry. Thus the amalgamated company can have better planning and scheduling of the fabrics & readymade garments and also keep a reduced stock of inventory at all the concerned stages.
- c) The Sugar industry being seasonal in nature operates approximately for a period of five to six months in a year. After amalgamation, the Amalgamated Company will be able to utilise the services of manpower engaged in NSAIL during the off-season period for other units of the Amalgamated Company. Thus the control and management of the Amalgamated

Company would be more effective due to better utilization of the manpower from the common pool of administrative and managerial personnel. The combined managerial expertise of NINL, NSAIL & NIEL would give an additional thrust to the amalgamated entity. The amalgamation would consequently benefit the personnel, as well, who are otherwise unengaged during the off season period.

- d) As per the present government policy surplus power available with one company can not be utilised by any other company, however that company may use this surplus power for its other units. NSAIL is having surplus power at its sugar plant from its captive and cogeneration power. To avail this benefit of the Government policy, NSAIL had installed a Steel Unit and consuming surplus power. Even after catering to the requirement of the Steel Unit still there is surplus power available with NSAIL. It would be prudent and expedient to combine the operations of all the three companies into one company, so that subsequent to amalgamation, the Amalgamated company would be able to effectively utilize the surplus available power.
- e) By virtue of the amalgamation, operations of all the three companies shall be ideally brought under a single control whereby there will be considerable savings by eliminating duplication of administrative and legal expenses, overheads and other service charges. The synergies created by the amalgamation would lower the cost of borrowing, increase operational efficiency, integrate marketing functions & procurement of raw materials and thus improve the financial capacity and capability of the Amalgamated Company. After amalgamation, the Amalgamated Company will be in a better position to operate on a larger scale as a Composite Textile Unit having large resources and conducting its operations with lower debts.
- f) The proposed amalgamation will enable the amalgamated company to achieve optimum levels of business which is essential for better utilization of available resources, thereby ensuring competitive cost for long term and day to day working capital requirements, economic and financial benefits for the companies, their shareholders and employees. The Amalgamated Company having a wider capital base and improved financial ratios shall be in a stronger position to mobilise the required funds for expansion by way of Public issue of shares, debentures, acceptance of public deposits etc.
- g) The advantages of scale are a key determinant for success in the Indian textile industry. The combination of all the assets of NINL, NSAIL & NIEL in the amalgamated entity coupled with the group's vast experience to manage the mini steel plant shall lead to increased business opportunities and maximisation of the shareholders wealth. The amalgamated company is thus, likely to achieve higher long term financial returns than that could have been achieved by NINL, NSAIL & NIEL in their individual capacity.
- h) Subsequent to the amalgamation, the Amalgamated Company will be in a better position to source and absorb new technology as its capacity to spend on Research and Development shall be enhanced, thereby bringing the company in conformity and competition with global players.
- i) To face the emerging challenges from abolition of quota regime beginning from the year 2005, it would be prudent and expedient to combine the operations of all the three companies under a single umbrella to achieve the optimum size of business. After amalgamation, the amalgamated entity having a sound financial position with increased net worth, increased turnover, consolidated capacities, operational synergies, diversified product range i.e. spinning, weaving, grey fabrics, processed fabrics, readymade garments, sugar, steel, soap & vanaspati along with the enhanced capabilities and resources at its disposal, would have a greater flexibility to meet the market and customer needs and shall be able to compete more effectively, thus further strengthening its position in both the domestic and international markets. The enlarged enterprise with a competitive edge shall enable the amalgamated entity to go in for joint ventures with overseas partners which will generate additional value for the company's business and its shareholders.

- j) After amalgamation the unabsorbed depreciation and unabsorbed accumulated losses of the Amalgamating Companies shall be unabsorbed depreciation and unabsorbed accumulated losses of the Amalgamated Company. As per provisions of section 72A of the Income Tax Act, 1961 the Amalgamated Company would be entitled to set off and / or carry forward such unabsorbed depreciation and unabsorbed accumulated losses. The amalgamated company is thus expected to save a substantial amount on account of the low income tax liability in the future years.

(XIV) ISSUE OF SHARES

1. Upon the Scheme being sanctioned by the Hon'ble High Court of Punjab & Haryana at Chandigarh and the transfers having been effected as provided herein above, the Transferee Company shall, subject to provisions of the Scheme, and without any further application, act or deed, issue and allot to the members of the Transferor Companies, whose names are recorded in the Register of Members on a date (Record Date) to be fixed by the Board of Directors of the Transferee Company:-
 - I) 3 (three) fully paid up Equity Share of Rs.10/- each of NIEL for every 12 (twelve) fully paid up Equity Shares of Rs.10/- each of NINL. In respect of partly paid up equity shares, on the basis of equity each of the holder of such partly paid up equity shares of NINL shall be allotted such number of fully paid up equity shares of NIEL as per their entitlement, computed in proportion to the amount paid up on the equity shares, in the same exchange ratio.
 - II) 3 (three) fully paid up Equity Shares of Rs.10/- each of NIEL for every 10 (ten) fully paid up Equity Shares of Rs.10/- each of NSAIL. In respect of partly paid up equity shares, on the basis of equity each of the holder of such partly paid up equity shares of NSAIL shall be allotted such number of fully paid up equity shares of NIEL as per their entitlement, computed in proportion to the amount paid up on the equity shares, in the same exchange ratio.
2. Since all the assets and liabilities of both the Transferor Companies would be transferred to the Transferee Company without any exception, it was therefore, considered necessary that the valuation of Equity Shares of all the three companies shall be the deciding factor for the purpose of deciding the exchange ratio which would be highly appreciable and justified. Accordingly, the valuation of shares was referred to an independent valuer namely M/s. Agarwal Jetly & Co., Chartered Accountants, New Delhi. The aforesaid exchange ratio was computed by them on the weighted average of the following accepted valuation methods:
 - i) Asset Value
 - ii) Yield Value and
 - iii) Market ValueThe Board of Directors of all the three companies relying upon the aforesaid expert professional advise and on the basis of their independent evaluation and judgement, also came to the conclusion that the aforesaid proposed share exchange ratio is fair and reasonable to the shareholders of all the three companies and have decided to incorporate the same in the scheme.
3. No fractional coupons shall be issued by the Transferee Company in respect of the fractional entitlements, if any, to which the shareholders of both Transferor Companies may be entitled on issue and allotment of Equity shares of the Transferee Company as aforesaid. The Board of Directors of the Transferee Company shall, instead, consolidate all such fractional entitlements to which the members of NINL and NSAIL may be entitled on issue and allotment of Equity Shares of NIEL as aforesaid, and thereupon issue and allot Equity Shares in lieu thereof to a director or an auditor of NIEL who shall hold the equity shares in trust on behalf of the members entitled to fractional entitlements, on the express understanding that such director or an auditor to whom such equity shares be allotted shall sell the same in the market or to such persons within one month from the date of allotment and distribute the net sale proceeds to the respective members of both the Transferor Companies in proportion to their fractional entitlement.
4. As on date the Transferor Companies as well as Transferee Company are having inter-se investments in the form of equity shares. NINL is holding 22,38,265 equity shares of Rs 10/- each fully paid up in NIEL which constitutes 11.93 % of the equity share capital of NIEL and 28,35,200 equity shares of Rs 10/- each fully paid up in NSAIL which constitutes 16.11% of the equity share capital of NSAIL. NSAIL is holding 14,18,683 equity shares of Rs 10/- each fully paid up in NIEL which constitutes 7.56% of the equity share capital of

