

COMPANY NO. 05-1614

**FRESH CERTIFICATE OF INCORPORATION  
CONSEQUENT UPON CHANGE OF NAME**

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In the office of the Registrar of Companies, NCT of Delhi  
& Haryana [ under the Companies Act, 1956 (1 of 1956) ]

IN THE MATTER OF M/s ATLAS CYCLE INDUSTRIES LTD

I hereby certify that ATLAS CYCLE INDUSTRIES LTD

which was originally incorporated on Thirty First May of  
one thousand nine hundred and fifty under the Indian Companies ACT, VII of 1911  
~~XX~~ under the name

THE ATLAS CYCLE INDUSTRIES 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, Notifi-  
cation No. G.S.R. 507(E) dated 24-06-1985 by Registrar of Companies,  
NCT of Delhi & Haryana, New Delhi vide letter No. RDC/21/05-1614/2248  
dated 13/03/2001 the name of the said company is this day changed to

ATLAS CYCLES (HARYANA) LIMITED

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

Given under my hand at New Delhi this Thirteenth March  
of Two Thousand and One.



  
(T. P. Shami)  
DY. REGISTRAR OF COMPANIES,  
N.C.T. OF DELHI AND HARYANA

106/1000 11/4 11614

FRESH CERTIFICATE OF INCORPORATION  
CONSEQUENCE OF CHANGE OF NAME

IN THE OFFICE OF THE REGISTRAR OF COMPANIES DELHI & MARYADA  
UNDER THE COMPANIES ACT, 1956 OF INDIA

IN THE MATTER OF M/S. THE ATLAS CYCLE INDUSTRIES LIMITED.

I hereby certify that THE ATLAS CYCLE INDUSTRIES LIMITED.

\_\_\_\_\_ which was originally incorporated  
on THIRTY FIRST day of MAY One Thousand Nine  
Hundred and FIFTY under the Indian Companies  
Act, VII of 1914/Companies Act, 1906 and, under the Name \_\_\_\_\_  
THE ATLAS CYCLE INDUSTRIES LIMITED having duly passed  
the necessary resolution in terms of section 21(2)(a) of  
Companies Act, 1956 and the approval of the  
Central Government signified in writing having been accorded  
thereto in the Ministry of Industry, Department of Company  
Affairs, Office of the Registrar of Companies, Delhi & Maryada,  
New Delhi vide their letter No. 100/Approval/70/E-1614/7017  
dated 10.3.88 the name of the said Company has been  
changed to ATLAS CYCLE INDUSTRIES LIMITED.  
and this Certificate is issued pursuant to section 21(1) of the  
said Act.

Given under my hand at NEW DELHI this SIXTH  
day of APRIL One Thousand Nine Hundred EIGHTY EIGHT



*N.S. Gupta*  
( N.S. GUPTA )  
ADDITIONAL REGISTRAR OF COMPANIES  
DELHI & MARYADA  
NEW DELHI



SEAL

CERTIFICATE OF INCORPORATION

No. 12 of 1950-1951

I hereby certify that "The Atlas Cycle Industries Limited".  
is this day incorporated under the Indian Companies Act, VII  
of 1913, and that the company is limited as a public company  
limited by shares.

Given under my hand at KALKA this 31st day of May  
One thousand nine hundred and fifty.

Fee Rs. 731/- (Seven hundred and thirty one only).

Sd/-  
Registrar of Joint Stock Companies  
Punjab



CERTIFIED TO BE TRUE COPY

*[Handwritten signature]*

Asstt Registrar of Companies  
Delhi & Haryana *[Handwritten initials]*

**MEMORANDUM OF ASSOCIATION**  
**of**  
**Atlas Cycles (Haryana) Ltd.**

- I. The name of the company is Atlas cycles (Haryana) Limited.
- II. The registered office of the company shall be situated in the State of Haryana.
- III. The objects for which company is established are:
  1. To carry on the business of manufacturers of and dealers in bicycle, tricycle, motor cycle, motor cars, carriages of all kinds and all other vehicles and other means of transport by land, air or water, Cycle Rickshaws, Motor Cycle Rickshaw and of all components parts of and accessories to all and such articles and things as aforesaid and all other articles and things which can or may conveniently be used for the manufacture of or in connection with all such articles and things aforesaid.
  2. To carry on the business of iron founders, mechanical engineers and manufacturers of machinery, tool makers, brass founders, metal workers, boiler makers, millwrights, machinists, iron and steel converters, smiths, wood workers, builders, electro platers, chromium platers, lacquerers, enamellers, painters, metallurgists, electrical engineers, water and electricity supply engineers, gas makers and printers and to carry on any branch of manufacturing, engineering, mining or quarrying business.
  3. To carry on business as general merchants and as importers, exporters, buyers and sellers of, either by whole-sale or retail and dealers in goods, wares, merchandise articles, products, produce, substances, commodities and things of every description and to carry on any branch of mercantile business.
  4. To purchase, acquire, rent, build, construct, equip, execute, carry out, improve, work, develop, administer, maintain, manage or control works and conveniences of all kinds, including therein road ways, railways, tramways, carrying of transport undertakings, by land, water or air-stations, water rights, water works, water courses, bridges, flumes, irrigations, embankments, hydraulic works, drainage, iron, steel, ordnance, engineering and improvement works, gas works, electrical works, telegraphs, telephones, cables, timber rights, saw mills, paper and pulp mills, crushing mills, smelting works, quarries, collieries, coke oven, foundries furnaces, factories, warehouses, hotels, viaducts, aqueducts, markets, exchanges, mints, ships, lighters, postal services, newspapers and other publications, breweries, stores, shops, churches, chapels, public and private builders, residences, places of amusement, recreation or instruction or any other works, whether of the forgoing nature or not, whether for the purpose of the Company or for sale or hire to or in return for any consideration from any other company or persons and to contribute to or assist in the carrying out of establishment, construction, maintenance, improvement, management, working, control or superintendence thereof respectively.
  5. To carry any other business, whether manufacturing or otherwise, which may seem to the Company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render profitable, any of the Company's property or rights and to acquire and take over any such business as a going concern.
  6. To buy, sell, repair, alter, manufacture, grow, cultivate, produce, refine, manipulate, import, export, let on hire and deal in or with all products, substances, apparatus, machinery, materials, commodities and articles of every kind which shall be capable of being used for the purposes of any business herein mentioned or likely to be required by customers of any such business.
  7. To apply for, purchase or otherwise acquire any trade mark or any patents, license, concessions and the like, conferring any exclusive or non-exclusive or limited right of any kind, which may appear to be necessary or convenient for the business of the



Company and to purchase or otherwise acquire any secret or other information as to any invention or process, which may seem capable of being used for any of the purpose of the Company or the acquisition of which may seem calculated, directly or indirectly to benefit this Company and to use, exercise, develop, protect, prolong, renew, grant licenses in respect of, sell or otherwise turn to account, the trade marks, patents, rights or information so acquired.

8. To take part in the management, supervision or control of the business or operations of any Company or undertaking and for that purpose to appoint and remunerate any Directors, accountants or other experts or agents and to act as managing agents or agents or secretaries of any such Company or undertaking.
9. To carry on the business of manufacturers of all sorts of rubber goods, especially to manufacture Rubber tubes, tyres, valve tubes, Handle grips, Brake rubber, and pedal rubber for cycles, motor cycle, motor cars or lorries etc. and to run factories for the manufacture of the above goods etc. and to deal in all sort of rubber whether in raw or in manufactured, semi manufactured or in any other state or form.
10. To pay the costs, charges and expenses preliminary and incidental to the formation, establishment and registration of the Company and to remunerate any person or company for services rendered or to be rendered in placing or assisting to place or guaranteeing the placing of any of the shares of the Company's capital or any debenture or other securities of the Company or in or about the conduct of its business.
11. To provide for the welfare of the employees, officers, Directors and ex-employees, ex-officers and ex-directors of the Company and the wives, widows and families of the dependents or connections of such persons, building or contributing to the building of the house, dwelling or chawls or by grants of money, pensions, allowances, bonus or other payments or by creating and from time to time subscribing or contributing to provident or other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places of instructions, and recreation, hospital and dispensaries, medical and other attendance and other assistance and to subscribe or contribute to any national, charitable benevolent, religious, scientific, political, public, general or useful object, fund or society or organization, as the Company may think fit or for any exhibition, which the Company may consider useful for the Industry or for the furtherance of any of its objects:-
  - 11a. To undertake, carry out, promote and sponsor or assist any programme for promoting the social, cultural and economic welfare of or the uplift of the public in any rural or backward area and to incur any expenditure on any programme of Rural Development and to assist execution and promotion thereof either directly or through an independent agency or otherwise. Without prejudice to the generality of the forgoing the terms "Programme for Rural Development", "Rural Area" and "Backward Area" shall have the same meaning as contemplated under the provisions of the Income Tax Act, 1961 or any other law relating to rural or backward area development for the time being in force or as may be construed by the Directors may at their discretion in order to implement any of the above mentioned objects or purposes transfer without consideration or at such fair or concessional value, as the directors may think fit and divest the ownership of any property of the Company to or in favour of Public, Local Body or Authority or Central or State Government or any Public Institution(s) or Trust(s) or Fund(s), recognised or approved by the Central or State Government or any authority specified by the Government in that behalf or established under any law for the time being in force.
  - 11b. To undertake, carryout, promote and sponsor or assist any activity for the promotion and growth of national economy and for discharging what the Directors may consider to be social and moral responsibilities of the Company to the society as also any activity which Directors consider is likely to promote special, cultural, moral or economic uplift of the society or any section of society or promote national welfare and integration and by such means as the Directors may think fit and the Directors may without prejudice to the generality of the foregoing, undertake, carry out, promote and sponsor any activity for publication of any books, literature, newspaper or for organizing lectures or seminars likely to advance these objects or for giving merit awards, scholarships, loans or any other assistance to deserving students or other scholars or persons to enable them to prosecute their studies or academic pursuits or research and for establishing, conducting or assisting any institution fund, trust having anyone of the aforesaid objects

as one of its objects, by giving donations or otherwise in any other manner and the Directors may at their discretion in order to implement any of the above mentioned objects or purposes, transfer without consideration or at such fair or concessional value as the directors may think fit and divert the ownership of any property of the Company to or in favour of any public or local body or authority or central or state Government or any public institution(s) or trust(s) or fund(s), recognized or approved by the Central or State Government or any authority specified by the Government in that behalf or established under any law for the time being in force.

- 11c. To give donation(s) and to advance and lend to any institution(s), trust(s), fund(s), recognized or approved by the Central or State Government or any authority specified by the Government in that behalf or established under any law for the time being in force. On such term and conditions and with or without interest or at concessional rates of interest, as may seem expedient for the fulfillment of the objects contained in the above sub clauses (IIa) and (IIb).
12. To promote any Company or Companies for the purpose of acquiring all or any of the property and liabilities of this Company or of any other purpose which may seem, directly or indirectly, calculated to benefit this Company and to underwrite, guarantee the subscription of, take, acquire, hold or deal with the shares or securities of any such Company and to aid in the establishment and support of association or institutions calculated to develop the use of the sale of articles in which the Company may be interested and for that purpose to subscribe money for the conducting of competition and the giving price or rewards therefor.
13. To search for and to purchase or otherwise acquire from any Government, State of authority, any licenses, concessions, grants, decrees, rights, power and privileges whatsoever, which may seem to the Company capable of being turned to account.
14. To acquire and deal with the property following:-
  - (i). the business, property and liabilities of any Company, firm or persons carrying on any business with in the objects of this Company.
  - (ii). Lands, buildings, easements and other interests in real estate.
  - (iii). Plants machinery, personal estate and effects.
  - (iv). Patents, patent rights or inventions, processes, devices, trademarks, Formulas and other rights.
  - (v). Shares or stock or securities in any Company or undertaking, the acquisition of which may promote or advance the interest of this Company.
15. To buy, take on lease or otherwise acquire an interest in any movable or immovable property and to sell, give on lease, mortgage or otherwise dispose of any interest in movable or immovable property
16. To undertake, assist and participate in financial, commercial and industrial operations and undertaking of any kind whatsoever, singly and/or in connection with other persons, firm, companies and corporation in an Indian state or in British India or elsewhere.
17. To carry on business as financiers and agents (commercial or otherwise) and to undertake and carry out all such operations and transactions as an individual capitalist or agent may lawfully undertake and carry out.
18. To seek for and secure opening for the employment of capital and with a view thereto, to carry on all kinds of exploration or research to obtain options over and purchase, take on lease or otherwise, acquire and test any lands, tenements and hereditaments, mining claims, mines, factories or ventures, undertakings and other rights and concessions.
19. To acquire any such shares, stocks, debentures, debenture stock, bonds, obligations or securities by original subscription, tender, purchase, exchange or otherwise and to subscribe for the same either conditionally or otherwise and to guarantee to subscription thereof and exercise and enforce any right and powers conferred by or

incidental to the ownership thereof.