- NIEL and 7,27,567 equity shares of Rs 10/- each fully paid up in NINL which constitutes 2.50% of the equity share capital of NINL. NIEL is holding 28,77,470 equity shares of Rs 10/- each fully paid up in NINL which constitutes 9.88% of the equity share capital of NINL and 35,87,200 equity shares of Rs 10/- each fully paid up in NSAIL which constitutes 20.38% of the equity share capital of NSAIL. Before the scheme of amalgamation is put through, inter-se investments so held by the Transferor Companies and Transferee Company would be transferred to co-promoter companies at the then prevailing market price to avoid its consequential cancellation on amalgamation.
5. The shares to be issued and allotted under clause XIV(1) [issue of shares] of the scheme by the Transferee Company to the members of both the Transferor Companies pursuant to amalgamation, shall rank pari-passu in all respects with the existing equity shares held by the members of the Transferee Company.
 6. The members of Transferor Companies holding equity shares in dematerialised form shall get the equity shares of the Transferee Company in dematerialised form. The members of Transferor Companies holding equity shares in physical form shall have option to receive equity shares of the Transferee Company either in physical certificate form or in dematerialised form. Intimation in this regard should reach in writing to the Transferee Company on or before such date as may be determined by the Board of Directors of the Transferee Company. In case the Transferee Company do not receive such intimation, the shares shall be issued to such members in certificate form.
 7. All mandates and other instructions in force, at the close of business on the effective date, relating to the equity shares of both the Transferor Companies, shall unless and until revoked, be deemed to be valid and subsisting mandates or instructions to the Transferee Company in relation to the corresponding equity shares of the Transferee company to be issued and allotted pursuant to the scheme.
 8. The new equity shares of the Transferee Company, issued in terms of this scheme shall be subject to all applicable regulations, shall be listed on the relevant stock exchanges where the equity shares of the Transferee Company are listed on the effective date of the scheme.
 9. Upon the members of the Transferor Companies and Transferee Company giving their approval/consent to the Scheme, it shall be deemed that the members of the Transferor Companies and Transferee Company have accorded all consent, if any, as required under the Act and it will be deemed that the consent of the shareholders of the Transferee Company has been accorded in pursuant to section 81(1A) and all other applicable provisions of the Act for allotment of equity shares of the Transferee Company in pursuant to para XIV (1) above, to the shareholders of Transferor Companies in accordance with and subject to the provisions of the scheme.
 10. For the purpose as aforesaid, the Transferee Company shall, if and to the extent required, apply for and obtain the requisite consent or approval of the appropriate authority concerned for the issue and allotment by the Transferee Company to the respective members of the Transferor Companies of the equity shares in the said re-organised share capital of the Transferee Company as per Scheme.

(XV) MODIFICATIONS/ AMENDMENTS TO THE SCHEME

The Scheme is subject to such modifications as the Hon'ble High Court of Punjab & Haryana may direct on both the Transferor Companies or Transferee Company and the Board of Directors of both the Transferor Companies and the Transferee Company accord consent on behalf of all concerned to any modification or addition to the Scheme and agree to such terms and conditions which the Hon'ble High Court of Punjab & Haryana may deem fit to direct.

(XVI) RIGHTS OF CREDITORS

This Scheme shall not in any manner effect the rights of any of the creditors of both the Transferor Companies and in particular the Secured Creditors shall continue to enjoy and hold charge upon their respective securities.

(XVII) DISSOLUTION OF THE TRANSFEROR COMPANIES

Upon this scheme sanctioned by High Court, the Transferor Companies shall stand dissolved without being wound up and all assets and liabilities shall be vested in the Transferee Company. All business carried out by the Transferor Companies from transfer date upto effective date is deemed to be carried on in trust for Transferee Company.

(XVIII) COMPLIANCE OF SECURITIES LAWS

The Scheme does not in any manner violate, override or circumscribe the provisions of the Securities laws i.e. SEBI Act, 1992, The Securities Contract (Regulation) Act, 1956, The Depositories Act, 1996 and The Companies Act, 1956 or requirement of the Stock Exchange.

(XIX) SCHEME CONDITIONAL ON APPROVALS/SANCTIONS

The Scheme is conditional on and subject to:

1. The sanction or approval being obtained and granted in respect of any of the matters of which such sanction or approval is required from the concerned appropriate authorities.
2. the approval to the Scheme by the requisite majority of the members of both the Transferor Companies and of the members of the Transferee Company.
3. the requisite resolution(s) under the applicable provisions of the Act being passed by the shareholders of the Transferee Company for any of the matters provided for or relating to the Scheme as may be necessary or desirable.
4. the sanction of the High Court of Judicature Punjab & Haryana at Chandigarh under Sections 391 & 394 of the Act, in favour of both the Transferor Companies and in favour of the Transferee Company and to the necessary Order(s) under Section 394 of the Act, being obtained.
5. the approval to the issue and allotment of equity shares in the Transferee Company to the members of both the Transferor Companies, if any required.

(XX) OPERATIVE DATE OF THE SCHEME

This Scheme, though effective from the Transfer Date shall be operative from the date on which certified copies of the order of the Hon'ble High Court of Punjab & Haryana at Chandigarh under Section 391, 392 and 394 of the Act are filed with the Registrar of Companies, Punjab, H.P. & Chandigarh at Jalandhar or such other dates as the Hon'ble High Court may direct.

(XXI) EXPENSES CONNECTED WITH THE SCHEME

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

(XXII) APPLICATIONS TO HIGH COURT

Both the Transferor Companies and/or any other person interested including the Transferee Company shall be at liberty to apply to the Hon'ble High Court of Punjab & Haryana at Chandigarh from time to time for necessary directions in matters relating to the scheme or any terms thereof. Upon this scheme becoming effective as aforesaid, both the Transferor Companies shall stand dissolved without winding up as and from the effective date or such date as the Hon'ble High Court of Punjab & Haryana at Chandigarh may direct.

(XXIII) EFFECT OF NON RECEIPT OF APPROVALS/SANCTIONS

In the event of any of the said sanctions and approvals not being obtained and/or the scheme not being sanctioned by the Hon'ble High Court and/or order or orders not being passed as aforesaid on or before the 31.12.2005 or within such period or periods as may be agreed upon among both the Transferor Companies and the Transferee Company through their respective Board of Directors, the Scheme shall become null and void and each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme of Amalgamation.

Dated the 4th March, 2005
(By the Court)

sd/-
Court Secretary, Liquidation
for Registrar (Judicial)

**IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH
ORIGINAL JURISDICTION
COMPANY PETITION NO. 168 OF 2004
CONNECTED WITH
COMPANY PETITION NO. 134 OF 2004
IN THE MATTER OF SECTIONS 391 AND 394 OF
THE COMPANIES ACT, 1956
AND
IN THE MATTER OF SCHEME OF AMALGAMATION OF
NAHAR INTERNATIONAL LIMITED
AND
NAHAR SUGAR & ALLIED INDUSTRIES LIMITED
WITH
NAHAR INDUSTRIAL ENTERPRISES LIMITED**

PETITION OF:

- | | |
|---|------------------|
| 1. Nahar International Limited
Regd. Office: Focal Point, Ludhiana - 141 010
Through Mr. Mukesh Sood, Company Secretary | Petitioner No. 1 |
| 2. Nahar Sugar & Allied Industries Limited
Regd. Office: Focal Point, Ludhiana - 141 010
Through Mr. Rakesh Gupta, Finance Controller | Petitioner No. 2 |
| 3. Nahar Industrial Enterprises Limited
Regd. Office: Focal Point, Ludhiana - 141 010
Through Mr. Dinesh Gogna, Director | Petitioner No. 3 |

Petition under section 391 and 394 of the Companies Act, 1956 for sanction of the scheme of amalgamation of Nahar International Limited and Nahar Sugar & Allied Industries Limited having their registered office at Focal Point, Ludhiana - 141 010 with Nahar Industrial Enterprises Limited having its Registered Office at Focal Point, Ludhiana - 141 010

PRAYER :

- I. That a notice be issued to the Central Government through Regional Director (Northern Region), Department of Company Affairs, Ministry of Finance, Kanpur as required by Section 394A of the Companies Act, 1956 and also to the official liquidator attached to this Hon'ble Court; and
- II. That the scheme of amalgamation (Annexure P-10) as envisaged in this petition may be sanctioned by this Hon'ble court as to be binding with effect from 1st April, 2004 on the Companies and their shareholders and all concerned; and
- III. That all the properties, rights and powers of Nahar International Limited and Nahar Sugar & Allied Industries Limited inclusive of the entire undertakings held by them along with all its assets and liabilities, furniture, fixtures, office equipment, vehicles, capital work in progress, together with all permits, quotas, tenancy and lease rights, industrial and other licences, offices, deposits, trade marks, privileges and benefits of all contracts, agreements, inventory and sundry debtors, cash and bank balances, loans and advances and other current assets, investments and work in progress including all liabilities towards sundry creditors, acceptance, advances, security deposits, interest accrued but not due, advances from customers and other liabilities and all permanent employees in pursuant to section 392(2) of the Act, without any further act or deed, be transferred and vested in or be deemed to have been transferred to and vested in Nahar Industrial Enterprises Limited for all rights, titles, and interest therein, absolutely but subject to all existing charges thereon. A short description of freehold/leasehold property and other

properties of Nahar International Limited and Nahar Sugar & Allied Industries Limited, so vested, will be filed as and when required by this Hon'ble High Court; and

- IV. That all proceedings and/or suits and/or appeals now pending by or against Nahar International Limited and Nahar Sugar & Allied Industries Limited regarding their dealings shall be continued by or against Nahar Industrial Enterprises Limited.
- V. That the petitioner shall within 30 days from the date of obtaining the certified copy of this order cause a copy thereof to be delivered to the Registrar of Companies, Punjab, H.P. and Chandigarh at Jalandhar for registration.
- VI. That any person interested shall be at liberty to apply to this Hon'ble Court in the above matter for such directions as may be necessary.
- VII. That such further or other orders be made and /or directions be given as this Hon'ble Court may deem fit and proper.

BEFORE HON'BLE MR. JUSTICE M.M. KUMAR
DATED THE 4TH MARCH, 2005

The company petition No. 168 of 2004 coming on for hearing on 4th March, 2005 duly supported by Affidavits of Mr. Mukesh Sood, Company Secretary of the Transferor company namely Nahar International Limited, Mr. Rakesh Gupta, Finance Controller of Transferor Company namely Nahar Sugar & Allied Industries Limited and Mr. Dinesh Gogna, Director of the Transferee Company namely Nahar Industrial Enterprises Limited; and upon persuing the said petition and the order dated 16.12.2004 whereby notice of petition was ordered to be issued to the Regional Director, Department of Company Affairs Kanpur and the Official Liquidator and further a notice of the petition was also directed to be published in the Tribune, Punjab Kesri and the Official Gazzette of the Government of Punjab and further upon persuing the report dated 21.2.2005 of official Liquidator attached to this Court showing that the affairs of the transferor companies have not been conducted in manner prejudicial to the interest of their member or public interest and also upon persuing the affidavit of Sh. U.C. Nahata, Regional Director (Northern Region), Department of Company Affairs, Kanpur dated 10.2.2005 and all other material placed on record and also upon hearing Sh. Atul Gandhi, Advocate for the petitioners, this court doth order:-

- I. That all the property, rights and powers of the Transferor companies specified in the first, second and third parts of the schedule hereto and all other property, rights and powers of the Transferor companies 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 of the Transferor Companies therein but nevertheless to all charges now affecting the same;
- II. That all the liabilities and duties of the Transferor companies 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 ;
- III. That all the proceedings now pending by or against the Transferor companies be continued by or against the Transferee company ;
- IV. That the Transferee company do without further application allot to such members of the Transferor companies as have not given such notice of dissent as required in the scheme of amalgamation herein the shares in the Transferee company to which they are entitled under the said Scheme of Arrangement for Amalgamation ;
- V. That the said companies do within thirty days after the date of this order 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 Transferor companies shall stand dissolved without the process of winding up and the Registrar of companies shall place all documents relating to the Transferor companies and registered with him on the file kept by him in relation to the Transferee company and files relating to the said companies shall be consolidated accordingly ; and
- VI. That any person interested shall be at liberty to apply to the court in the matter for any directions that may be necessary.

SCHEDULE
(As supplied by the Counsel)

**NAHAR INTERNATIONAL LIMITED
SCHEDULE**

PART - I

(Short description of the free hold property of Nahar International Limited, the Transferor company on the commencement of business as on the 1st Day of April, 2004)

	Amount (Rs. in thousands)	
	Gross Block	Net Block
Land	56,809	56,809
Building	407,988	242,898
Plant & Machinery	1,966,323	615,610
Furniture & Fixture	16,329	4,107
Vehicles	13,372	3,246
Capital Work in progress		6306

PART – II

(Short description of the lease hold property of Nahar International Limited, the Transferor company on the commencement of business as on the 1st Day of April, 2004)

	Amount (Rs. in thousands)	
	Gross Block	Net Block
Land	12351	12351

PART – III

(Short description of all stocks, shares, debentures and other charges in the action of Nahar International Limited, the Transferor company on the commencement of business as on the 1st Day of April, 2004)

Particulars	Amount (Rs. in thousands)
Investment	280,189
Stock:-	
1. Raw Material	7,71,909
2. Stores and Spares	49,102
3. Work in process	42,310
4. Finished Goods	1,21,502
Sundry Debtors	3,71,488
Cash in hand including stamps	980
Balances with banks	14,597
Loan & Advances	1,25,946
Security Deposits	11,964
Balances with excise authorities	22,926
Advance Income Tax	1,966
Assets held for disposal	23,470

NAHAR SUGAR & ALLIED INDUSTRIES LIMITED
SCHEDULE

PART – I

(Short description of the free hold property of Nahar Sugar & Allied Industries Limited, the Transferor Company on the commencement of business as on the 1st Day of April, 2004)

	Amount (Rs. in thousands)	
	Gross Block	Net Block
Land	31,834	31,834
Roads & boundary Wall	22,564	15,523
Building	149,789	85,663
Plant & Machinery	410,863	151,103
Furniture & Fixture	4,031	1,162
Vehicles	5,030	1,761
Capital Work in progress		2,975

PART – II

(Short description of the lease hold property of Nahar Sugar & Allied Industries Limited, the Transferor company on the commencement of business as on the 1st Day of April, 2004)

Nil-----

PART – III

(Short description of all stocks, shares, debentures and other charges in the action of Nahar Sugar & Allied Industries Ltd., the Transferor company on the commencement of business as on the 1st Day of April, 2004)

Particulars	Amount (Rs. in thousands)
Investment	70,937
Stock:-	
1. Raw Material	1,409
2. Stores and Spares	19,116
3. Work in process	2,625
4. By Products	12,388
5. Finished Goods	526,189
Sundry Debtors	407
Cash in hand including stamps	714
Balances with banks	1,237
Loan & Advances	34,795
Security Deposits	393
Balances with excise authorities	680
Advance Income Tax	260

Dated the 4th March, 2005
(By the Court)

sd/-
Court Secretary, Liquidation
for Registrar (Judicial)

FORM No. CAA.7
(Pursuant to section 232 and rule 20)
Before the National Company Law Tribunal
Chandigarh bench, Chandigarh

CP (CAA) No.37/Chd/Pb/2022

Under Sections 230 to 232 and Section
66 of the Companies Act, 2013.

In the matter of Scheme of Amalgamation of:

To

Cotton County Retail Limited
with its registered office at
Premises of Nahar Industrial Enterprises Limited,
Focal Point, Ludhiana, Punjab - 141010
PAN: AABCC7574P
CIN: U51311PB2001PLC024753

.....Transferor Company/ Petitioner Company No.1

And

Nahar Industrial Enterprises Limited
with its registered office at Focal Point,
Ludhiana,
Punjab – 141010
PAN: AACCN3563A
CIN: L15143PB1983PLC018321

.....Transferee Company/ Petitioner Company No.2

Upon the above petition coming up for hearing on 21st February, 2023 and upon reading the said petition, report submitted by the Income Tax Department and compliance affidavit submitted by the Petitioner Companies and hearing Learned Advocate for the petitioner companies as well as counsel for the Income Tax Department and after carefully perusing the records, the National Company Law Tribunal approved the 'scheme' with the clarification that this order should not be construed as an order in any way granting exemption from payment of stamp duty, taxes or any other charges, if any, payment is due or required in accordance with law or in respect of any permission / compliance with any other requirement which may be specifically required under any law.