20. To run factories and manufacturing and other undertaking of any kind.
21. To receive fixed or other deposits not withdrawable by cheques, to lend money to such persons or companies and on such terms, as may seem expedient and particular to customers and employees and others having dealing with the Company and to Guarantee the performance contracts of contracts by such person or companies.
22. To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bill of lading, warrants, debentures and other negotiable or transferable investments.
23. To promote companies.
24. To enter into any agreement for sharing profits, joint venture, reciprocal concession and other arrangement of a like nature with other persons or Companies, as also to acquire any other business.
25. To apply for purchase or otherwise acquire any patents, brevets, inventions, licenses, concessions and the like, conferring any exclusive or non-exclusive or limited rights to use or any secret or other information as to any invention.
26. To borrow or raise or secure the payment of money by the issue of debentures, debenture stocks, bonds, obligations and securities of all kinds or on personal security or without security and to frame, constitute and secure the same as may seem expedient with full powers to make the same transferable by delivery or by instrument of transfer or otherwise, either perpetual or terminable and either redeemable or otherwise, on the undertaking of the Company or upon any specific property and rights, present and future of the Company including its uncalled capital or otherwise howsoever, collaterally or further to secure any securities of the Company by a trust deed or any other assurance.
27. To transact or carry on all kinds of agency and contract business and in particular in relation to industrial, manufacturing and financial transactions of every description, including the promotion of new industrial resources, the investment of the money, the sale and purchase of property and to act as agents of any person, firm, Company, Government and local authorities.
28. To carry on various other businesses, which in the opinion of the Company, is desirable or convenient to carry on in conjunction with or in lieu of any other business which the Company is authorized to carry on.
29. To acquire control or to work as managing agents or managers of any other business or Company.
30. To take over the undertaking of any other person or Company which the Company may consider beneficial to it.
31. To pay for any property or rights acquired by the Company in cash or by fully or partly paid shares, or by the issue of securities or partly in one mode and partly in another and generally on such terms as may be determined.
32. To invest any moneys of the Company in such form as may be thought expedient.
33. To enter into partnership or arrangement in the nature of a partnership, co-operation or union of interests, with any person or persons, company or corporation engaged or interested or about to become engaged or interested in the carrying on or conduct of any business or enterprise which the Company would or might derive any benefit whether direct or indirect.
34. To amalgamate with any other company or companies.
35. To sell or dispose of the undertaking of the Company or any part thereof in such

manner and for such considerations as the Company may think fit and in particular for share fully or partly paid up, debenture stock or securities of any other Company whether promoted by this Company or not and to improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the Company.

36. To appoint dealers, local agents or sole distributors of the products of the Company on commission basis or on such other terms and conditions as the directors may think fit, in the interest of the Company and to enter into agreements in connection with the above.
37. To distribute any of the Company's properties among the members in specie or in any manner whatsoever.
38. To take part in the formation, management, subsidising supervision or control over the business or operation of any company or undertaking and for the purpose, to act as directors, trustees, administrators, managers, secretaries or in any other capacity and to appoint and remunerate any directors, administrators, managers or accountants or other experts or agents.
39. To employ experts to investigate and examine into the condition, prospects, value, character and circumstances of any business concerns and undertakings and generally of any assets, property or rights.
40. To give any guarantee in relation to the payment of any loan, debentures, stocks, bonds, obligations or securities and to guarantee the payment of interest thereon or of dividends on any stock or shares of any company.
41. To constitute any trust with a view to issue the preferred and deferred or any other special stocks and securities based on or representing any shares, stock or other assets, specially appropriated for the purpose of any such trust and to settle and regulate and if thought fit, to undertake and execute any such trusts and to issue, dispose of or hold any preferred, deferred or other special stocks or securities.
42. To acquire any other business and to promote any other manufacturing or commercial concern which in the opinion of the Company is calculated to benefit the Company.
43. To subsidise or assist other companies and to guarantee the debentures of another company.
44. To cause the Company to be registered or recognised in any Indian State or foreign country or place.
45. To do all or any of the above things, in any part of the world either as principals, agents, trustees or otherwise and either alone or in conjunction with others and by or through agents, sub-contractors, trustees or otherwise.
46. To do all such other things as are incidental or the Company may think conducive to the attainment of the above objects or any of them.

And it is hereby expressly declared that in the interpretation of this paragraph, the objects of the Company described in various sub-paragraphs and powers exercisable by the Company in pursuance thereto, shall not be limited or restricted (unless it is expressly so stated) by reference to any other sub-paragraphs or to the name of the Company or by the order, in which the various objects are described or by juxtaposition of two or more of the objects and every part of this paragraph shall be construed in such a way, as to widen and not to restrict the powers of the Company.

- IV. The Liability of the members is limited.
- V. The Authorized Share Capital of the Company is ₹ 10,00,00,000/- (Rupees Ten Crore only) divided into 30000 shares of ₹ 100 each and 1,94,00,000 Equity Shares of ₹ 5 each.



The Company shall have power to increase or reduce its capital and to divide the shares in its capital for the time being into several classes or stock or shares and to attach thereto respectively such preferential, deferred or special rights, privileges or Conditions as may be determined by or in accordance with the Articles of Association of the Company.

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

<b>Name, address &amp; Description</b>	<b>Signature</b>	<b>Number of Shares</b>	<b>Witness</b>
R.B. Jankidas Kapur, M.A., 3, Aurangzeb Lane, NEW DELHI (Businessman & Industrialist)	Sd/-	1000-Shares Ordinary B-Class	Sd/-Panna Lal Sethi  50, Market Road, NEW DELHI
Shri Jai Dev Kapur Old victoria Cottage, SIMLA (Businessman)	Sd/-	1333-Shares Ordinary B-Class	Sd/-Muni Raj, Old Victoria, Cottage, SIMLA
Shri Jagdish Kapur, 3, Aurangzeb Lane, NEW DELHI (Businessman)	Sd/-	1333-Shares Ordinary B-Class	Sd/. I.D. Mehra, Bombay Life Bldg. Connaught Circus NEWDELHI
Shri Diwan Chand Mehra, 2/40, Connaught Circus, NEW DELHI (Businessman)	Sd/.	100-Shares A Class Shares	Sd/-Hari Chand 20, Press Road, NEW DELHI
Shri Bishamber Das Kapur Old Victoria Cottage, SIMLA (Businessman)	Sd/-	1334-Share Ordinary B-Class	Sd/- Illagible
Shri Ram Murti Khanna, House No. 14, Alloy No.3 The Mall, SIMLA (Service)	Sd/-	2-Ord. A Class Shares	Sd/- Sham Das Mehra, P.O. Palanpur (Distt. Kanpur)
Shri Rajinder Nath Wadhawan, No. 35, Ranjit Nagar, Near Pusa Gate, NEW DELHI (Service)	Sd/-	50-Ord. B Class Shares	Sd/- Ramji Das P.O. Palanpur (Distt. Kanpur)

Dated: 30.05.50

**THE COMPANIES ACT, 2013**

**A COMPANY LIMITED BY  
SHARES**

**ARTICLES OF ASSOCIATION  
OF  
ATLAS CYCLES (HARYANA)  
LIMITED**

THE COMPANIES ACT, 2013  
COMPANY LIMITED BY SHARES  
(Incorporated under the Companies Act, 1956)

**ARTICLES OF ASSOCIATION  
OF  
ATLAS CYCLES (HARYANA) LIMITED**

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed at the 66<sup>th</sup> Annual General Meeting of the Company held on 28<sup>th</sup> September, 2017 in substitution for, and to the entire exclusion of, the earlier regulations comprised the extant Articles of Association of the Company.

**PRELIMINARY**

1. The regulations contained in Table 'F' in Schedule I to the Companies Act, 2013 ("Table 'F'") or any enactment thereof containing model articles or regulations which may be in force from time to time, shall not apply to the Company, but, subject to exercise of any statutory powers of the Company to repeal, alter or add to its regulations by Special Resolution (or in any other manner as may be prescribed by law which may be in force at the relevant time), be such as are contained in these Articles and the same shall be observed by the management of the Company and its Members and their representatives.

**INTERPRETATION**

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

"Act" means the Companies Act, 2013 and rules made there under or any statutory modification or re-enactment 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 said term appears in these Articles and any previous company law, so far as may be applicable;

"Annual General Meeting" means a general meeting of the members held in accordance with the provisions of section 96 of the Act or any adjourned meeting thereof;

"Articles" means these articles of association of the Company or as Altered from time to time;

"Auditors" means and includes those persons appointed as such for the time being by the company

"Board of Directors" or "Board", means the collective body of the directors of the Company.

"Beneficial Owner" means and include beneficial owner as defined in clause (a) sub-Section (1) of Section 2 of the Depositories Act, 1996 or such other Act as may be applicable

"Board Meeting" means a meeting of the Directors or a committee thereof duly called and constituted

"Company" means Atlas Cycles (Haryana) Limited;

"Committee" means any committee of the Board of Directors of the Company formed as per the requirements of Act or for any other purpose as the Board may deem fit

"Chief Executive Officer" means an officer of a Company, who has been designated as such by the Company

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

“Dividend” includes interim dividend, bonus;

“Debenture” includes debenture stock;

“Depository” shall mean a Depository as defined in Section 2 of the Depositories Act, 1996;

“Extraordinary General Meeting” means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof;

“Electronic Mode” means carrying out electronically based, whether main server is installed in India or not, including, but not limited to:

- i. business to business and business to consumer transactions, data interchange and other digital supply transactions;
- ii. offering to accept deposits or inviting deposits or accepting deposits or subscriptions in securities, in India or from citizens of India;
- iii. financial settlements, web based marketing, advisory and transactional services, database services and products, supply chain management;
- iv. online services such as telemarketing, telecommuting, telemedicine, education and information research; and all related data communication services
- v. facsimile telecommunication when directed to the facsimile number or electronic mail directed to electronic mail address, using any electronic communication mechanism that the message so sent, received or forwarded is storable and retrievable;
- vi. posting of an electronic message board or network that the company or the officer has designated for such communications, and which transmission shall be validly delivered upon the posting; or
- vii. other means of electronic communication, in respect of which the company or the officer has put in place reasonable systems to verify that the sender is the person purporting to send the transmission; and
- viii. Video conferencing, audio- visual mode, net conferencing and/or any other electronic communication facility.

“Exchange” means the BSE Limited or the National Stock Exchange of India or any other stock exchange where the securities of the Company may be listed from time to time, as the case may be.

“Financial Year” means the period ending on the 31st day of March every year

“Free Reserves” means such reserves which, as per the latest audited balance sheet of a company, are available for distribution as Dividend:

“Gender” Words importing the masculine gender also include the feminine gender;

“In writing” and “written” include printing, lithography and other modes of representing or reproducing words in a visible form;

“Independent Director” means a Director fulfilling the criteria of independence and duly appointed as per Applicable Law.

“Key Managerial Personnel” mean such persons as defined in Section 2(51) of Act

“Members” in relation to a company, means- (a) the subscribers to the Memorandum of Association of the Company who shall be deemed to have agreed to become members of the company, and on its registration, shall be entered as member in its register of members, (b) every other person who agrees in writing to become a member of the company and whose name is entered in the register of members of the company; (c) every person holding shares in the company and whose name is entered as Beneficial Owner in the records of a depository.

“Meeting” or “General Meeting” means a Meeting of members;

“Month” and “Year” means a calendar month and calendar year respectively.

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

“Ordinary or special resolution” means an ordinary resolution, or as the case may be, special resolution referred to in section 114;

“Office” means the Registered Office for the time being of the Company;

“Paid up” includes credited as paid up;

“Persons” includes any artificial juridical person, corporations or such other entities as are entitled to hold property in their own name.

“Postal Ballot” means voting by post or through any electronic mode as permitted under Applicable Law.

“Register of Members” means the Register of Members to be kept pursuant to the Act;

“Registrar” means the Registrar of Companies of the state in which the Registered Office of the Company is for the time being situated

“Rules” means the applicable rules for the time being in force as Prescribed under relevant sections of the Act;

“Seal” means the common seal of the Company.

“Secretary” means Secretary as defined in the Act;

“Singular Number” Words importing the singular number include where the context admits or requires, the plural number and vice versa;

“Special Resolution” shall have the meaning assigned thereto by the Act;

“The Registrar” means the Registrar of Companies of the State in which the office of the company is for the time being situated;



The marginal notes used in these Articles shall not affect the construction hereof. Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

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

3. The Authorized Share Capital of the Company shall be as stated in Clause V of the Memorandum of Association, with the power to increase or reduce such capital from time to time in accordance with the Articles and the legislative provisions for the time being in force in this behalf and with the power also to divide the shares in the capital for the time being into equity share capital and preference share capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, in accordance with the provisions of the Act and these Articles.
4. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board of Directors 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.

Provided that the option or right to call in respect of shares shall not be given to any person except with the sanction of the Company in General Meeting.

5. Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its 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, if the price of such shares is determined by the valuation report of a registered valuer and such issuance and allotment is approved by a special resolution of the shareholders of the Company.
6. (1) The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:
  - (i). Equity share capital:
    - a. with voting rights; and / or
    - b. with differential rights as to dividend, voting or otherwise in accordance with the Rules; and
  - (ii) Preference share capital

(2) The Company may, subject to such approvals from Government and other regulatory authorities as may be required, issue Share Warrants entitling bearers thereof to shares specified therein. The Share Warrants so issued shall be transferable by delivery of such Warrant.

7. (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 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 twenty rupees, or such other fees as may be fixed by the Board, for each certificate after the first.

(ii). every certificate shall specify the shares to which It relates and the amount paid-up thereon.

(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.

8. (i) 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 Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued without any fee or on payment of such other fees as may be fixed by the Board from time to time in accordance with the Act.

(ii) The provisions of the 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.

9. Except as required by law, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by the Articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

10. i The Company may exercise the powers of paying commissions conferred by the Act and provisions of sub section (6) of Section 40 of the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.

ii. The rate or amount of the commission shall not exceed the rate or amount prescribed in the Act and the Rules.

iiiThe 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.

11. a). 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 Section 48 and other provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class, as prescribed under the Act.

b). To every such separate meeting, the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

12. 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 *paripassu* therewith.

13. Subject to the provisions of Section 55 and other provisions of the Act, any preference shares may, with the sanction of a special resolution, be issued or re issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by such special resolution, determine.

14. i. 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 person 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, subject to approval by the shareholders of the Company by way of a special resolution; or

c). any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above, subject to approval by the shareholders of the Company by way of a special resolution.

ii. 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.

15. Subject to the provisions of the Act and other applicable provisions of law, the Company may with the approval of the shareholders by a special resolution in general meeting issue sweat equity shares in accordance with such rules and guidelines issued by the Securities and Exchange Board of India and/or other competent authorities for the time being and further subject to such conditions as may be prescribed in that behalf.

16. Any debentures, debenture-stock or other securities may be issued subject to the provisions of the Act and these Articles, at a discount, premium or otherwise and may be issued on the condition that they shall be convertible into shares of any denomination and with any special privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the general Meeting, appointment of Directors and otherwise. Debentures or other securities with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the general meeting by way of a special Resolution.