THIS TRIBUNAL DO FURTHER ORDER:

1. That all the property, rights and powers of the Transferor Company be transferred, without further act or deed, to the Transferee Company and accordingly, the same shall pursuant to Sections 230 & 232 of the Act, be transferred to and vested in the Transferee Company for all the estate and interest of the Transferor Company but subject nevertheless to all charges now affecting the same; and
2. That all the liabilities and duties of the Transferor Company be transferred, without further act or deed, to the Transferee Company and accordingly the same shall pursuant to Sections 230 to 232 of the Act, be transferred to and become the liabilities and duties of the Transferee Company;
3. All benefits, entitlements, incentives and concessions under incentive schemes and policies that the Transferor Company are entitled to include under Customs, Excise, Service Tax, VAT, Sales Tax, GST and Entry Tax and Income Tax laws, subsidy receivables from Government, grant from any governmental authorities, direct tax benefit/exemptions/deductions, shall, to the extent statutorily available and along with associated obligations, stand transferred to and be available to the Transferee Company as if the Transferee Company was originally entitled to all such benefits, entitlements, incentives and concessions;
4. All contracts of the Transferor Company which are subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in the Transferee Company and be in full force and effect in favour of the Transferee Company and may be enforced by or against it as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obliged thereto;
5. All the employees of the Transferor Company shall be deemed to have become the employees and the staff of the

Transferee Company with effect from the Appointed Date, and shall stand transferred to the Transferee Company without any interruption of service and on the terms and conditions no less favourable than those on which they are engaged by the Transferor Company, as on the Effective Date, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans and any other retirement benefits;

6. That the Appointed Date for the Scheme shall be 01.04.2021 as specified in the Scheme;
7. That the proceedings, if any, now pending by or against the Transferor Companies be continued by or against the Transferee Company;
8. That the Transferee Company shall, without further application, allot to the existing members of the Transferor Companies shares of Transferee Company to which they are entitled under the said Scheme;
9. That the Transferee Company shall, without further application, allot to the existing members of the Transferor Companies shares of Transferee Company to which they are entitled under the said Scheme;
10. That the assessment under the Income Tax Act will be in accordance with the provisions of Section 170 (2A) of the Income Tax Act, 1961;
11. That the Transferee Company shall file the revised memorandum and articles of association with the concerned Registrar of Companies and further make the requisite payments of the differential fee (if any) for the enhancement of authorized capital of the Transferee Company; after setting off the fees paid by the Transferor Company ;
12. That the Petitioner Companies shall, within 30 days after the date of receipt of this order, cause a certified copy of this order to be delivered to the concerned Registrar of Companies for registration and on such certified copy being so delivered, the Transferor Company shall be dissolved without undergoing the process of winding up. The concerned Registrar of Companies shall place all documents relating to the Transferor Company registered with him on the file relating to the said Transferee Company, and the files relating to the Companies and Transferee Company shall be consolidated accordingly, as the case may be; and
13. That any person interested shall be at liberty to apply to this Tribunal in the above matter for any directions that may be necessary.

Dated: 21.02.2023
(By the Tribunal)

Sd/-
(Kartikeya Verma)
Registrar
National Company Law Tribunal
Chandigarh Bench

SCHEDULE OF PROPERTIES
(attached as supplied by the Transferor Company)

List of Assets of the Cotton County Retail Limited (Transferor Company) as on 1st April, 2021 to be transferred to Nahar Industrial Enterprises Limited (Transferee Company), pursuant to the Scheme sanctioned by the Hon'ble National Company Law Tribunal, Chandigarh Bench

Schedule

PART-I

Particulars of Freehold Properties

(i) Land:

Sr. No.	Description (i.e. Complete Address, Area in Sq. Meters)
1.	Nil

(ii) Building:

Sr. No.	Description
1.	Nil

PART-II

Particulars of Leasehold Properties

(i) Land:

Sr. No.	Description (i.e. Complete Address, Area in Sq. Meters)
1.	Nil

(ii) Building:

Sr. No.	Description
1.	Nil

PART-III

Particulars of Other Assets

Sr. No.	Particulars	Amount (INR in thousands)
1.	Fixed Assets	
	(i) Tangible Assets	6,627
	(ii) Intangible Assets	124
2.	Non Current Investments	762,000
3.	Long Term Loans & Advances	16,107
4.	Inventories	10,686
5.	Trade Receivables	3,078
6.	Cash and Bank Balances	398
7.	Short Term Loans and Advances	308
8.	Other Current Assets	6,575

SCHEME OF ARRANGEMENT FOR AMALGAMATION

**UNDER SECTIONS 230 – 232 AND OTHER APPLICABLE PROVISIONS
OF THE COMPANIES ACT, 2013**

BETWEEN

NAHAR INDUSTRIAL ENTERPRISES LIMITED

AND

COTTON COUNTY RETAIL LIMITED

AND THEIR SHAREHOLDERS AND CREDITORS

1. DESCRIPTION OF COMPANIES

- 1.1 **NAHAR INDUSTRIAL ENTERPRISES LIMITED {NIEL / TRANSFEREE COMPANY/AMALGAMATED COMPANY}** NIEL was incorporated on 27th September, 1983 as a Public Limited company under the Companies Act, 1956 with the Registrar of Companies, Delhi and Haryana at New Delhi. The name of the company was changed to Nahar Industrial Enterprises Limited w.e.f. 21st October, 1994. The registered office of the Company was changed from NCT of Delhi to the State of Punjab w.e.f. 31st May, 1996. NIEL is having its registered office at Focal Point, Ludhiana – 141010. The Corporate Identification Number (CIN) of the Company is L15143PB1983PLC018321. NIEL is a Listed Company and equity shares of the company are listed on the BSE Ltd. and National Stock Exchange of India Ltd. NIEL is a vertically integrated textile company engaged in the manufacture of cotton/ blended and dyed yarn, greige and processed fabrics. Besides Textiles, NIEL is also engaged in the manufacture of sugar.
- 1.2 **COTTON COUNTY RETAIL LIMITED (CCRL / TRANSFEROR COMPANY/AMALGAMATING COMPANY)** CCRL was originally incorporated as Creative Textrade Private Limited on 5.11.2001. The name of the company was changed to Nahar Retail Limited on 16.10.2006 and Cotton County Retail Limited w.e.f. 16.5.2008. The Corporate Identification Number (CIN) of the company is U51311PB2001PLC024753. CCRL is having its registered office at the Premises of Nahar Industrial Enterprises Ltd., Focal Point, Ludhiana –141010. CCRL is an unlisted public Company and an Associate Company of the Transferee company.

2. RATIONALE OF THE SCHEME OF ARRANGEMENT

- 2.1 Both Transferor and Transferee Company belong to same promoter Group. The Transferor Company was engaged in the business of manufacturing and retailing of readymade garments. The Transferor Company used to procure its major raw material i.e. fabrics from Transferee Company. The retailing business of the Transferor company was doing well and the products of the company were widely accepted. The Transferor Company started incurring losses from FY ended 2012 due to stiff competition and non-viability of operations and slowly closed down its business of manufacturing and retailing of garments in FY 2019-20. Transferee Company is holding 47.66% equity shareholding in the Transferor Company and the balance equity shares of Transferor Company are being held by Promoters of the Transferee Company. Since the business of manufacturing and retailing of garments of Transferor Company have been totally closed therefore, it has been thought proper to merge Transferor Company having surplus funds presently invested in the form of preference shares in Transferee Company. In this Scheme of amalgamation, the 47.66% of equity shareholding in the Transferor Company held by the Transferee Company would be cancelled without further application, act or deed. Upon the scheme becoming effective and as a consideration for the amalgamation of Transferor Company, the Transferee Company would issue equity shares to the equity shareholders of the Transferor Company in the manner stated in the scheme. This scheme would also enable the Transferee Company to finish its liabilities against the funds invested by Transferor Company in the form of preference shares. While conceiving this scheme it has also perused that there are no accumulated business losses of Transferor Company to be paid-off.
- 2.2 With proposed amalgamation the funds invested by Transferor Company would remain with Transferee Company, it would help the Transferee Company to face current and future challenges in a better way. The Transferee Company's holding of 47.66% in Transferor Company will be extinguished and in lieu of

the funds invested by the Transferor Company only 52.34% will be acknowledged by the Transferee Company by issuing the fresh equity shares to that extent. The Net worth of Transferor Company as on 31.12.2020 is Rs. 80.40 Crores as against the total face value of equity share capital of Rs. 21.46 Crores. Thus from all angle it is a win-win situation for Transferee Company.

- 2.3 Simplified management structures belong to better administration and reduction in costs from more focused operational efforts, reduction in multiplicity of legal and regulatory compliances and rationalization of administrative expenses. By virtue of proposed amalgamation of Transferor Company in Transferee Company, the operation of both companies shall be brought under a single control.
- 2.4 The Board of Directors of Transferor Company and Transferee Company are of opinion that the proposed arrangement for amalgamation would be advantageous and beneficial to the shareholders and other stakeholders of both companies. The Scheme would not be prejudicial to the interest of Creditors (secured and unsecured) of any of the companies.

Accordingly to achieve the above objectives, the board of directors of the Transferor Company and Transferee Company have decided to make requisite applications and/or petitions before the National Company Law Tribunal, Chandigarh bench (NCLT) under sections 230 to 232 and other applicable provisions of the Companies Act, 2013, rules and regulations there under including any statutory modifications or amendments thereof, for the sanction of this Scheme, for the amalgamation of Cotton County Retail Limited (Transferor Company) with Nahar Industrial Enterprises Limited (Transferee Company) in accordance with section 2 (1B) of the Income Tax Act, 1961. This Scheme also provides for various other matters consequential to and/ or connected therewith.

PARTS OF THE SCHEME OF ARRANGEMENT

PART A	DEFINITIONS
PART B	SHARE CAPITAL
PART C	AMALGAMATION OF CCRL (TRANSFEROR COMPANY) WITH NIEL (TRANSFEE COMPANY)
PART D	REORGANIZATION OF SHARE CAPITAL
PART E	GENERAL CLAUSES, TERMS AND CONDITIONS

PART A

3. DEFINITIONS:

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

- 3.1 **“Act” or “The Act”** means the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamation) Rules 2016 and other applicable rules and regulations, for the time being in force, if any including any statutory modification(s) or re-enactment(s) thereof.
- 3.2 **“Appointed Date”** means the commencement of business on **1st day of April, 2021** and is the date with effect from which the Scheme of Arrangement shall be applicable and effective for all purpose.
- 3.3 **“Board of Directors” or “Board”** means the Board of Directors of the Transferor Company or the Transferee Company, as the case may be, and shall include a duly constituted committee thereof.
- 3.4 **“Effective Date”** means the date on which the certified copy of the Order of the National Company

Law Tribunal, Chandigarh bench sanctioning the scheme is filed with the Registrar of Companies, Punjab and Chandigarh. Any reference in the Scheme to the words **“upon the Scheme becoming effective”** or **“effectiveness of the Scheme”** shall mean **“Effective date”**.

- 3.5 **“Governmental Authority”** means any applicable Central, State or Local Government, legislative body, regulatory or administrative authority, agency or commission or any, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction.
- 3.6 **“Income Tax Act, 1961”** means the Income Tax Act, 1961 including any statutory modification, re-enactment or amendments thereof for the time being in force.
- 3.7 **“Law” or “Applicable Law”** includes all applicable statutes, enactments, acts of legislature or Parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any government, statutory authority, tribunal, board, court of India or any other country or jurisdiction as may be applicable.
- 3.8 **“ROC”** means the Registrar of Companies, Punjab & Chandigarh.
- 3.9 **“Scheme” or “the Scheme of Arrangement” or “this Scheme”** means the Scheme of Arrangement for Amalgamation of the Transferor Company with the Transferee Company and vesting of the same in Nahar Industrial Enterprises Limited as contained herein, duly approved by the Board of Directors of respective Companies, and / or as sanctioned by the Tribunal as the case may be, with or without any alterations / modifications.
- 3.10 **“SEBI”** means the Securities and Exchange Board of India established under the Securities & Exchange Board of India Act, 1992.
- 3.11 **“SEBI circular”** means the Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 as modified by Circular No. CFD/DIL3/CJR/2017/26 dated 23rd March, 2017, modified by Circular No. CFD/DIL3/CIR/2018/2 dated 3rd January, 2018, modified by Circular No. SEBI/HO/CFD/DIL1/CIR/P/2019/192 dated 12th September, 2019 and as also modified by Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/215 dated 3rd November, 2020 and all other applicable circulars and regulations issued by SEBI in this respect.
- 3.12 **“Transferor Company” or “Amalgamating Company”** means Cotton County Retail Limited, a Company incorporated under the Companies Act, 1956 and having its registered office at Premises of Nahar Industrial Enterprises Limited, Focal Point, Ludhiana – 141010, Punjab.
- 3.13 **“Transferee Company” or “Amalgamated Company”** means Nahar Industrial Enterprises Limited, a Company incorporated under the Companies Act, 1956 and having its registered office at Focal Point, Ludhiana – 141010, Punjab
- 3.14 **“Tribunal”** means the National Company Law Tribunal, Chandigarh bench having jurisdiction over amalgamated company and amalgamating company.
- 3.15 **“Tax” or “Taxes”** (including with correlative meaning the terms Tax and Taxes) means any and all taxes (direct or indirect). Surcharge, cess, duties, impositions imposed by any Government or Governmental authority, including without limitation taxes based upon or measured by gross receipts, income, profits, sales and value added services, Goods & Services Tax (GST), whether CGST, SGST, IGST, withholding taxes, payroll, excise and property taxes, stamp duty, registration fees, together with all interest, penalties with respect to such amounts.
- 3.16 **Undertaking of the Transferor Company”** means the undertaking and business of the Transferor Company on a going concern basis and shall mean and include, without limitation :-

- a. All assets whether movable or immovable, tangible or intangible, including all rights, title, interest, covenant, undertakings, including continuing rights, title and interest in connection with the land and the buildings thereon, whether leasehold or otherwise, plant and machinery, whether leased or otherwise, together with all present and future liability including contingent liabilities and debts relating to Transferor Company
- b. All loans and advances, including accrued interest thereon relating to Transferor Company
- c. All debts, borrowings and liabilities, including contingent liabilities, present or future, whether secured or unsecured relating to Transferor Company
- d. All permits, quotas, rights, entitlements, licenses, tenancies, offices and depots, trademarks including brand names, patents, copyrights, domain names, privileges, and benefits of all contracts, agreements and other rights including lease rights, licenses, powers and facilities of every kind and description relating to Transferor Company
- e. All agreements, contracts, arrangements, understandings, engagements, deeds and instruments and all rights, title, interest, claims and benefits there under of the Transferor Company
- f. All employees at their respective offices, branches, depots, shops at their current terms and conditions relating to Transferor Company
- g. All cash and bank balances, earnest monies and/or security deposits or other entitlements in connection with or relating to the Transferor Company
- h. All records, file papers, product specifications and process information, computer programs, drawings, manuals, data catalogues, sales and advertising materials, lists of present and former customers and suppliers, customers' credit information, customer pricing information and other records in connection with or in relation to the Transferor Company
- i. All present and future liabilities (including contingent liabilities) and shall include any obligations under any licenses, or permits

The expressions, which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the Regulations made there under), the Depositories Act, 1996 and other Applicable Laws, rules, regulations, by-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time

PART B

4. SHARE CAPITAL

4.1 The Share Capital of NIEL as on 31.03.2021 is as under:-

Particulars	Amount (Rs.)
Authorized Share Capital	
i) 5,00,00,000 Equity Shares of Rs. 10/- each	50,00,00,000
ii) 1,25,00,000 – 5.5% Non-Convertible Non-Cumulative Redeemable Preference Shares of Rs. 100/- each	125,00,00,000
Total	175,00,00,000

Issued, Subscribed and Paid Up Capital

i)	3,98,35,141 Equity Shares of Rs. 10/- each	39,83,51,410
	Add: Shares Forfeited Account (amount originally paid up)	19,91,343
ii)	1,16,20,000 – 5.5% Non-Convertible Non-Cumulative Redeemable Preference Shares of Rs. 100/- each	116,20,00,000
	Total	156,23,42,753

Subsequent to the above date and till the date of the Scheme being approved by the Board of Directors of the Transferee Company, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Transferee Company. The equity shares of the Company are listed on the BSE Ltd. and the National Stock Exchange of India Ltd.

4.2 **The Share Capital of CCRL as on 31.03.2021 is as under:-**

Particulars	Amount (Rs.)
Authorized Share Capital	
3,05,00,000 Equity Shares of Rs. 10/- each	30,50,00,000
Total	30,50,00,000
Issued, Subscribed and Paid up Capital	
2,14,63,240 Equity Shares of Rs. 10/- each	21,46,32,400
Total	21,46,32,400

Subsequent to the above date and till the date of the Scheme being approved by the Board of Directors of the Transferee Company, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Transferor Company. The equity shares of CCRL are not listed on any stock exchange.