## **LIEN**

17. i. The Company shall have a first and paramount lien—

- a. on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
- b. on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company:

Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

- ii. The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares.

18. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien;

Provided that no sale shall be made:

- 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.

19. i. To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.

ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer.

iii. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

20. 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.

21. i. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

ii. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the Shares at the date of the sale.

22. 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.

23. The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.

### **DEMATERIALIZATION OF SECURITIES**

24. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its shares, debentures and other securities and to offer any shares, debentures or other securities proposed to be issued by it for subscription in a dematerialized form and on the same being done, the Company shall further be entitled to maintain a register of members/ debenture-holders/ other securities-holders with the details of members / debenture-holders/ other securities-holders holding shares, debentures or other securities both in materialized and dematerialized form in any media as permitted by the Act.
25. Every person subscribing to or holding securities of the Company shall have the option to receive securities certificates or to hold the securities in electronic form with a Depository. If a person opts to hold his securities with a Depository, the Company shall intimate such Depository the details of allotment of the securities, and on receipt of the information, the Depository shall enter in its records the name of the allottee as the beneficial owner of the securities.
26. Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears as the beneficial owner of the shares, debentures and other securities in the records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus on shares, interest/premium on debentures and other securities and repayment thereof or for service of notices and all or any other matters connected with the Company and accordingly the Company shall not (except as ordered by a court of competent jurisdiction or as by law required and except as aforesaid) be bound to recognize any benami trust or equity or equitable, contingent or other claim to or interest in such shares, debentures or other securities as the case may be, on the part of any other person whether or not it shall have express or implied notice thereof.
27. In the case of transfer of shares, debentures or other securities where the Company has not issued any certificates and where such shares, debentures or other securities are being held in an electronic and fungible form, the provisions of the Depositories Act, 1996 shall apply.
- Provided that in respect of the shares and securities held by the Depository on behalf of a beneficial owner, provisions of Section 9 of the Depositories Act, 1996, shall apply so far as applicable.
28. Every Depository shall furnish to the Company, information about the transfer of securities in the name of the beneficial owner at such intervals and in such manner as may be specified by the bye-laws of the Depository and the Company in that behalf.
29. Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in electronic form so far as they apply to shares in physical form subject however to the provisions of the Depositories Act, 1996.



## **CALLS ON SHARES**

30. The Board may, from time to time subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such calls as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and at the time and places appointed by the Board. A call may be made payable by installments also.
- Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for payment of the last preceding call.
- ii. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
- 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.
- iii. A call may be revoked or postponed at the discretion of the Board.
31. 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.
32. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
33. i). If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, or of any such extension thereof as may be granted by the Board, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.
- ii. The Board shall be at liberty to waive payment of any such interest wholly or in part.
34. i. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- ii. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
35. The Board:
- i. 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
- ii. 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 not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends 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.

36. 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 the registered holder of the share or the legal representative of a deceased registered holder.
37. All calls shall be made on a uniform basis on all shares falling under the same class.
38. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction 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 payment of any such money shall preclude the forfeiture of such shares as herein provided.
39. The provisions of these Articles relating to calls on shares shall mutatis mutandis apply to any other securities including debentures of the Company.

### **TRANSFER OF SHARES**

40. i. The instrument of transfer of any share in Company shall be executed by or on behalf of both the transferor and transferee and shall be registered after due verification in compliance with the provisions of the Act and Rules made there under.
- 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.
41. The Company shall not register transfer of shares , or debentures of the Company held in physical form 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 and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificates relating to the shares or debentures, or if no such certificate is in existence, along with the letter of allotment of the shares or debentures:

Provided that where on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost or where the instrument of transfer has not been delivered within the prescribed period, the Company may register the transfer on such terms as to indemnity as the Board may think fit.

Provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder or debenture holder any person to whom the right to any shares in, or debentures of, the Company has been transmitted by operation of law.

42. In case of shares held in physical form, the Board may, subject to the right of appeal conferred by Section 58 or any other provision of 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.

43. (a) A transfer of the shares or other interest in the Company of a deceased member thereof made by his legal representatives shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of the instrument of transfer.
- (b) The executors or administrator or holders of a succession certificate or the legal representative of deceased Member(not being one of two or more joint- holders shall be the only person recognized by the Company as having any title to the shares registered in the name of such Member and the Company shall not be bound to recognize such executors of administrators or holders of a succession certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained probate or Letters of Administration or succession certificate, as the case may be, from a duly constituted court in Union of India and Estate duty clearance Certificate from a competent Authority, provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of Probate or letters of Administration or succession certificate, upon such terms as to indemnify as the Board in its absolute discretion may think necessary.
44. Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered, unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the date of receipt of the notice. For the purpose of above clause, notice to the transferee shall be deemed to have been duly given, if it is dispatched by pre-paid registered post to the transferee at the address given in the instrument of transfer, and shall be deemed to have been duly delivered upon the expiry of seven days from the date of dispatch.
45. In case of shares held in physical form, the Board may decline to recognize any instrument of transfer unless:
- i. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56of the Act or any other Rules or provisions of the Act,
  - ii. The instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
  - iii. the instrument of transfer is in respect of only one class of shares.
46. If the Company refuses to register the transfer of any share pursuant to theseArticles, it shall within thirty days from the date on which the instrument oftransfer was delivered to the Company send notice of refusal to the transferee and transferor.
47. The transfer off fully paid up shares can be made in the name of a minor, if he is represented by his lawful guardian.
48. All instruments of transfer shall be retained by the Company, but any instrument of transfer which the Board may decline to register shall be returned to the Person depositing the same.
49. The Board may, in their discretion, waive the payment of any transfer or transmission fee either generally or in any particular case or cases.
50. The Company may, after giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is

situated, close the register of members or the register of debenture-holders or other security holders for any period or periods not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year as to it may seem expedient in accordance with Section 91 or any other provisions of the Act and rules made thereunder. The Registration of Transfers shall remain suspended during such period or periods of closure

51. The provisions of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company.
52. Company shall incur no liability of responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown of appearing in the Register) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

#### **TRANSMISSION OF SHARES**

53.
  - 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
  - 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.
54.
  - 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.
  - 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.
55. 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.
56.
  - 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.
  - ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

iii. All the limitations, restrictions and provisions of these regulation 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.

57. 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:

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.

58. 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.

#### **NOMINATION**

59.

- (i) Notwithstanding anything contained in these Articles and subject to the provisions of the Act, every member and debenture-holder of the Company may at any time nominate in the prescribed manner a Person to whom his shares or debentures in the Company shall vest in the event of his death.
- (ii) in case of more than one holder, the joint holders may together nominate, in the prescribed manner a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of all the joint holders.
- (iii) The nominee shall, on the death of the holder of shares or debentures of the Company or all the joint-holders thereof as the case may be, become entitled to all the rights in such shares or debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.
- (iv). Where nominee is a minor, the holders of shares or debentures or the Company may appoint a person to become entitled to such shares or debentures, in the event of his death during the minority of nominee.
- (v) Only individual holders of shares or debentures can make nominations. Non-individuals including Society, Trust, Body Corporate, Partnership Firm, Karta of Hindu Undivided Family, Holder of Power of Attorney can neither nominate nor can any of these be appointed as a nominee.
- (vi). Transfer of shares or debentures in favour of a nominee and payment of amount of debentures on redemption to nominee shall be valid discharge by the Company against the legal heirs.

#### **DELIVERY OF DOCUMENTS**

60. Copies of the Memorandum and Articles of Association of the Company and other documents referred to in the Act shall be sent by the Company to every Member at his request within seven days of his request on payment of the sum of Rupee one for each copy or such other amount as



may be fixed by the Board.

### **Forfeiture of shares**

61. If any member fails to pay any call, or installment of a call, 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, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

62. The notice aforesaid shall:

- i) 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
- ii). state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

63. 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.

When 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.

64. 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.

65. i. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.  
ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

66. 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 to the company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.

II. 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.

67. i. A duly verified declaration in writing that the declaring 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;

- ii. The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favor of the person to whom the share is sold or disposed of;
  - iii. The transferee shall thereupon be registered as the holder of the share; and
  - 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 or disposal of the share.
68. Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereingiven above, 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 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.
69. The Board may, subject to the provisions of the Act, accept surrender of the share certificate for any forfeited share from or by any member desirous of surrendering those on such terms as they think fit.
70. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified
71. The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.
72. The Board may at any time before any share so forfeited have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

### **ALTERATION OF CAPITAL**

73. The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
74. Subject to the provisions of Section 61 or other provisions of the Act, the Company may, by ordinary resolution:
- i. Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - ii. Convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - iii. Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
  - iii. 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.
75. . Where shares are converted into stock—

- i. the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:  
Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
  - ii. 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.
  - iii. Such of the regulations of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.
76. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law:
- i. its share capital; and/or
  - ii. any capital redemption reserve account; and/ or
  - iii. any share premium account; and/ or
  - iv. any other reserve in the nature of share capital.

#### **JOINT HOLDERS**

77. Where two or more persons are registered as joint holders (not more than four) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint holders with benefits of survivorship, subject to the following and other provisions contained in these Articles:
- i. 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.
  - ii. 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.
  - iii. Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.
  - iv. 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.
  - v. a. 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 but the other or others of the joint-holders shall be entitled to vote in preference to a joint holder present by attorney or by proxy although the name of such joint holder present by any attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares.

b. 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.

vi. The provisions of these Articles relating to joint holders of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company registered in joint names.

### CAPITALIZATION OF PROFITS

78. i). The Company in general meeting may, upon the recommendation of the Board, resolve—

a. that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

b. that such sum be accordingly set free for distribution in the manner specified in clause (b) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

ii). The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—

A. paying up any amounts for the time being unpaid on any shares held by such members respectively;

B. paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

C. partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);

D. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

E. The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

79. i. Whenever such a resolution as aforesaid shall have been passed, the Board shall:

a. make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and

b. Generally do all acts and things required to give effect thereto.

ii. The Board shall have power:

- a. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
  - 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 to which they may be entitled upon such capitalization, 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 capitalized, 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.

### **BUY-BACK OF SHARES**

80. Notwithstanding anything contained in these Articles but subject to the provision of Section 68, 69, 70 and any other 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.
81. The Company shall not give any financial assistance for or in connection with the purchase or subscription of any shares in the Company or in its holding company, save as provided by the Act.

### **BOARD OF DIRECTORS**

82. (i). Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than 3 (three);
- (ii). The names of the first directors of the Company are as follows:
1. Shri Rai Bahadur Janki Das Kapur
  2. Shri Bal Krishan Shatia
  3. Shrimati Bimla Kapur
  4. Shri Diwan Chand Mehra
  5. Shri Dewan Hari Krishna Das
  6. Shri Jagdish Kapur
  7. Shri Madan Lal Sarin
  8. Shri Rai Bahadur Narain Dass
  9. Shri Sardar Santokah singh Vidyarthi
  10. Shrimati Sheila Kapur
  11. Shri D.R. Madhok (Nominee of Industrial finance Corporation of India)
83. Whenever the Directors enter into a contract with any person or persons for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or enter into any other arrangement, the Directors shall have, subject to the provisions of the Act, the power to agree that such person or persons shall have the right to appoint or nominate by notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the Agreement and that such Director or Directors may not be liable to retire by rotation and not be required to hold any qualification shares. The Directors may also agree that any such Director or Directors may be removed from time to time by the person or persons entitled to appoint or nominate them and such person or persons may appoint another or other in his or their place(s) and also fill in any Vacancy which may occur as a result of any such

Director ceasing to hold that office for any reason whatsoever. The Director(s) appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the Directors of the Company including the payment of remuneration and travelling expenses to such Director or Directors as may be agreed by the Company with such person or persons aforesaid.

84. So long as any moneys shall be owing by the Company to any Financing Corporation or concern or body or bank (hereinafter referred to as "the Financial Institutions") or so long as the Financial Institutions hold any shares/ debentures in the Company as a result of direct subscription or underwriting or so long as any guarantee given by the Financial Institutions shall have the 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 Directors. 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. 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 Directors of the Company shall have no power to remove the Nominee Director from Office except under extreme circumstances. The Nominee Director shall ipso facto vacate his office immediately, when the moneys owing by the Company to the Financial Institutions are paid and on the Financial Institutions cease to hold shares/debentures in the Company.
85. The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
86. i. 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.
- ii. 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.
87. Every person (other than a person who has left at the office of the Company a notice under the Act, signifying his candidature for the office of a director) proposed as a candidate for the office of a director shall sign and file with the Company, his consent in writing to act as a director, if appointed.
88. . A person other than a Director reappointed after retirement by rotation shall not act as a Director of a Company unless he has within thirty days of his appointment signed and filled with the Registrar, his consent in writing to act as such director. This is subject to save as otherwise provided by the provisions of the Act.
89. Subject to the provisions of the Act, if any Director, being willing, shall be called upon to perform extra services or to make any special exertion in going or residing away from his / her residential

area for any of the purposes of the Company or in giving special attention to the business of the Company or as a member of a Committee of the Board then, the Board may remunerate the Director so doing either by a fixed sum or by a percentage of profits or otherwise and may allow such Director at the cost and expenses of the Company such facilities or amenities (e.g. rent free house, free medical aid, free conveyance etc.) as the Board may determine from time to time and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled.

90. The fees payable to the Director for attending the meeting of the Board or committee shall be decided by the Board of Directors from time to time within the maximum limits of such fees that may be prescribed under the Act or the Rules.
91. The Company may exercise the powers conferred on it by section 88 or any other provisions of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section or any other provisions) make and vary such regulations as it may think fit respecting the keeping of any such register.
92. Directors shall not be required to hold any qualification shares in the Company.
93. A person who is not a retiring director shall, subject to Section 160 and other provisions of the Act, be eligible for appointment to the office of director at any general meeting, if he or some member intending to propose him has, not less than 14 days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of director or the intention of such member to propose him as a candidate for that office, as the case may be, along with a deposit of such amount as prescribed by the Act and related rules thereof which shall be refunded to such person as per the provisions of the Act. It is further preferred if the above said notice in writing is provided atleast 30 days in advance then compliance with other provisions of other rules, regulations and acts including SEBI Regulations will be done properly.
94. Subject to provisions of the Act a person shall not be capable of being appointed as a Director of the Company if he suffers from any of the disqualifications stated in the Act.
95. Subject to provisions of the Act the office of the Director shall become vacant as provided in the Act.
96. Nothing contained in the Articles of Association shall invalidate any act done by the Directors or by any person acting as a Director notwithstanding that it is afterwards found that there was some defect in the appointment of such Director or of such person or it is afterwards found that such Director or such person is disqualified to act as such Director or such person.
97. Subject to Provisions of the Act, a Director may enter into any contract with the Company for the sale, purchase or supply of any goods, materials or services or for underwriting the subscription of any shares in or debentures of the Company. The Director so contracting or being so interested, shall not be liable to the Company for any profit realized by any such contract by reason of such Director holding that office, or the fiduciary relation thereby established, but it is declared that the nature of his interest must be disclosed by him at a meeting of the Board of Directors at which the contract is determined, if his interest then exists, or in any other case at the first meeting of the Board after the acquisition of his interest. For this purpose a Director may also give a general notice to the Board in



terms of the Act.

98 Subject to provisions of the Act, a Director or any other person mentioned therein may hold any office or place of profit under the Company or under any subsidiary thereof.

99. A Director of the Company may be or become a Director of any Company promoted by the Company or in which it may be interested as a vendor, shareholder or otherwise, and no such Director shall be accountable for any benefits received as a director or member of such Company except in so far as provided under of the Act as may be applicable.

100 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 multiple of three, then the number nearest to one-third shall retire from office. A Managing Director, a Whole Time Director, an Independent Director and a Nominee Director, if any, shall not be subject to retirement by rotation.

101. The Directors to retire by rotation at every general meeting shall be those who have been longest in office since their last appointment, and if two or more directors are longest at the same time then either they mutually decide among themselves who will retire by rotation or it will be determined by lot.

102. A retiring Director is eligible for re-election.

103. Save as permitted by the Act, every resolution in general Meeting for the appointment of a Director shall relate to one named individual only.

104. The Company at the Annual General Meeting at which a Director retires by rotation in the manner aforesaid may fill up the vacated office by appointing the retiring Director or some other person thereto and if the place of the retiring Director is not so filled, the Company shall abide by the provisions of the Act.

105. Every Director present at any meeting of the Board or of a committee thereof shall sign his name in the attendance book or attendance sheet kept for that purpose or submit a duly signed attendance slip which shall be maintained as part of the book to be kept for that purpose.

106 i. Subject to Section 149 and other 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 or by the additional authority granted by the Act.

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.

107. 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.

108. 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.

109. 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.

110. 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.

ii. The Director so appointed shall hold office only upto the date up to which the Director in whose place he is appointed would have held office if it had not been vacated.

### **POWER OF BOARD**

111 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, not hereby or by the statute or otherwise directed or 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.

112 All cheques, Promissory notes, drafts, hundies, bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company shall be signed, drawn, accepted, enclosed or otherwise executed as the case may be, by such person and in such manner as the Board may from time to time by resolution determine.

### **BORROWING POWERS**

113 Subject to the provisions of the Act and of these Articles the Board may, from time to time at its discretion, by a resolution, passed at a meeting of the Board, accept deposits from Members, either in advance of calls or otherwise, and generally raise or borrow or secure the payment of any sum or sums of money for the Company provided, however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board shall not borrow such monies without the consent of the Company in General Meeting.

114 The payment or repayment of monies borrowed as of aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of debentures or debenture stock of the Company, charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being and

debentures, debenture-stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

- 115 Any debentures, debenture-stock or other securities issued at a discount, premium or otherwise may be made free from any equities between the Company and a person to whom the same may be issued and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) a General Meeting or appointment of Directors and otherwise with the right to conversion into or allotment of shares shall be issued with the consent of the Company in General Meeting accorded by a Special Resolution.

### **PROCEEDINGS OF THE BOARD**

116. (i).The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit, subject to provisions of the Act.

(ii). The Chairperson or the Whole Time Director or any Director with the previous consent of the Chairperson may, or the Company Secretary on the direction of the Chairperson/ Whole Time Director/ Director shall, at any time, summon a meeting of the Board.

117. Notice of every meeting of the Board of Directors of the Company shall be given in writing to every Director at his address or email id registered with the Company and such Notice shall be sent by hand delivery or by post or by electronic means.

118. The quorum for a Board meeting shall be as provided in the Act and shall be according to applicable Secretarial Standard(s). . If a quorum is not be present within fifteen minutes from the time fixed for holding a meeting of the Board, it shall be adjourned until such date and time as the Chairman of Board, if present and if he be not present, the Directors actually present, shall fix.

119. 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 Act..

- 120 (i). Save as otherwise expressly provided in the Act, questions arising at any Meeting of the Board shall be decided by a majority of votes.

(ii). In case of an equality of votes, the Chairperson of the Board shall have a second or casting vote.

121. 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.

- 122 i. The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

ii. The Board may elect one of their members as Co-Chairperson to preside over their meetings in the absence of the Chairperson and determine the Period for which he is to hold office. The Co-Chairperson shall in the absence of the Chairperson, have all the powers conferred on the Chairperson by these Articles.

iii. The Board may elect one of their members as Vice Chairman to preside over their meetings in the absence of the Chairperson and Co- Chairperson and determine the period for which he is to hold office. The Vice Chairman shall in the absence of the Chairperson and Co-Chairperson, have all the powers conferred on the Chairperson by these Articles.

iv. If no such Chairperson, Co-Chairperson or Vice Chairman is elected, or if at any meeting the Chairperson, Co-Chairperson and Vice Chairman is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

123 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.

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.

124. 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.

125 i. A committee may elect a Chairperson of its meetings.

ii. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be chairperson of the meeting.

126 i. A committee may meet and adjourn as it thinks fit.

ii. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

127. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that 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, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

128. No Director shall, as a Director, take any part in the by 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 quorum at the time of such discussion or vote. This prohibition shall not apply to (a) any contract of indemnity against any loss which the Directors or any of them may suffer by reason of becoming or being sureties or a surety for the Company or (b) any contract or arrangement entered into or to be entered into by the Company with a public company or with a private company which is a subsidiary of a public company, in which the interest of the Director consists solely in his being a Director of such company and the holder of not more than shares of such number or value therein, as is requisite to qualify him for appointment as a director thereof, he having been nominated as such director by the Company or he holds equity shares as a registered holder of shares, to fulfill any requirement of law.

129. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all 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.

#### **CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY, CHIEF FINANCIAL OFFICER**

130. Subject to the provisions of the Act,—

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

131. A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

#### **MEETINGS OF MEMBERS, ITS PROCEEDINGS AND ADJOURNMENT**

132. The company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings. The First Annual General Meeting shall be held within eighteen months from the date of incorporation of the Company and the next Annual General Meeting shall be held within six months after the expiry of the financial year in which the First Annual General Meeting was held provided that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for a time during business hours, on a day that is not a public holiday, and shall be held at the office of the Company or at some other place within the City in which the office of the Company is situated as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meetings. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which they attend on any part of the business which concerns them as Auditors. At every Annual General Meeting of the Company there shall be laid on the table the Director's Report and Audited Statement of Accounts, Auditor's Report (If not already incorporated in the Audited Statement of Accounts), the Proxy Register with proxies and Register of Director's Shareholdings which shall remain open and accessible during the continuance of the meeting. -

133. The Board may, whenever it thinks fit call an extraordinary General Meeting.

134. The board may call extraordinary general meeting upon a requisition in writing by any Member or Members holding in the aggregate not less than one-tenth of such of the paid-up capital as at the date carries the right of voting in regard to the matter in respect of which the requisition has been made. Any valid requisition so made by Members must state in the object or objects of the meeting proposed to be called, Meeting and must be signed by requisitionists and be deposited at the office provided that such requisition may consist of several documents in like from each signed by one or more requisitionists.
135. Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting and if it does not proceed within twenty one days from the date or the requisition being deposited at the office to cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists, of such of their number as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid up share capital held by all of them or not less than one-tenth of such of the paid up share capital of the company as is referred to the Act whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.
136. Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner as nearly as possible, as that in which meeting are to be called by the Board.
137. At least twenty-one days notice of every General Meeting, Annual or Extraordinary, and by whomsoever called, specifying the day, place and hour of meeting, and the general nature or the business to be transacted there at shall be given in the manner hereinafter provided to such persons as are under these Articles entitled to receive notice from the Company Provided that in the case of an Annual General Meeting with the consent in writing of all the Members entitled to vote there at and in case of any other meeting, with the consent of Members holding not less than 95 percent or such part of the paid up share capital of the Company as gives a right to vote at the meeting, a meeting may be convened by a shorter notice. In the case of an Annual General Meeting, if any business other than (i) the consideration of the Accounts, Balance Sheet and Reports of the Board of Directors and Auditors, (ii) the declaration of dividend, (iii) the appointment of Directors in place of those retiring by rotation, (iv) the appointment of, and fixing of, the remuneration of the Auditors is to be transacted, and in the case of any other meeting in any event there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concerns or interest, if any, therein of every Director and the Manager (if any). where any such item of business related to or affects, any other company, the extent of shareholding interest in that other company of every Director and the Manager, if any, of the Company shall also be set out in the statement if the extent of such shareholding interest is not less than 20 percent of the paid-up share capital of that other Company. Where any item of business consists of the according of approval to any document by the Meeting, the time and place where the documents can be inspected shall be specified in the statement aforesaid.
138. The accidental omission to give any such notice as note aforesaid to or the non-receipt thereof, by any of the Members, shall not invalidate any resolution passed at any such meeting.

139. No General Meeting, Annual or Extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.
140. 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.
141. The quorum for a general meeting shall be as provided in section 103 and other applicable provisions of the Act.
142. If at the expiration of half an hour from the time appointed for holding a Meeting of the company a quorum shall not be present, the meeting if convened by or upon the requisition of Members, shall stand dissolved, but in any other case the meeting shall stand adjourned to the same day in the next week at the same time and place or if that day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day and at such other time and place in Haryana as the Board may determine and if at such adjourned meeting also a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting the Members present shall be a quorum and may transact the business for which the meeting was called.
143. The Chairman (if any) of the Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there be no such Chairman of the Directors or if at any meeting he is not be present within fifteen minutes of the time appointed for holding such meeting or if he is be unable or unwilling to take the chair, then the Directors present shall elect one of them as Chairman, and if no Director is present or if all the Directors present decline to take the chair, then the Members present shall elect one of their members to be Chairman.
144. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
145. No business shall be discussed at any General Meeting to except the election of Chairman whilst the Chair is vacant.
146. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
147. 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.
148. Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
149. Before or on the declaration of the result of the voting on any resolution on a show of hands, poll may be ordered to be taken by the Chairman of the meeting of his own motion, and shall be ordered to be taken by him on demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company:-

- a. Which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or
  - b. On which an aggregate sum of not less than fifty thousand rupees has been paid up. Unless the poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority it or lost, and an entry to that effect in the Minutes Book of the meeting of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.
- 150. If a poll is demanded as aforesaid, the same shall be, subject to Article, taken at such time (not later than forty eight hours from the time when the demand was made) either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment, or otherwise, and the result or the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
- 151. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him. One of the scrutinizers so appointed shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove a scrutinizer from office and fill vacancies in the office of scrutinizer arising from such removal or from any other cause.
- 152. Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting forthwith.
- 153. The demand for a poll except on the questions of the not to election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction or any business other than the question on which the poll has been demanded.

#### **VOTES OF MEMBER**

- 154. No member shall be entitled to vote at any General Meeting or meeting of a class of shareholders in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the company has exercised, any right of lien.
- 155. A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.
- 156. Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every Member, not disqualified by the last preceding Article, shall be entitled to be present, and to speak and vote at such meeting and on a show of hands every Member present in person shall have one vote and upon a poll the voting right of every member present in person or by proxy shall be in proportion to his share of the paid-up



equity share capital of the company Provided, however, if any preference shareholder be present at any meeting of the Company save as provided in the Act, then he shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his preference shares.

157. A member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.
158. 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. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
159. On a poll taken at a meeting of the Company, a Member entitled to more than one vote or his proxy, or other person entitled to vote for him, as the case may be, need not if he votes, use all his votes or cast in the same way all the votes he uses.
160. 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 poll vote by proxy. If any Member be a minor, the vote in respect of his share or shares shall be by his guardian, or any one of his guardians if more than one, to be elected in case of dispute by the Chairman of the meeting.
161. Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.
162. 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
163. Subject to the provisions of these Articles, Votes may be given either personally or by proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorised in accordance with the Act and such representative shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual Member.
164. Any person entitled under Article to transfer any shares may vote at any General Meeting in respect thereof in the same manners as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his right to transfer shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.
165. Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointee is a corporation under the common seal of such corporation, and be signed by an officer or an attorney duly authorised by it and any Committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meetings.

166. An instrument of proxy may appoint a proxy either for the purposes of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purposes of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.
167. No Member, present only by proxy shall be entitled to vote on a show of hands, unless such member is a body corporate present by a proxy and such proxy shall have a right to vote on the show of hands as if he were a Member.
168. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office not later than forty-eight hours before the time or holding the meeting at which the person named in the instrument proposes to vote or in the case of a poll, not less than 24 hours before the time appointed for taking of the poll and in default, the instrument of proxy shall not be treated as valid..
169. Every instrument of proxy whether for a specified otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in the Act.
170. A vote given in accordance with the terms or an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the share in respect of which the vote is given provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the commencement of the meeting or adjourned meeting at which the proxy is given.
171. No objection shall be made to the validity of any vote, except at the meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll, shall be deemed valid for all purposes of such meeting or poll whatsoever.
172. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

## **MINUTES**

173. The Company shall cause minutes of all proceedings of every general meeting and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be entered in the books to be kept as may be required by the Act.
174. (a) Any such minutes of the proceedings of a meeting or the Board or a Committee thereof if purporting to be signed by the Chairman of the meeting at which the proceedings take place or by the Chairman of the next succeeding meeting shall be the evidence of the proceedings.