PART C**AMALGAMATION OF TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY**

5. The scheme means the Scheme of Arrangement which provides for amalgamation of the Transferor company (CCRL) with the Transferee company (NIEL) in accordance with section 230 to 232 of the Companies Act, 2013 and /or other relevant provisions of the Act in its present form or with such modifications as may be made and/or directed by the National Company Law Tribunal, Chandigarh Bench.

6. **TRANSFER AND VESTING OF THE UNDERTAKING**

- 6.1 With effect from the Appointed Date and upon the Scheme becoming effective, the Undertaking and Business of the Transferor company (including all the assets of the Transferor Company)
- 6.1.1 as are movable in nature, or tangible property or otherwise capable of being transferred by manual delivery / endorsement and delivery subject to all charges, if any, affecting the same or any part thereof as on the Appointed Date;
- 6.1.2 all its properties, assets, rights, benefits and the interests therein; and

6.1.3 all immovable properties including land together with buildings and documents of title / rights and easements in relation thereto;

shall without any further instrument, act or deed, stand transferred to the Transferee company pursuant to Sections 230 to 232 of the Act and be vested in and / or be deemed to have been vested in the Transferee Company

6.2 All assets and liabilities along with debts, obligations and duties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, shall be deemed to be and shall become the assets, liabilities, debts, obligations and duties of the Transferee Company and all assets and properties which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date shall be deemed to be and shall become the assets and properties of the Transferee Company and shall under the provisions of Section 230 to 232 and all other applicable provisions, if any of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon coming into effect of this Scheme pursuant to the provision of the Act.

6.3 For the purpose of the Scheme, the business of Transferor company shall include:

6.3.1 All the assets of Transferor company immediately before amalgamation;

6.3.2 All the liabilities of Transferor company immediately before amalgamation.

6.4 Without prejudice to the generality of the foregoing clauses hereof, the said business and undertaking shall include all properties, rights, claims whatsoever of the Transferor company and its entire undertakings, authorities, privileges, industrial and other licenses and rights in respect of the properties, both movable and immovable, lease, tenancy rights and other assets of whatsoever nature including patent rights, brands and trademarks (registered and unregistered) along with all rights of commercial nature including attached goodwill, title, interest, labels and other industrial or intellectual property rights of any nature whatsoever and howsoever named, registrations, approvals, clearances, fittings and fixtures, telephones, telex, other communications, fax connections, cash balances, reserves, security deposits, refunds, outstanding balances, stocks, investments, contracts, agreements and other rights and interest of all description in or arising out of such properties as may belong to or be in possession of the Transferor company and all books of account, documents and records relating thereto, but subject to all charges affecting the same. Provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor company which shall vest in the Transferee company by virtue of the amalgamation and the Transferee company shall not be obliged to create any further or additional security thereof after the amalgamation has become effective or otherwise.

6.5 Any guarantee / letter of comfort / commitment letter given by Government or any Company, agency or bank in favour of the Transferor Company with regard to any loan or financial assistance shall continue to be operative in relation to the Transferee Company.

6.6 The Transferee Company shall be entitled to the benefit of all insurance policies which have been issued in respect of the Transferor Company and the name of the Transferee Company shall be substituted as "Insured" in the policies, as if the Transferee Company was initially a party.

6.7 With effect from the Appointed Date and up to the Scheme becoming effective, any statutory licenses, permission, approval, exemption schemes, or consents required to carry on operations in the Transferor Company, shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company. The benefits of all statutory and regulatory permissions, licenses, environmental approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of the Transferor

Company shall vest in and become available to the Transferee Company pursuant to the scheme.

- 6.8 All the liabilities, debts, obligations and duties of the Transferor company shall stand transferred to the Transferee company with effect from the Appointed Date without any further instrument, act or deed in accordance with section 232 of the Act, so as to become the liabilities, debts, obligations and duties of the Transferee company.
- 6.9 The Securities Premium Account, Capital Redemption Reserve Account, General Reserve Account, Surplus and any other reserves as on the Appointed Date, in the Balance Sheet of the Transferor company shall become the Securities Premium Account, Capital Redemption Reserve Account, General Reserve Account, Surplus and any other reserves of the Transferee company.
- 6.10 With effect from the Appointed Date and upon the Scheme becoming effective, the unabsorbed depreciation and unabsorbed accumulated losses, as reflected in the Balance Sheet and as determined under Income Tax Act of the Transferor company, shall be treated as unabsorbed depreciation and unabsorbed accumulated losses of the Transferee company and subject to the provisions of section 72A of the Income Tax Act, 1961 the Transferee company shall be entitled to set off and / or carry forward such unabsorbed depreciation and unabsorbed accumulated losses.

7. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

Upon coming into effect of this Scheme and subject to the provisions of the Scheme, all memorandum of understanding, contracts, schemes, assurances, licenses, insurance policies, guarantees, deeds, bonds, agreements, arrangements and other instruments of whatever nature to which the Transferor Company is a party or to be benefits to which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect against or in favour of the Transferee Company as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or oblige or obligor thereto. The Transferee Company shall, if so required or becomes necessary, upon coming into effect of this Scheme enter into and / or issue and / or execute deeds, writings or confirmations to give effect to the provisions in this Clause.

8. TRANSFEROR COMPANY'S STAFF, WORKMEN AND EMPLOYEES

All the staff, workmen and employees in the service of the Transferor company, immediately before the transfer of the undertaking/business under the Scheme, shall become the staff, workmen and employees of the Transferee company on the basis that:

- 8.1 Their services shall be continued and shall not be interrupted by reason of the transfer of the undertaking/business
- 8.2 The terms and conditions of service applicable to the said staff, workmen and employees after such transfer shall not in any way be less favorable to them than those applicable to them immediately before the transfer.
- 8.3 It is expressly provided that as far the Provident Fund, Gratuity Fund or any other Special Fund created or existing for the benefit of the staff, workmen and employees of the Transferor company are concerned, upon the Scheme becoming effective, the Transferee company shall stand substituted for the Transferor company for all purposes whatsoever related to the administration or operation of such funds or in relation to the obligation to make contributions to the said funds in accordance with the provisions of such funds as per the terms provided in the respective trust deeds. It is the aim and intent that all the rights, duties, powers and obligations of the Transferor company in relation to such funds shall become those of the Transferee company.

It is further clarified that the services of the employees of the Transferor company shall be treated as having been continuous for the purpose of the aforesaid funds or provisions.

9. LEGAL PROCEEDINGS

With effect from the Appointed Date and upon the Scheme becoming effective, the Transferee Company undertakes to have, such legal quasi judicial or other suit, appeal or other proceedings of whatever nature initiated by or against the Transferor company, transferred in its name and to have the same continued, prosecuted and enforced by or against the Transferee company. Any proceeding that may be taken after the Appointed Date for any other matter or cause of action concerning the Transferor company before the Effective Date shall also be taken by or against the Transferee company.

The Transferee Company further undertakes to pay all such amounts including interest, penalties, damages etc. which the Transferor Company may be called upon to pay to secure in respect of any liability or obligation relating to the Transferor Company for the period up to the Effective Date

10. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY TILL EFFECTIVE DATE

10.1 With effect from the Appointed Date and up to the Effective Date, the Transferor company:-

- 10.1.1 shall carry on and be deemed to carry on all its business and activities and stand possessed of its properties and assets for and on account of and in trust for the Transferee company and all the profits accruing to the Transferor company or losses arising or incurred by the Transferor company shall for all purposes be treated as the profits or losses of the Transferee company, as the case may be;
- 10.1.2 hereby undertake to carry on its business until the Effective Date with reasonable diligence and shall not without the written consent of the Transferee company alienate, charge or otherwise deal with the said undertaking or any part thereof except in the ordinary course of its business;
- 10.1.3 shall not vary the terms and conditions of the employment of its employees except in the ordinary course of business;
- 10.1.4 shall not, without the written consent of the Transferee company, undertake any new business, issue further shares or declare any dividend

11. DIVIDEND

- 11.1 Dividends (interim and/or final) in respect of the period commencing from the Appointed Date until the Effective Date may be declared or paid by the Transferor Company with the prior consent of the Transferee Company.
- 11.2 It is clarified, however, that the aforesaid provision in respect of declaration of dividend is an enabling provision only and shall not be deemed to confer any right on any member of the Transferor Company to demand or claim any dividend, which shall be entirely at the discretion of the Board of Directors of both the Transferor Company and the Transferee Company, subject to the provisions of the Act.