(b). the minutes of the proceedings of a general meeting shall be signed by the Chairman of the same meeting within the period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.

175. Where minutes of the proceedings of any general meeting of the Company or of any meeting of the Board or of a Committee of the Directors have been made and signed in accordance with the provisions of the Act, then, until the contrary is proved, the meeting shall be deemed to have been duly called and held, and all proceedings thereat to have duly taken place, and in particular, all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid.

176. (i). The books containing the minutes of the proceedings of the general meeting of the Company shall be kept at the Registered office of the Company and shall be open for inspection by members without charge between the hours of 1 p.m. to 3 p.m. during business hours on each working day except on Saturday / Public Holidays.

ii.). Any member of the Company shall be entitled to be furnished, within the period prescribed by the Act after he has made a request in writing in that behalf to the Company, with a copy of any minutes referred to in sub-clause (1) hereof, on payment of fees prescribed under the act or as fixed by board.

## **DIVIDENDS**

177. Subject to provisions of the act, as aforesaid the profits of the Company which it shall from time to time determine to divide in respect of any year or other period shall be applied first in paying the fixed preferential dividend on the capital paid up on the preference shares if any and secondly in paying a dividend for such year or other period on the capital paid up on the equity shares.

178. All dividends shall be apportioned and paid proportionally to the amount paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.

179. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of these presents as paid up on the shares.

180. The company in general meeting may declare a dividend to be paid to the members according to their rights and interests in the profit and may fix the time for payment.

181. No larger dividend shall be declared than is recommended by the Directors but the Company in general may declare a smaller dividend.

182. No dividend shall be payable except out of the profits of the Company and no dividend shall carry interest as against the Company.

183. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.
184. The Directors may from time to time pay to the Members such interim dividends as in their judgment the profit position of the Company justifies.
185. The Directors may retain any dividends payable on shares on which the Company has a lien and may apply the same in or towards the satisfaction of the debts liabilities or engagements in respect of which the lien exists.
186. 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 the dividend may if so arranged between the Company and the member, be set off against the call. The making of a call under this Article shall be deemed ordinary business of an ordinary general meeting which declares a dividend.
187. (a) Subject to the provisions of the Articles, no dividend shall be payable to any person whose name does not appear in the register of members except with the authority, special or general, or the directors.
- (b). Right to dividend, right shares and bonus shares shall be held in abeyance pending registration of transfer of shares in conformity with the provisions of the Act.”
188. The Director’s may retain the dividends payable upon shares in respect of which any person is under these presents entitled to become a member or which any person under these presents is entitled to transfer, until such person shall become a member in respect of such share or shall duly transfer the same.
189. No member shall be entitled to receive payment of any interest or dividend in respect of his own share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares of otherwise howsoever either alone or jointly with any other person or person and the Board may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company.
190. Unclaimed/unpaid dividends will be dealt with as provided under the Act.
191. A Board may, before recommending any dividend, set aside out of the profits of the company, such sums, as it may think proper, as reserve or reserves which shall at the discretion of the Board, be applicable for any or the purposes to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalising dividends and pending such application may at the like discretion either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time think fit.
192. The Board may also carry forward any profits which it may think prudent not to divide, without setting them aside as a reserve.

193. Unless otherwise directed, any dividend may be paid by cheque or warrant sent through the post to the registered address of the members of person entitled, or in the case of joint holders to the registered address of that one whose name stands first on the register in respect of the joint holding, and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent. The Company shall not be responsible or liable for any cheque or warrant lost in transit or for any dividend lost by the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent recovery thereof by any other means. The Company may if it thinks fit, call upon the shareholder when applying for dividends or bonus to produce their share certificates at the registered office or other place where the payment or dividend is to be made.
194. Any one of two or more joint holders of a Share may give effective receipts for any Dividends, bonuses or other monies payable in respect of such Share.
195. The Company shall pay dividend or send the warrant in respect thereof to the shareholder entitled to the payment of the dividend, within forty two days from the date of the declaration of the dividend unless:
- a. where the dividend could not be paid by reason of the operation of any law,
  - b. where a shareholder has given directions to the company regarding the payment of the dividend and these directions cannot be complied with
  - c. where there is a dispute regarding the right to receive the dividend.
  - d. where the dividend has been lawfully adjusted by the Company against any sum due to it from the shareholder, or
  - e. where, for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the company.
196. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with the provisions of the Act and the Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised funds and such appointment shall be effective.

## **ACCOUNTS**

197. The Company shall keep at the Office or at such other place in India as the Board thinks fit, proper Books of Account in accordance with the Act.
198. The Board shall from time to time determine whether and to what extent and at what times and place and under what conditions or regulations to the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors, and no member (not being a Director) shall have any rights of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the Company in General Meeting.

199. The Directors shall from time to time, in accordance with the Act, cause to be prepared and to be laid before the Company in General Meeting, such Balance Sheets, Profit and Loss Accounts and Report as are required under the Act;
200. A copy of every Balance Sheet (including Profit and loss Account, the Auditor's Report and every other document required by law to be annexed or attached, as the case may be, to the balance sheet) which is to be laid before a company in general meeting shall, not less than twenty one days before the date of the meeting, be sent to every member of the Company, to every trustee for the holders of any debentures issued by the Company, whether such member or trustee is or is not entitled to have notices of General Meeting of the Company and to all persons other than such members of trustees, being so entitled, provided that Article shall not require a copy of the documents aforesaid to be sent;
- (a) to a member, or holder of debentures of the Company, who is entitled to have notices of General Meetings of the Company to be sent to him and of whose address the Company is unaware;
  - (b) to more than one of the joint-holders of any shares or debenture, none of whom is entitled to have such notices sent to him;
  - (c) in the case of joint-holders of any shares or debentures some of whom are entitled to have such notices sent to them, to those who are not so entitled.
201. The Board of Directors may, in their absolute discretions, if they deem fit, instead send a statement containing the salient features of such documents in the prescribed form to every member of the Company and to every trustee for the holders of any debenture issued by the Company in accordance with the provision contained in the Act.

### **NOTICES**

202. The Company shall comply with the provisions of the Act as the serving of notice to every person who, by operation or law, or by transfer or by other means whatsoever, shall become entitled to any share, shall be duly given to the person from whom he derives his title to such share.
203. Any notice or document delivered or sent by post to or left at the registered address of any member 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 stead 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 share.

### **RECONSTRUCTION**

204. On any sale of the undertaking of the Company, the Directors or the Liquidators on a winding up may, if authorised by a special resolution, accept fully paid or partly paid up shares debentures of securities of any other Company whether incorporated in India or not other than existing or to be formed for the purchase in whole or in part of the property of the Company, and the Directors (if the profits of the Company permit), or the Liquidators (in a winding-up) may distribute such

shares or securities of any other property of the Company amongst the members without realisation or vest the same in trustees for them and any special resolution may provide for the distribution or appropriations of the cash, shares or other securities, benefits or property, otherwise then in accordance with the strict legal rights of the members of contributories of the company and for the valuation of any such securities of property at such price and in such manner as the meeting may approve and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorised, and waive all rights in relation thereto, save only in case the Company is proposed to be or is in the course of being wound up, such statutory rights, if any, under the Act as are incapable or being varied or excluded by these presents.

#### **AUDIT**

205. The First Auditor or Auditors of the Company shall be appointed by the Board within one month after its incorporation the Auditor so appointed shall hold office until the conclusion of the First Annual General Meeting provided that the company may at a General Meeting, remove any such Auditor of all of such Auditors and appoint in his or their place any other person or persons who have been nominated for appointment by any Members of the Company not less than fourteen days before the date of the Meeting provided further that if the Board fails to exercise its powers under this Article, the Company in General Meeting may appoint the first Auditor or Auditors.

#### **WINDING-UP**

206. Upon the winding up of the Company, the holders of preference shares if any, shall be entitled to be paid all arrears of preferential dividend to the commencement or winding-up and also to be repaid the amount of capital paid up or credited as paid-up on such preference shares held by them respectively, in priority to the equity shares but shall not be entitled to any other further rights to participate in profits of assets subject as aforesaid and to the rights of any other holders of shares entitled to receive preferential payment over the equity shares in the event of the winding up of the Company, the holders of the equity shares shall be entitled to be repaid the amount of capital paid up or credited as paid up on such shares and all surplus assets thereafter shall belong to the holders of the equity shares in proportion to the amount paid up or credited as paid up on such equity shares respectively, at the commencement or the winding-up. If the assets shall be insufficient to repay the whole of the paid up equity capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members holding equity shares in proportion to the capital paid up or which to have been paid up on the equity shares held by them respectively at the commencement of the winding-up other than amounts paid by them in advance of calls.
207. The Liquidator on any winding-up (whether voluntary, under supervision, or compulsory) may, with the sanction of a Special Resolution, but subject to the rights attached to any preference share capital divide among the contributories in specie any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories, as the Liquidator with the like sanction shall think fit.
208. 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.

209. 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 AND RESPONSIBILITY**

210. Subject to the provision of the Act, every Director, Manager, Secretary and other officer or employee of the company shall be indemnified against and it shall be the duty of the Directors to pay out of funds of the Company all costs, losses and expenses (including travelling expenses) which any such Directors, Manager or Secretary or other officer or employee may incur or become liable to by reason of any contract entered in any way in the discharge of his or their duties and in particular and so as not to limit the generally of the foregoing provisions, against all liabilities incurred by him or them as such Director, Manager, Secretary, Officer or employee in defending any proceedings whether Civil or Criminal, in which judgment is given in his or their favour or in which he or they is or are acquitted, or in connection with any application under the Act in which relief is granted by the Court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority over all other claims.

#### **MISCELLANEOUS PROVISIONS**

211. (a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a committee, Officer, Servant Agent, Accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions and affairs of the company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the directors or by law or by the persons to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

(b) No member shall be entitled to visit or inspect any works of the Company without the permission of the Director or to require discover of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery or trade, secret process or any other matter which may relate to the conduct or the business of the Company and which, in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

212. 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 1.00p.m. to 3.00 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.

213. Subject to the provisions of the Act, a Chief Executive Officer, Manager, Managing Director, Company Secretary and Chief Financial Officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any Chief Executive Officer, Manager, Company Secretary and Chief Financial Officer so appointed may be removed by means of a resolution of the Board. The Board may appoint one or more Chief Executive Officers for its multiple businesses. A director may be appointed as Chief Executive Officer, Manager, Company Secretary and Chief Financial Officer.
214. 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 so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.
215. Unless such a fee is fixed by the Act or the Rules, the Board of Directors of the Company is authorized to deliver documents free of cost to the members who opt to receive documents via email, in case any member specify any document to be delivered by a particular means of communication viz. post or registered post or speed post or courier, then a fee of Rs 300 per document plus out of pocket expense incurred by the company may be charged by the Company and option to get any document delivered by hand at request of any member at his office / address may not be provided.

We, the several persons, whose names and address are subscribed below, are desirous of being formed into a company in pursuance of the Articles of Association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names.

Name address & Description	Signature	Number of Shares	Witness
R.B. Janki das Kapur, M.A., 3, Aurangzeb Lane, New Delhi (Businessman & Industrialist)	Sd/-	1000- Shares Ordinary B-Class	Sd/-Panna Lal Sethi 50, Market Road, NEW DELHI
Shri Jai Dev Kapur Old Victoria Cottage, Simla (Businessman)	Sd/-	1333-Shares Ordinary B-Class	Sd/- Muni Raj Old Victoria Cottage Simla
Shri Jagdish Kapur 3, Aurangzeb Lane New Delhi (Businessman)	Sd/-	1333-Shares Ordinary B-Class	Sd/-I. D. Mehra, Bombay life Bldg, Connaught Circus, New Delhi
Shri Diwan Chand Mehra 2/40, Connaught Circus New Delhi (Businessman)	Sd/-	100-Shares A Class Shares	Sd/-Hari Chand 20, Press Road New delhi
Shri Bishamber Das Kapur Old Victoria Cottage , Simla (Businessman)	Sd/-	1334 – Shares Ordinary B-Class	Sd/- Illagible
Shri Ram Murti Khanna House No. 14, Alloy No. 3 The Mall, Simla (service)	Sd/-	2-Ordinary A-Class Shares	Sd/- Sham Das Mehra P.O. Palanpur (Distt. Kanpur)
Shri Rajinder Nath Wadhwan No.35 , Ranjit Nagar Near Pusa Gate, New Delhi (Service)	Sd/-	50-Ordinary B Class Shares	Sd/- Ramji Das P.O. Palanpur (Distt. Kanpur)

Dated: 30.05.50

ANNEXURE TO THE ARTICLES OF ASSOCIATION OF

## Atlas Cycles (Haryana) Ltd.

The following special resolution was passed at the Extra Ordinary General Meeting of the Members of the Atlas Cycle (Haryana) Ltd., held on the 7th day of August, 1950 :-

"That Messrs. Jankidas & Company, a registered partnership firm with its Head Office at Bombay is hereby appointed as Sole Distributors for the Company's products for 20 years on 5% commission on the total sales of the Company effected during the year on the terms and conditions as mentioned in draft Agreement duly signed by the Directors for identification attached herewith.

The interest of Mr. Janki Das Kapur and Mr. Bishamber Das, Directors of the Company as partners in the firm of Messrs. Jankidas & Co., Bombay is hereby noted."

The following special resolution was passed at the Extra Ordinary General Meeting of the Members of The Atlas Cycle Haryana Ltd., held on 3rd March, 1956 :-

(1) RESOLVED that the conditions of the Memorandum of Association of the Company as contained in paragraph V be altered as follows. For paragraph V, substitute the following :-

The Authorised Capital of the Company is Rs. 30 lacs, divided into 15,000 shares of Rs. 100 each and 1,50,000 shares of Rs. 10 each.

The Company shall have power to increase or reduce its capital and to divide the shares in its capital for the time being into several classes of stock or shares and to attach thereto respectively such preferential, deferred or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company.

RESOLVED further that the above mentioned alterations shall take effect from the date of the sanction of the scheme for the Re-organisation of capital by the Punjab High Court.

(2) RESOLVED that the Articles of Association of the Company be altered as follows :-

(i) For Article 6, substitute the following :-

The Authorised Capital of the Company shall be Rs. 30 lacs, divided into 15,000 Preference Shares shares of Rs. 100 each and 1,50,000 Ordinary Shares of Rs. 10 each.

(ii) Preference Shares shall carry a fixed cumulative preferential dividend of 6% P.A. (free of income tax) on the capital for the time being paid up or credited as paid up thereon, but without any further right to participate in the profits. In winding up, they shall rank in priority both as to capital and arrears of dividend, if any, as against the Ordinary Shares. Preference Shares shall be redeemable at the option of the Company, either out of profits or out of the proceeds of a fresh issue of shares made for the purpose of redemption, at any time by three months' notice, on the expiry of five years from the date of issue at par and at a premium of Rupees five in the event of being redeemed before that date.

(iii) At the end of Article 13, add the following :-

In the event of all the Ordinary Shares of the authorised capital being subscribed and any part of the Preference Capital remaining unsubscribed, the Directors may, in their discretion, sub-divide the all or some of the available Preference Shares into shares of Rs. 10/- each and allot them as ordinary shares. Such shares shall rank pari passu in all respects with and shall have the same rights as the Ordinary Shares of the Company already subscribed. In the event of all the Preference Shares in the authorised capital being subscribed and any part of the ordinary capital remaining un-subscribed, the Directors may, in their discretion consolidate all or some of the available Ordinary Shares of Rs. 10/- each into shares of Rs. 100/- each and allot them as Preference Shares and such shares shall rank pari passu in all respects with and shall have the same rights as the Preference Share already subscribed.

(3) In Article 34 substitute the following :-

Unless otherwise determined by the Directors the nominal amount of the shares shall be payable as follows :-

(a) Preference Shares :-

On Application	.....	Rs. 10 per share;
On Allotment	.....	10 per share;

(b) Ordinary Shares :-

On Application	.....	10 per cent;
On Allotment	.....	10 per cent;

RESOLVED further that all the above mentioned alterations in the Article of Association shall take effect from the date of the sanction of the scheme for the Re-organization of Capital by the Punjab High Court.

The following Special Resolutions were passed at the Extra Ordinary General Meeting of the Members of The Atlas Cycle Industries Ltd., held on 31st March, 1956 :-

(1) Resolved as Special resolution that the Company hereby accords its consent to Shri Jai Dev Kapur holding an office of profit under the Company.

(2) Resolved as a Special resolution that the Company hereby approves, ratifies and confirms the appointment of Shri Bishamber Das Kapur as General manager of the Company on the terms set out in the Resolution of the Board of Directors Dated 7-3-56.

### IN THE HIGH COURT OF JUDICATURE FOR THE STATE OF PUNJAB AT CHANDIGARH.

CIVIL ORIGINAL No. 7 of 1956

In the matter of the Indian Companies Act, 1913 and of the Atlas Cycle Industries Ltd., Sonapat.

Petition of the Atlas Cycle Industries Limited and of Shri Bishamber Das Kapur under Section 153.

Dated, the 16th March, 1956.

PRESENT.

Hon'ble Mr. Justice D. Falshaw.



In connection with this petition by the Company the Atlas Cycle Industries Ltd., Sonapat, the meeting of the general body of the shareholders and separate meetings of preference shareholders, 'A' Class ordinary shareholders and 'B' Class ordinary shareholders, which were ordered by this Court on the 2nd of Feb., 1956 to be held on the 3rd of March, 1956, have been duly held and the report of the Chairman, Mr. Abnasha Singh, Advocate has been received. The scheme for reorganising the share capital put forward by the Company was accepted in the meeting of the general body of shareholders with certain modifications which were unanimously approved, and the modified scheme was then approved by the separate meetings of shareholders of different classes. Although the submission of objections was invited, no objections have been received. I accordingly sanction the scheme as modified and approved by the general body of shareholders and the different classes of shareholders.

It is agreed that Mr. Abnasha Singh shall be paid Rs. 800/- for his services in convening and conducting the meetings including his expenses and that Mr. D.K. Kapur shall receive Rs. 100/- for his services in the matter.

Sd/- D. Falshaw,

Judge.

16th March 1956.

The following special Resolution was passed at the Extra Ordinary General Meeting of the Members of The Atlas Cycle Industries Ltd. held on 6th July, 1956 :-

(a) "Resolved as Special Resolution that the consent of the Company be and is hereby accorded to the following persons, who are employees of the Company and are relatives of the Directors for holding office or place of profit under the Company, as contemplated under Section 314 of the Companies Act 1956 :-

(1) Mr. Krishan Lal Khanna (Relative of R. B. Janki Das Kapur).

(2) Mr. Raghunath kapur (Relative of Mrs. Bimla Kapur).

(b) Resolved as a special resolution that R.B. Janki Das Kapur and Mrs. Bimla Kapur relatives of the said employees should continue as Directors of the Company from 1st April 1956.

The following special resolutions were passed in Extraordinary General Meeting of the members of The Atlas Cycle Industries Ltd., held on 4th May, 1957.

(1) Resolved that Clause V of the Memorandum of Association of the Company be deleted and the following be substituted viz. :

"The Authorised Capital of the Company is Rupees Sixty lacs, divided into 30,000 shares of Rs. 100/- each and 3,00,000 shares of Rs. 10/- each."

"The Company shall have power to increase or reduce its capital and to divide the shares in its capital for the time being into several classes of stock or shares and to attach thereto respectively such preferential, deferred or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company."

(2) Resolved that Clause II of paragraph (1) of Clause 6 of the Article of Association of the Company be deleted and the following be substituted viz.

"The Authorised Capital of the Company shall be Rupees Sixty Lacs divided into 30,000 Preference Shares of Rs. 100/- each and 3,00,000 Ordinary Shares of Rs. 10/- each."



The following Special Resolution was passed in Extra ordinary General Meeting of the Members of the A.C.I. Ltd., held on 13-8-1957.

Resolved that Clause 150 of the Articles of Association of the Company be deleted and the following be substituted viz.

"The Directors shall provide a common seal for the purpose of the Company, and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof and the Directors shall provide for the safe custody of the seal for the time being, and the seal shall never be used except by or under the authority of the Directors or a Committee of the Directors and in the presence of one Director at the least, who shall sign every instrument to which the seal is affixed and every such instrument shall be countersigned by the Secretary or some other Officer or person as the Directors may from time to time resolve, provided that such counter-signature shall not be necessary where the instrument is in favour of such Secretary or he is party to it, provided further that such counter-signature shall not be necessary also in the case of certificates of title to shares which shall be issued under the seal of the Company and shall bear the signatures of two Directors at the least."

Copy of Special Resolution passed in the Annual General Meeting of the Company held on 27-9-58.0

"Resolved that the Articles of Association of the Company be amended in the manner following, that is to say."

"In Clause 39, the figure 'Seven' will be changed to 'Ten'."

Copy of Special Resolution passed in the Extraordinary General Meeting of the Company held at 87, Model Town, Sonapat on 29th Sept. 1959.

RESOLVED as Special Resolution that pursuant to Section 314 and other relevant provisions, if any, of the Companies Act, 1956, the Company hereby accords its sanction to Messrs Jankidas & Company, a partnership firm, holding an office or place of profit under the Company as sole Distributors for sale of the products of the Company, notwithstanding that Mr. Jagdish Kapur, a Director of the Company and Lala Bishan Das, a relative of some of the Directors, namely: R.B. Janki Das, Mr. Jagdish Kapur, Mrs. Bimla Kapur, Mrs. Sheila Kapur and Mr. Dewan Chand Mehra are partners of Jankidas & Company and R.B. Janki Das Kapur, Mr. Jagdish Kapur, Mrs. Bimla Kapur and Mrs. Sheila Kapur, Directors of the Company, are shareholders and Directors of the Punjab Stores (Private) Ltd., One of the Three partners of Jankidas & Company."

Copy of Special Resolution passed in the Extraordinary General Meeting of the Company held at 87, Model Town, Sonapat on Wednesday the 23rd December, 1959.

RESOLVED as a Special Resolution that the Memorandum of Association of this Company be altered by cancellation of sub-clause 11 of object Clause III thereof and the substitution instead of the following sub clause :-

"To provide for the welfare of the employees, Officers, Directors and ex-employees, ex-Officers, and ex-Directors of the Company and the wives, widows, and families of the dependents or connections of such persons, building or contributing to the building of house, dwelling or chawls, or by grants of money, pensions, allowances, bonus or other payments or by creating and from time to time subscribing or contributing to provident or other associations, institutions, funds or trusts, and by



providing or subscribing or contributing towards places of instructions, and recreation, hospitals and dispensaries, medical and other attendance and other assistance and to subscribe or contribute to any national, charitable, benevolent, religious, scientific, political, public, general or useful object, fund or society or organisation, as the Company may think fit or for any exhibition, which the Company may consider useful for the industry or for the furtherance of any of its objects."

RESOLVED further that the above mentioned alteration shall take effect only when it is confirmed by the High Court.

Copy of Special Resolution passed in the Extraordinary General Meeting of the Company held on 29-4-1960.

"RESOLVED that pursuant to Section 31 of the Companies Act, 1956, the regulations contained in the document submitted to this meeting and for the purpose of identification subscribed by the Chairman thereof, be approved and adopted with modification, that the amount of Rs. 250/- in Article NO. 96 be altered to Rs. 100/-, as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association thereof.

Copy of Special Resolution passed in the Annual General meeting of Company held on 28-6-1961.

"Resolved as a Special Resolution that pursuant to the provisions of Section 314 of the companies Act, 1956 consent be and the same is hereby accorded to Shri Shanker Das Kapur, who is a relative of Rai Bahadur Janki Das Kapur as also of Shri Dewan Chand Mehra, Directors of the Company, (being a step brother of the former and a mother's brother's son of the later) holding and continuing to hold an office or place of profit under the Company on the terms and conditions as to remuneration specified in the explanatory note under section 173 (2) of the Companies Act, 1956 appended below or on such other terms and conditions as may be agreed from time to time between the company and the said Shri Shanker Das Kapur."

Copy of the Special Resolution passed in the Annual General Meeting of the Company held on the 28th June, 1968.

"RESOLVED that Articles of Association of the Company be altered in the manner following :-

- (i) In article I delete the word "Punjab" after the words "Registrar of Companies".
- (ii) In Article 5 delete the words "attend or" preceding the words "vote at any General Meeting".
- (iii) For Article 39 substitute the following

"Shares in the Company may be transferred by an instrument in writing in such form and by such procedure as from time to time may be prescribed by law. Subject thereto the Directors may prescribe a common form for instruments of transfer, which may from time to time be altered by the Directors."

- (iv) For Article 44 substitute the following :-

"No fee shall be charged by the Company for transfer of shares or transmission of shares or for registration of any Powers of Attorney, Probates, Letters of Administration or similar documents or instruments".



(v) In Article 58 add the word "special", before the words "resolution passed at a separate General Meeting", and delete "(1) (b)" after "Section 106".

(vi) In sub-clause (m) of Article 99 delete the word 'previous'.

(vii) In Article 100 delete the word 'previous'.

(viii) In Article 113 substitute the word "Secretary" for "General Manager".

Copy of resolution passed in the Annual General Meeting of the Company held on the 28th June, 1969.

"RESOLVED that pursuant to Article 49 of the Articles of Association of the Company and section 94 of the Companies Act, 1956, the authorised capital of the Company be and is hereby increased from Rs. 60 lacs divided into 35,000 shares of Rs. 100/- each and 2,50,000 shares of Rs. 10/- each to Rs. One crore divided into 35,000 shares of Rs. 100/- each and 6,50,000 shares of Rs. 10/- each by creation of 4,00,000 additional shares of Rs. 10/- each.

"RESOLVED further that as a result of increase in the authorised capital of the Company, Clause V of the Memorandum of Association of the company be and is hereby altered by substituting "One Crore" and "6,50,000" for the existing "Sixty Lacs" and "2,50,000" respectively".

Copy of Special Resolution passed in the Annual General Meeting of the Company held on 28th June, 1969.

"RESOLVED that the Article of Association of the Company be altered in the manner following:

(i) For the first sentence of Article 5 substitute the following:

"The authorised capital of the Company is Rs. One Crore divided into 35,000 6¼ per cent per annum redeemable cumulative preference shares of Rs. 100/- each and 6,50,000 ordinary shares of Rs. 10/- each.

(ii) In Article 96, the figure 100 will be changed to 150.

Copies of Resolution passed in the Extra-ordinary General Meeting of the Atlas Cycle Industries Ltd., Sonapat held at the Registered Office, Atlas Road, Industrial Area, Sonapat on Friday, the 2nd February, 1979 at 12-30 P.M.

1. "Resolved that subject to approval of the Industrial Finance Corporation of India, New Delhi, Clause V of the Memorandum of Association of the Company be and is hereby altered by substituting the figures "41,000" and " 10,90,000" for the existing figures "35,000" and "11,50,000" respectively."

2. "Resolved as a special resolution that subject to the approval of the Industrial Finance Corporation of India, New Delhi in the Articles of Association of the Company, for sub para two of Article 6 substitute the following:-

The Company is authorised to alter the conditions of its Memorandum and the Articles in respect of the matters set out in sub-section (1) of section 94 of the Act.