12. COMPLIANCE OF LAWS

- 12.1 This Scheme is presented and drawn up to comply with the provisions / requirements of Sections 230-232 and other applicable provisions of the Act, for the purpose of amalgamation of the Transferor Company with the Transferee Company.
- 12.2 The Scheme does not in any manner violate, override or circumscribe the provisions of the Securities Laws i.e. SEBI Act, 1992, Securities Contract (Regulation) Act, 1956, Depositories Act, 1996, Companies Act, 2013 or requirement of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- 12.3 The amalgamation of Transferor Company with the Transferee Company in accordance with this

Scheme will be in compliance of with the provisions of section 2(1B) and other relevant sections of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the Income Tax Act, 1961 shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification(s) will however not affect other clauses of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of the Transferor Company and the Transferee Company, which power shall be exercised reasonably in the best interests of the companies concerned and their stakeholders.

- 12.4 The scheme shall be in compliance with the applicable SEBI Guidelines including particularly the Circular No. CFD/DIL3/CIR/2017/21 dated 10th Mach, 2017 and subsequent amendments thereof. The Scheme being approved by the shareholders of the Transferee Company by way of e-voting in terms of Para 9 of the SEBI Circular dated 10th March, 2017 and the scheme shall be acted upon only if votes cast by public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.

13. SAVING OF CONCLUDED TRANSACTIONS

Subject to the terms of this Scheme, the transfer and vesting of the properties, assets and liabilities of the Transferor Company and the continuance of proceedings by or against the Transferor Company shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or concluded after the Appointed Date till the Effective Date, to the end and intend that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

14. TRANSFEROR COMPANY'S DIRECTORS

All the directors of the Transferor company shall cease to be directors of the Transferor company on the Effective Date without affecting their rights as shareholder, if any, in the Transferor company. However, if any such director is a director of the Transferee company, he/she would continue to hold his/her office in the Transferee company as per the terms of his/her appointment in the Transferee Company.

15. CONSIDERATION/ISSUE OF SHARES

- 15.1 Upon the Scheme of Arrangement coming into effect, the Transferee Company shall in consideration of the amalgamation issue and allot to the members of the Transferor Company, holding fully paid-up Equity Shares in the Transferor Company and whose names appear in the Register of Members of the Transferor Company on the Record Date, equity shares of the Transferee Company. The equity shares held by the Transferee Company either directly or through its Nominees, in the share capital of the Transferor Company as on the Effective Date shall stand cancelled as per provisions of law.

The equity shares shall be allotted to the members of Transferor Company, as per the ratio determined by the valuation experts, registered as a valuer, namely Mr. Pankaj Bhalla, Chartered Accountant, a Registered Valuer (IBBI Registration No. IBBI/RV/06/ 2020/13265), as specified in section 247 of the Companies Act, 2013 read with applicable Rules. As per the valuation report, members of the Transferor Company shall be allotted 3 (Three) Equity Shares in Transferee Company of Rs. 10 each credited as fully paid-up for every 10 (Ten) Equity shares of Rs. 10 each fully paid-up held by such member in Transferor Company.

- 15.2 All mandates or other instructions in force at the close of business on the Effective Date relating to the shares of the Transferor Company shall, unless and until revoked, be deemed to be valid and subsisting mandates or instructions to the Transferee Company in relation to the corresponding Shares of the Transferee Company to be issued and allotted pursuant to the Scheme.

- 15.3 No coupons shall be issued in respect of fractional entitlements, if any, by the Transferee Company, to the Equity Shareholders of the Transferor Company at the time of issue and allotment of equity shares pursuant to the clause 15.1 above. In case any shareholder' holding in the Transferor Company is such that the shareholder becomes entitled, pursuant to the scheme, to a fraction of equity share of the Transferee Company, the Transferee Company shall round off the said entitlement to the nearest integer and allot equity shares accordingly.
- 15.4 The new equity shares shall be issued only in Dematerialized form to be credited to the demat account as may be notified by the Equity Shareholders of the Transferor Company. The new equity shares of the Transferee Company shall be listed on the BSE Limited and National Stock Exchange of India Limited, on which the shares of the Transferee Company are listed as on the Effective Date. The Transferee Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said stock exchanges.
- 15.5 The shares to be issued and allotted as above by the Transferee Company to the members of Transferor Company shall rank pari-passu in all respects with the existing shares held by the members of the Transferee Company.
- 15.6 Upon the approval of the Scheme by the members of the Transferor Company and the members of the Transferee Company pursuant to Section 230-232 of the Act, it shall be deemed that the said members have also accorded all relevant consents under sections 13, 14, 42, 61 and 62 of the Act and any other relevant and applicable provisions of the Act for the issue and allotment of new equity shares by Transferee Company as provided in this Scheme.

16

ACCOUNTING TREATMENT IN THE BOOKS OF NIEL IN CASE OF AMALGAMATION

With effect from the Appointed Date and Pursuant to this scheme coming into effect, the Transferee Company shall account for the amalgamation of the Transferor Company in its books as prescribed for the Pooling of Interest Method under Ind AS103 Business Combination as notified under the Companies (Indian Accounting Standard) Rules,2015 in the following manner :-

- 16.1 all the assets and liabilities recorded in the books of the Transferor Company shall stand transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at their respective book value as appearing in the books of the Transferor company.
- 16.2 the reserves both capital and revenue, of the Transferor Company, will be merged with those of the Transferee Company, if the same form as they appear in the financial statements of the Transferor Company subject to any corrections or adjustments as may in the opinion of the Board of Directors of the Transferee Company be required.
- 16.3 upon coming into effect of this scheme, any inter-company investment(s) in the books of Transferor Company and Transferee Company, representing shares both including equity and preference, of Transferor Company or Transferee Company will stand cancelled and no shares or consideration shall be issued by the Transferee Company in respect of such cancelled shares.
- 16.4 All Inter-company payables, receivables (including loans advances), other obligations and balances, if any, between the Transferee Company and the Transferor Company inter-se shall stand cancelled. NIEL shall accordingly not record any of such payables, receivables and balances in its books.
- 16.5 The difference between the book value of assets and liabilities and the reserves and after considering the cancellation of inter-se loan/advances payable or receivable or investment, if any as mentioned above, shall be adjusted from the capital reserve account of Transferee Company.
- 16.6 In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted in the reserves

of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

- 16.7 The Transferee Company is expressly permitted to revise Transferor Company's Income Tax returns, GST returns, and Service Tax returns, issue TDS certificates and the right to claim refund of Income Tax, advance income tax credits, and adjust excess Service Tax etc. upon this Scheme becoming effective.
- 16.8 On the Scheme becoming effective, the Transferee Company shall account for the amalgamation in its books as per Accounting prescribed under the Accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under section 133 of the Act and other provisions and matters relating thereto contained in the laws relating to accounting treatment of Companies.
- 16.9 In giving effect to the accounting treatment as per the Scheme of Amalgamation in the books of the Transferee Company, it shall comply with the provisions of the Income Tax Act, 1961.
- 16.10 Notwithstanding the above, The Board of Directors of the Transferee Company in consultations with its statutory auditors, is authorised to record assets, liabilities and reserves and surplus in compliance with prevailing Accounting Standards notified under the Companies Act, 2013.

17. DISSOLUTION OF TRANSFEROR COMPANY

- 17.1 On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound up;
- 17.2 On and with effect from the Effective Date, the name of the Transferor Company shall be struck off from the records of the ROC. The Transferee Company shall make necessary filings in this regard.