Any part of the preference capital remaining unsubscribed at any time can be subdivided into shares of Rs. 10/- each and allotted as equity shares. Such shares shall rank pari-passu in all respects and shall have the same rights as equity shares of the Company already subscribed. Any part of the equity capital remaining unsubscribed at any time can be consolidated into shares of Rs. 100/- each and allotted as preference



shares. Such shares may, in the discretion of the directors, rank pari-passu in all respects and have the same rights as the preference shares already with such rights, privileges and conditions as the directors may determine at the time of the issue thereof".

3. "Resolved as a special resolution that subject to the approval of the Industrial Finance Corporation of India, New Delhi, Article 5 of the Articles of Association of the Company be altered so as to read as under :-

"The authorised capital of the Company is Rs. 1,50,00,000 divided into 30,000-6¼% p.a. (tax free) cumulative redeemable first preference shares of Rs. 100/- each, 11,000-11% p.a. cumulative redeemable second preference shares of Rs. 100/- each and 10,90,000 ordinary shares of Rs. 100/- each.

The 6¼% (tax free) first preference shares shall confer the right to a cumulative first preferential dividend at the rate of 6¼% per annum free from any deduction for income-tax on the amount for the time being paid up or credited as paid up thereon and shall rank for dividend in priority to all other shares of the Company and shall further confer the right on a return of capital on liquidation or otherwise to repayment of the capital paid up or credited as paid up thereon together with payment of a sum equal to any arrears of the cumulative first preferential dividend thereon (whether declared or earned or not) down to the date of the return of the capital in priority to all other shares of the Company, but shall not confer any further right to participate in profits or surplus assets. The said 6¼% first preference shares shall be redeemable at the option of the Company, either out of profits or out of the proceeds of a fresh issue of shares made for the purpose of redemption, at any time, by three months' notice, at par.

The 11% second preference shares shall confer on the holders thereof the right to receive a fixed cumulative second preferential dividend at the rate of 11% per annum (free of income-tax payable by the Company but subject to deduction of tax u/s 194 of the Income-tax Act, 1961 or any statutory modification or reenactment thereof) on the capital for the time being paid-up thereon and the right in a winding up to payment of capital and the arrears of second preferential dividend, whether declared or not, upto the commencement of the winding up in priority to the Ordinary Shares, but after payment of cumulative dividend and return of capital in respect of the 6¼% (tax free) first preference shares of the Company without any further right to participate in the surplus assets of the Company. No dividend (interim or final) shall be payable in respect of the 11% second preference shares during the years 1978, 1979 and 1980 and they shall have no claim in respect of any arrears of dividend in respect of these or any earlier years. Subject to the provisions of the Act, the 11% second preference shares shall be redeemable at the option of the Company, either out of profits or out of the proceeds of a fresh issue of shares made for the purpose of redemption, at any time after 12 years but not later than 15 years from the date of allotment of original shares made by Atlas Auto Cycles Ltd., (which company has merged with the Company on 1-1-1979, and in exchange of which these shares are allotted), by three months notice.

The voting rights of the holders of all the shares shall be in accordance with the provisions of section 87 of the Act.

4. "Resolved as a special resolution that subject to the approval of the Industrial Finance Corporation of India, New Delhi, in Article of Association of the Company :

- (i) In article 15 : (a) the words 'but in respect of each additional certificate, the Company shall be entitled to charge a fee of Re. 1/- or such less sum as the



Board may determine' appearing after the words 'Shares' in line 3, be deleted, (b) The word 'six' appearing in line 6 between the words 'within' and 'months' be substituted with the word 'three', (c) The word 'either' appearing in line 7 between the words 'of' and 'the' be deleted and (d) The word 'within one month of date of' be inserted between the word 'or' and 'the' appearing in line 7.

(ii) In sub para (i) of Article 16, the sentence 'For every certificate issued under this Article, there shall be paid to the Company the sum of Rupees Two or such smaller sum as the Board may determine' appearing after the word 'relate' in line 7 be deleted;

(iii) In Article 18, the words 'fourteen days' appearing in the line 3 be substituted the by '30 days'.

(iv) In Article 22 : (a) The words commencing in the 6th line and ending in the 9th line i.e. 'at the option of the Directors, either pay interest at such rates as the Directors may determine or provide for payment of dividend in proportion of the amount paid up (which shall include and shall always be deemed to have included amounts paid in advance as aforesaid) be substituted by the words 'pay interest' and (b) in the 10th line, between the words 'to' and 'any', the words 'dividend or participate in the profits of the Company or to' be inserted.

(v) In Article 25, the words 'fourteen days' appearing in line 1 be substituted by '30 days'.

(vi) Article 39 be substituted by the following :-

'The instrument of transfer shall be in writing and all the provisions of section 108 of the Act and of any statutory modification thereof, for the time being, shall be duly complied with in respect of all transfers of shares and the registration thereof.'

(vii) In Article 40 (a), the following Proviso be added at the end :-

'Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the company on any account whatsoever except a lien on the shares.'

(viii) Article 44 be substituted by the following :-

'The Company shall not charge any fee':-

- (a) for registration of transfer of shares and debentures;
- (b) for sub division and consolidation of shares and debenture certificates and for sub-division of Letters of Allotment and Split, Consolidation, Renewal and Pucca Transfer Receipt into denomination corresponding to the market units of trading;
- (c) for sub division of renounceable letters of rights;
- (d) for issue of new certificates in replacement of those which are old, decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilized;
- (e) for registration of any power of attorney, probate, letters of administration or similar other documents.

The Company will not charge any fees exceeding those which may be agreed upon with Delhi Stock Exchange :-

- (a) for issue of new certificates in replacement of those that are torn, defaced, lost or destroyed;
- (b) for sub-division and consolidation of share and debenture certificates and for sub-division of letters of Allotment and split, Consolidation, Renewal and Pucca Transfer Receipts into denominations other than those fixed for the market units of trading.
- (ix) Article 56 be deleted in full.
- (x) Article 144 be substituted by the following :

'No unclaimed dividend shall be forfeited by the Board and the Company shall comply with the provisions of Section 205 of the Companies Act, 1956.'

**IN THE PUNJAB HARYANA HIGH COURT AT CHANDIGARH**  
**COMPANY PETITION NO. 64 OF 1978.**

The Atlas Cycle Industries Limited, Sonapat (Haryana).....Petitioner  
Versus

Atlas Auto-Cycles Limited, Sonapat (Haryana).....Respondent

Petition under Sections 391 and 394 of the Companies Act, praying that this Hon'ble Court may be pleased to give necessary directions under Section 391 (1) and such other order or orders as may be just and proper in the circumstances be also passed.

Dated, the 27th November, 1978.

**PRESENT**

The Hon'ble Mr. Justice S.C. Mital

For the Petitioner : Mr. Ved Vyas, Advocate with Mr. Bhagirath Dass, Advocate

For the Respondent : Mr. D.N. Awasthy, Advocate

Mr. J.S. Narang,

Advocate for Mr. Krishan Kumar, Dy. Official Liquidator.

**ORDER**

For orders see C.P. No. 63 of 1978.

Sd/- S.C. Mital

Judge

November 27, 1978.

**IN THE PUNJAB AND HARYANA HIGH COURT AT CHANDIGARH**  
**COMPANY PETITION NO. 63 OF 1978**

Atlas Auto-Cycles Limited, Sonapat (Haryana) ..... Petitioner  
Versus

The Atlas Cycle Industries Ltd., Sonapat (Haryana) ..... Respondent.



Petition under Section 391 and 394 of the companies Act, praying that this Hon'ble Court may be pleased to give necessary directions under Section 391 (1) and such other order or orders as may be just and proper in the circumstances be also passed.

Dated, the 27th November, 1978.

### PRESENT

The Hon'ble Mr. Justice S.C. Mital

For the Petitioner : Mr. D.N. Awasthy, Advocate

For the Respondents : Mr. Ved Vyas, Sr. Advocate and Mr. Bhagirath Dass, Advocate

Mr. J.S. Narang,

Advocate for Mr. Krishan Kumar, Dy. Official Liquidator.

### ORDER

S.C. Mital, J.

The Atlas Auto-Cycles Limited, Sonapat (Haryana), has filed company petition No. 63 of 1978 under sections 391 and 394 of the Companies Act for amalgamation with the Atlas Cycle Industries Limited, Sonapat (Haryana). The latter company has likewise filed an identical company petition No. 64 of 1978 supporting the prayer of amalgamation of the two Companies. The common averments in the above said two petitions, supported by material on record, are as follows:

The Atlas Cycle Industries Limited (referred to as the "Amalgamated Company") is a public limited company incorporated in 1950, with its registered office at Sonapat in the State of Haryana. The objects, as set out in its Memorandum of Association, are the manufactures of bicycles, tricycles, motor-cycles, carriages of all kinds and all other vehicles. The Amalgamated Company has been carrying on business of manufacturing cycles and its parts since its incorporation with great success. In the first year 12,624 cycles were manufactured. The production touched the target of 100,000 cycles by 1955. The production increased to 2,00,000 cycles in the ensuing four years. In 1965 the production of cycles was 3,60,000. In 1976, the year of its Silver Jubilee, the production of cycles reached all-time high record of 7,29,681. The Amalgamated company is said to have made a commendable progress on the export front as well in countries like the U.K., U.S.A., Canada, Australia, Germany and Japan. Collaboration arrangements have further been made with the Governments of Tanzania, Guyana and Zambia and with private entrepreneurs in Iran, Bangladesh and Sudan. On the technical knowhow also the Amalgamated Company claims remarkable achievements in the import of components and chemicals, which was 25 per cent in 1952, was brought down to nil in 1959. The net result claimed to be is that the subscribed capital of the Amalgamated Company which was Rs. 10,00,000/- in 1953 has been enhanced to be Rs. 94,00,000/- consisting of 30,000 preference shares of Rs. 100/- each and 6,40,000 equity shares of Rs. 10/- each, at the time of the filing of the present petition in April, 1978. Its free reserves as on 31.12.1976, were Rs. 105.2 lacs. Rs. 20 lacs have been capitalised and used for issue of fully paid equity shares as bonus shares in the year 1977. The latest balance-sheet as on 31st December, 1976 is Annexure 'E'. The provisional unaudited balance-sheet as on 31st December, 1977 is Annexure 'F'.

As regards the creation and incorporation of the Atlas Auto-Cycles Limited, Sonapat (referred to as the "Amalgamating Company") the averments made in the



petition are that some time in 1968 the Amalgamated Company decided to expand its manufacturing activities by taking up the manufacture of auto-cycles. In consequence of prolonged negotiations with several leading foreign manufacturers of Auto-cycles, the Amalgamating Company secured technical collaboration of Messrs VeloSolex, Pantin (France). With a view to facilitate the manufacture of auto-cycles the Directors of the Amalgamated Company considered it desirable to promote a subsidiary Company under the name of the Atlas Auto-cycles Limited (the Amalgamating Company), with the object of manufacturing of auto-cycles suitable for the Indian conditions, the Amalgamating Company undertook extensive and costly research and adaptation programme. In consequence it suffered heavy losses. Though incorporated in 1970 the Amalgamating Company was unable to start the manufacture of auto-cycles before February, 1976. For Commercial purposes upto 30th June, 1977 only 456 auto-cycles worth Rs. 7.00 lakhs were manufactured, while the cost thereof, including research and development expenses was Rs. 24.96 lakhs. Thus, upto 30th June, 1977 the Amalgamating Company suffered loss of Rs. 17.96 lakhs and by 31st March, 1978, the further loss estimated to be is over Rs. 13 lakhs. The present subscribed capital of Amalgamating Company is Rs. 44 lakhs consisting of 11,000 preference shares of Rs. 100/- each and 3,30,000 of equity shares of Rs. 10/- each. Its paid up capital, as on 30th June, 1977, was Rs. 36,86,167/- vide balance sheet Annexure 'G'. The provisional unaudited balance-sheet or statement of affairs as on 31st December, 1977 is Annexure 'H'.

At the moment the business of the Amalgamating Company is said to be at a stand-still, so far as the manufacture and sales of auto-cycles are concerned. Further research and development is necessary with a view to perfect and adapt an auto-cycle suitable for the Indian conditions and this shall entail heavy additional costs spread over a considerable period. All the same the Directors of the two Companies are convinced that in the long run the auto-cycle Industry has a bright future and huge potential market not only in India but also in the neighbouring countries. In order to rehabilitate the Amalgamating Company its finances have to be greatly re-inforced either by raising substantial capital afresh or to merge it with a stronger unit, i.e. the Holding company. The Directors of the Amalgamated Company sought the expert advice of Messrs M.M. Suri and Associates Private Limited on the question of the proposed amalgamation of the two Companies. The expert advice (Annexure 'J') dated 18th March, 1978 is definitely of the opinion that the Amalgamating Company is not a viable unit and at present is a sick unit and bound to collapse. A large increase in the equity capital of the Amalgamating Company is impracticable so far as the public and the existing share-holders, other than the Amalgamated Company, are concerned. The only practicable course thus is the merger of the two Companies with utmost expedition. Special emphasis has been laid time and again on the patent fact that the Amalgamating Company is a subsidiary of the Amalgamated Company. The collapse of the former will be highly disastrous for not only its shareholders, including the Amalgamating Company, but also detrimental to its workmen and public interest. The market value of the fixed assets of the Amalgamated Company is over Rs. 70 lakhs. The Scheme of arrangement under which the two Companies are proposed to be amalgamated is set out in Annexure 'K'.

In both these petitions orders, in accordance with rule 69 of the Companies (Court) Rules, directing meetings of the shareholders and the members of the Companies for considering the proposed amalgamation of the two Companies were passed. As



directed by the Court, the meetings were held on 17th of May, 1978 at the registered office of the Amalgamated Company in Sonapat. Publication of the proposed amalgamation and the date of the meetings was duly made in the official gazette of the Haryana Government, the 'Daily Tribune' and the 'Hind Samachar', Jullundur. The meetings were conducted by Mr. Justice H.R. Sodhi (Retired) and he, as Chairman, has sent his reports.