PART D

18. REORGANIZATION OF SHARE CAPITAL

- 18.1 In view of the amalgamation of the Transferor Company with Transferee Company as envisaged in the part B of the scheme and as an integral part of the Scheme, the share capital of NIEL shall be reorganized in the manner as set out in this part of the scheme.
- 18.2 Upon the Scheme becoming effective, the entire authorized share capital of the Transferor Company amounting to Rs. 30,50,00,000 shall be consolidated and vested in and be merged with the authorized share capital of the Transferee company without any further act, instrument or deed by the Transferee Company and without any liability for payment of any additional fees (including fees and charges to the relevant Registrar of Companies) or stamp duty in respect of such increase as the stamp duty and fees have already been paid by the Transferor Company on such authorised capital and benefits which stands vested in the Transferee Company pursuant to the scheme becoming effective on the Effective Date.
- 18.3 EXTINGUISHMENT OF PREFERENCE SHARES (NCNCRPS)
 - 18.3.1 CCRL /(Transferor company) is holding 76, 20,000 - 5.5% Non-cumulative Non-convertible redeemable preference shares (NCNCRPS) of Rs. 100/- each in NIEL /(Transferee company). Upon the scheme becoming effective, in view of amalgamation of Transferor company with Transferee company all NCNCRPS held by CCRL in NIEL shall be extinguished or shall be deemed to be extinguished by the Transferee Company without any further act, instrument or deed.
 - 18.3.2 Upon the Scheme becoming effective, the subscribed and paid up preference share capital of Transferee Company to the extent held by the Transferor Company shall stand extinguished, without any payment of consideration or any other distribution to the

Transferor Company pursuant to the amalgamation of Transferor Company with Transferee Company.

- 18.3.3 Pursuant to the extinguishment of the Preference Shares as stated above, any arrears of dividend on the preference shares or any other liability, whether present or contingent, of the Transferee Company pertaining to the NCNCRPS shall upon the Scheme being effective, abate and there shall be no liability of the Transferee Company in respect of the NCNCRPS so extinguished.
- 18.3.4 The extinguishment of preference shares by the Transferee Company shall be effected as an integral part of this scheme itself, without having to follow the process under section 66 of the Act separately, and order of the Tribunal sanctioning the scheme of Arrangement under section 230-232 of the Act shall be deemed to be order under section 66 of the Act confirming the extinguishment of 76,20,000 - of 5.5% Non-cumulative non-convertible redeemable preference shares held by the Transferor company in the Transferee Company. This Scheme as proposed and upon sanction by the NCLT shall constitute a single window clearance and shall be deemed to be sufficient for extinguishment of preference share capital.
- 18.3.5 Notwithstanding the extinguishment / cancellation of the preference share Capital by the Transferee Company, the Transferee Company is not required to add "And reduced" as suffix to its name.
- 18.3.6 The Transferor and Transferee company submits that the proposed cancellation and extinguishment of preference share capital is in conformity with and does not violate or circumscribe any provision of the Act.
- 18.4 It is hereby clarified that this Scheme as proposed and upon sanction by the NCLT shall constitute a single window clearance pursuant to section 230-232 of the Act and shall be deemed to be sufficient for effecting the increase of the Authorized Share Capital, extinguishment / cancellation of NCNCRPS and reclassification of Authorised Capital of the Transferee Company as mentioned below without further act, instrument or deed and further resolution whether under section 13, 14, 61, 62 and 66 or any other applicable provisions of the Act. Upon this scheme coming into effect, the Transferee Company shall, if required file the necessary documents/intimations as per the provisions of the Act with ROC or any other applicable authority to record the aforesaid changes in the Share Capital of the company.
- 18.5 Clause V of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified, re-classified and amended, in the manner set out below:
- "The authorized share capital of the company is Rs. 205,50,00,000/- divided into 10,00,00,000 equity shares of Rs. 10/- each and 1,05,50,000 – 5.5% Non-Convertible Non-Cumulative Redeemable Preference Shares of Rs. 100/- each. The company has power from time to time to increase or to reduce or re-classify its capital and divide the shares into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions and to vary, modify or abrogate any such rights, privileges or conditions and to purchase / buy-back any of its own fully paid / partly paid shares for cancellation or otherwise in such manner as may be permitted by the Companies Act, 2013 or provided by the regulations of the company for the time being in force."*
- 18.6 Article 4 of the ARTICLES OF ASSOCIATION of the Company shall be amended, re-classified and replaced with the following Articles:-
- "The authorised Share Capital of the company is Rs. 205,50,00,000/- divided into 10,00,00,000 equity shares of Rs.10/- each and 1,05,50,000 – 5.5% Non-convertible Non-cumulative Redeemable Preference Shares of Rs. 100/- each. The company has power from time to time to increase or to reduce its capital and divide the shares in the new capital into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions and to vary, modify or abrogate any such*

rights, privileges or conditions in such manner as may be permitted by the Companies Act, 2013 or provided by the regulations of the company for the time being in force.”

GENERAL TERMS AND CONDITIONS APPLICABLE TO SCHEME

19. APPLICATION

The Transferor Company and the Transferee Company shall:-

- 19.1 make applications to the Tribunal under Sections 230 to 232 of the Act, and other applicable provisions of the Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of their respective members and/ or creditors and for sanctioning this Scheme and for consequent dissolution of the Transferor Company without winding up, with such modifications as may be approved by the Tribunal.
- 19.2 upon this Scheme being approved by the requisite majority of the respective members and/ or creditors of the Transferor Company and the Transferee Company, both the Transferor Company and the Transferee Company shall apply to the Tribunal, seeking approval for sanction of this Scheme under Sections 230 to 232 and other applicable provisions of the Act, and for such other order or orders, as the said Tribunal may deem fit, for carrying this Scheme into effect.
- 19.3 also apply for such other approvals as may be required under law, if any, for bringing the Scheme into effect. Further, the Transferor Company and the Transferee Company shall be entitled to take such other steps as may be necessary or expedient to give full and formal effect to the provisions of this Scheme.

20. APPROVALS AND MODIFICATIONS

The Transferor Company and the Transferee Company (by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize) are empowered and authorized:-

- 20.1 To assent from time to time to any modifications or amendments or substitutions of the Scheme or of any conditions or limitations, which the Tribunal may deem fit to approve or direct or as may be otherwise deemed expedient or necessary by the respective Board of Directors, as being in the best interest of the said companies and their shareholder.
- 20.2 To settle all doubts or difficulties that may arise in carrying out the Scheme; to give their approval to all such matters and things, as is contemplated or required to be given by them in terms of this Scheme; and to do and execute all other acts, deeds, matters and things necessary, desirable or proper for putting the Scheme into effect.
- 20.3 Upon this Scheme becoming effective, the respective shareholders of the Transferor Company and the Transferee Company shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in this Scheme

Without prejudice to the generality of the foregoing scheme, the Transferor Company and the Transferee Company (by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize), shall each be at liberty to withdraw from this Scheme, in case any condition or alteration imposed by any authority is unacceptable to them or as may otherwise be deemed expedient or necessary.

21. SCHEME CONDITIONAL UPON APPROVALS/ SANCTIONS

The Scheme is conditional upon and subject to the approval by the requisite majorities of the various classes of the members and creditors (where applicable) of the Transferor Company and the Transferee Company, as required under the Companies Act, 2013 and SEBI Circular, subject to any dispensation that may be granted by

the Tribunal.

Accordingly, the Scheme although operative from the respective Appointed Date as specified herein, shall become effective, pursuant to the filing of certified copies of the order sanctioning the same with the Registrar of Companies by the Transferor Company and the Transferee Company

22. COSTS, CHARGES AND EXPENSES

All costs, charges and expenses, in connection with the Scheme, arising out of or incurred in carrying out and implementing the Scheme and matters incidental thereto, shall be borne and paid by the Transferee Company

23. EFFECT OF NON RECEIPT OF APPROVALS/ SANCTIONS

In the event of any of the said sanctions and approvals referred to above not being obtained from the Tribunal, the Scheme shall become null and void; stand revoked, cancelled and will be of no effect. And in that case, no rights and liabilities whatsoever shall accrue to or be incurred inter-se by the parties or their shareholders or creditors or employees or any other person. In such case cost of Amalgamation is to be equally borne by the Transferor and Transferee Company.

24. SEVERABILITY

If any part of this scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the mutual agreement of the Transferor Company and the Transferee Company, affect the validity or implementation of the other parts and / or the provisions of this Scheme.

25. DATE WHEN THE SCHEME COMES INTO OPERATION

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