On the date above said, the Chairman first presided over the meeting of the equity shareholders of the Amalgamated Company. The proposed scheme of amalgamation was read out and its salient features were highlighted. In the discussion Shri S.P. Jain, Advocate, a shareholder, raised an objection and made proposals. The end result was that with respect to clause 2 of the proposed scheme it was agreed that no date be proposed from which the amalgamation has to take effect and that the fixation thereof be left to the High Court. As regards clause 4, amendment made was that instead of date 1.1.1979, 1.1.1980 be changed. The second amendment, agreed upon was, that instead of two years (1978 and 1979) no dividend be made payable to the shareholders of the Amalgamating Company for three years by including 1980. The report of the Chairman shows that Shri S.P. Jain had the support of only five shareholders and certain other amendments suggested by him were rejected. The Chairman also held the poll, as required by Section 391 of the Companies Act read with rule 77 of the Company (Court) Rules, 1959, by secret ballot. It was found that the shareholders who supported the scheme of amalgamation with the two above said amendments represented share value to the tune of Rs. 45,77,800/- whereas those against the scheme represented just a share capital of Rs. 44,330/- Accordingly a resolution was passed in favour of the amended scheme of amalgamation which read as under:

**"PROPOSED SCHEME OF ARRANGEMENT AFTER AMENDMENTS  
AS ADOPTED BY THE SHAREHOLDERS OF THE TWO COMPANIES**

1. Atlas Auto-Cycles Limited (hereinafter referred to as the "Amalgamating Company") shall be amalgamated with the Atlas Cycle Industries Limited (hereinafter referred to as the "Amalgamated Company").

2. The Amalgamation shall be deemed to take effect on such date as the Hon'ble Court may direct.

3. The whole of the undertaking, property and liabilities (including liabilities for income-tax sales-tax and other dues payable to the Central Government, State Governments or any other authority, and all contingents liabilities) of the Amalgamated Company shall become the undertaking, properties and liabilities of the Amalgamated Company.

4. All persons holding preference shares in the Amalgamating Company on sanction of the scheme by the Court shall, on 1.1.1980, be allotted fully paid up second preference shares in the Capital of the Amalgamated Company, equal in face value to the amount paid up thereon on the date of the sanction of the scheme by the Court. The said shares shall be redeemable preference shares of Rs. 100/- each carrying eleven per cent cumulative dividend and entitled to all rights set out in Article 6 of the Articles of Association of the Amalgamating Company. No dividend (interim or final) shall be payable in respect of the said shares by the Amalgamated Company during the years 1978, 1979 and 1980 and they shall have no claim in respect of any arrears of dividend.



In case of any transfer made and registered before 1.1.1980 the said right shall devolve on the transferee.

5. All persons holding equity shares in the Amalgamating Company shall be allotted, as on 1.1.1980 fully paid up equity shares in the Amalgamated Company, equal in face value to the amount paid up thereon on the date of the sanction of the Scheme by the Court. The shares so allotted shall rank pari-passu with the existing equity shares of the Amalgamated Company in all respects. In case of transfer made and registered before 1.1.1980, the said right shall devolve on the transferee. Shares so allotted shall not be entitled to any dividend (interim or final) declared by it in 1978, 1979 and 1980.

6. Every secured creditor of the Amalgamating Company shall become a secured creditor of the Amalgamated Company on the terms and conditions as are applicable to him on the date of sanction of the Scheme by the Court and his security against any specific assets of the Amalgamating Company as on that date shall remain unaffected, but there shall be no floating charge of any such creditor.

7. Every unsecured creditor of the Amalgamating Company shall become unsecured creditor of the Amalgamated Company on the terms and conditions applicable to him on the date of sanction of Scheme by the Court.

8. If any person holding equity shares of the Amalgamating Company dissents from the scheme of arrangement, he shall communicate such dissent to the Amalgamated Company by registered post, within six weeks of the Scheme being sanctioned by the Court. No shares will be allotted to the dissenting member and he shall be entitled to receive fair value of this shares as on the date of the order to be determined by Shri Har Dayal Hardy, Retired Chief Justice, Delhi High Court, 57, Anand Lok, New Delhi, and Shri Mohinder Pal puri, Chartered Accountant, 37-C, Connaught Place, New Delhi, and in case of any difference between them by this Hon'ble Court. The fair value determined shall be paid by the Amalgamated Company within two months of the same being determined, or in case of any appeal being filed in this behalf, within 15 days of its decision.

9. The workmen and other employees of the Amalgamating Company shall, as from the date of sanction of the scheme, become employees of the Amalgamated Company on same terms and conditions as are applicable to them till that date with continuity of service.

10. The above scheme is subject to such modifications as the court may consider necessary or proper for the requisite sanction being granted and is agreed to by Shri Jai Dev Kapur on behalf of the Amalgamating Company and by Shri Bishamber Dass Kapur on behalf of the Amalgamated Company.

11. Any member of creditor of the Amalgamating Company or Amalgamated Company or any other person having interest in any of the said companies shall be at liberty to the court for directions as to clarifications of any provision of the scheme or removal of any doubt or ambiguity or otherwise for facilitating the implementation of the scheme.

On the same day, i.e. 17th May, 1978, the Chairman then presided over the meeting of the preference shareholders of the Amalgamated Company. They were intimated of the broad features of the Scheme. Shri Ved Vyas, Advocate, a preference shareholder, explained that the amalgamation did not affect the rights of the preference shareholders



in as much as the Amalgamated Company was having sufficient reserves, still showing good results that the preference shareholders of the Amalgamating Company in any case will not be getting dividend for the next three years.

The two amendments above said proposed by Shree S. P. Jain, in the meeting of the equity shareholders and accepted by them, were brought to the notice of the preference shareholders and they accepted the same. The amendments proposed by Shri S.P. Jain in the meeting of the equity shareholders, but rejected by them, met with the same fate in the meeting of the preference shareholders. The end result was that the preference shareholders unanimously approved of the scheme of amalgamation set out above. The poll result too was found unanimous in as much as all the 33 share holders present, representing share capital of Rs. 8,63,600/- voted in favour of the resolution approving the scheme of amalgamation.

Then followed the meeting of the members, consisting of the equity and preference shareholders of the Amalgamated Company on 17th May, 1978. Therein also Shri S.P. Jain, Advocate, repeated his amendments, two of which were accepted and the other rejected by the house. Resolution agreeing with the scheme of amalgamation, when put to the house, was unanimously adopted by all the members, excepting Shri S.P. Jain and three others. The poll result was that the members representing share capital to the tune of Rs. 56,61,780/- voted in support of the resolution, whereas the five members representing share capital of Rs. 44,230/- were against it.

On the same day (17th May, 1978) the Chairman then presided over the meeting of the equity shareholders of the Amalgamating Company in Sonapat. The proposed scheme and as amended by the two suggestions of Shri S.P. Jain, was explained to the said share-holders. Their attention was also drawn to the two amendments of Shri S.P. Jain which were rejected in the meetings of the shareholders of the Amalgamated Company. The equity shareholders of the Amalgamating Company followed suit and they unanimously passed the resolution agreeing to the scheme of Amalgamation reproduced above. At the time of poll four votes were found invalid. All the remaining 33 votes representing share capital of Rs. 40,60,430/- supported the resolution with no dissenting vote.

The Chairman then presided over the meeting of preference shareholders of the Amalgamating Company on 17th May, 1978. They too were intimated of the proposed scheme, as amended by the proposals of Shri S.P. Jain. the preference shareholders unanimously adopted the amendments. The rejection amendments were also brought to their notice and they agreed to their rejection. The resolution accepting the proposed scheme with the two amendments was unanimously adopted. At the poll three votes were found to be invalid and three shareholders did not cast their votes. All the remaining 29 votes representing a share capital of Rs. 2,05,500/- were in favour of the resolution, with no vote against it.

On 17th May, 1978, the Chairman then conducted the meeting of the members of the Amalgamating Company. Here also the matter discussed was the same as indicated above. A resolution in favour of accepting the proposed scheme of amalgamation with the two amendments was passed. At the poll three votes were found invalid. All the remaining share capital of Rs. 40,72,130/- were cast in favour of the resolution.

In support of the scheme of amalgamation, learned counsel for the two Companies highlighted that the scheme has received the assent of an overwhelming majority, estimated at 99% of the equity shareholders. As to the bona fides of the scheme in



question, no objection has been raised from any quarter. As regards the creditors of the two Companies, none of them has come forward to raise any objection, notwithstanding that due publicity was given to the scheme. Besides, it has been pointed out that with regard to the creditors of the Amalgamating Company, running at a loss, ample provision has been made in the scheme to safeguard their interests. It need hardly be said that since the Amalgamating Company is facing financial crisis, therefore, the amalgamation thereof would entirely benefit the creditors. With respect to the creditors of the Amalgamated Company it has been printed that the Amalgamated Company is financially very strong. According to the Regional Director, Company Law Board, the fair value of each share in its equity capital is Rs. 31/- Thus, taking the preference capital at par, the total fair value of the capital of the Amalgamated Company comes to Rs. 2, 28,40,000/- which is more than ample security even for unsecured creditors of the Amalgamated Company vide affidavit dated 1.11.1978 of Shri Shanker Das Kapur, Secretary of the Amalgamated Company. That being so, the interests of the creditors of the two Companies appear to be amply protected.

As per affidavit of Shri Shanker Dass Kapur, the interests of the Promoters of the Amalgamated Company and its other Directors are much greater than in the Amalgamating Company. The said promoters, the Director and their relatives and the Trusts created by them hold 73% of the equity capital of the Amalgamated Company. Of the persons holding the remaining 27% equity capital, a very large number are its dealers. The financial soundness of the Amalgamated Company has already been adverted to. The Amalgamating Company which is the creation of the Amalgamated Company, urged the learned counsel, is bound to survive, if its amalgamation with the stronger Company is allowed. As regards the financial burden to be suffered by the Amalgamated Company, the learned counsel high-lighted that the latter Company will gain by benefiting from the provisions of section 72-A of the Income-Tax Act.

In response to the notice sent under section 394-A of the Companies Act, the Central Government, through the Regional Director of the Company Law Board has made representation. As pointed out therein, the Deputy Official Liquidator stressed before this Court that the exchange ratio of one equity share of Rs. 10/- each held in the Amalgamating Company is dis-advantageous to the members of the Amalgamated Company, as the fair value of the one equity share of Rs. 10/- each of the Amalgamated Company, works out to approximately Rs. 31/-, whereas the fair value of one equity share of Rs. 10/- of the Amalgamating Company comes to about Rs. 0.15 P, only.

On the other hand, learned counsel for the Amalgamated Company pointed out that so far not a single equity shareholder of the Company has appeared to raise any such objection before this Court. Besides, the scheme has made provision for safeguarding their interests. As to the above said valuation of the equity share made by the Regional Director, learned counsel placed reliance on additional affidavit, dated 9th November, 1978, of Shri Shanker Dass Kapur, Secretary of the Amalgamated Company. The depositions made therein are as under:

The valuation arrived at by the Regional Director is on the basis of the Balance Sheet of the Amalgamated Company as on 30th June, 1977. In April, 1978 further equity capital of Rs. 17 lacs (fully paid up) was added to the subscribed capital of the Amalgamated Company, with the result that the fair value of the equity shares of the Amalgamated Company increased substantially. The Regional Director did not even take into consideration the high potential of the auto-cycle industry in the country,



especially in view of the fact that the cost of petrol has risen tremendously. The present price of the fixed assets of the Amalgamating Company, comes to about Rs. 65 lacs as compared to their book value of Rs. 44 lacs only. This large increase being due, besides normal inflationary price increase of various items in the last five years, to the very steep increase in the prices of steel price within the last six months. The Regional Director did not take this factor into consideration. Since July, 1978, the Amalgamating Company has not incurred any loss. The losses disclosed in its Balance Sheets are only apparent losses and not real. Though they have been treated as revenue losses in the Balance Sheets, in accordance with the view of the legal advisers of the Amalgamating Company, they represent, in fact and in substance, expenditure of capital nature, incurred for research and development. The estimate of the Regional Director that the present value of one equity share of Rs. 10/- of the Amalgamated Company is approximately Rs. 31/-, is said to be incorrect. The shares of the Amalgamated Company have been changing hands frequently during the last two years at Rs. 21/- and Rs. 22/-. In connection with the listing of shares of the Amalgamated company on the Delhi Stock Exchange, the controller of Capital Issues has directed that 2,20,000 equity shares of Rs. 10/- each of the Amalgamated Company be offered by the Promoters, Directors and their Associates to the general public at a price of Rs. 17.50 only and that they have agreed to it. It has been further deposed that the Promoters and Directors of the Amalgamated Company and their Associates held 73% of the subscribed capital of the Amalgamated Company and only 14.19 per cent of the total subscribed equity capital of the Amalgamating Company. They have agreed to the scheme of amalgamated Company. For all these reasons, it is said that the real value of the equity shares of the Amalgamated Company being allotted to the holders of the equity shares of the Amalgamating Company is substantially less than its intrinsic value on the date of amalgamation. There has been no allegation from any quarter that in proposing the ratio of exchange under the scheme, the Directors have been prompted by any ulterior consideration. In spite of publicity given to the scheme by citations in the newspapers and the official gazette, no shareholder or creditor has communicated any opposition to the scheme to this Court.

Furthermore, in the course of arguments, learned counsel for the Amalgamated Company urged that the scheme originally provided no payment of dividend on the equity shares allotted by the Amalgamated Company to the shareholders of the equity shares of the Amalgamating company for a period of two years i.e. 1978 and 1979. As suggested by the minority shareholders of the equity shares of the Amalgamated Company, the period was extended by one year to 1980. The learned counsel contended that this period may be further extended by one year i.e. 1981. This extension, as deposed to by Shri Shanker Dass Kapur in his affidavit, is acceptable to Shri Bishamber Dass Kapur and Shri Jai Dev Kapur, who have been duly authorised in this behalf by the shareholders at the respective meetings of the two companies. The learned counsel representing them in this Court has endorsed this deposition. In order to further lessen the financial burden of the Amalgamated Company, its learned counsel pointed out that the holders of the preference shares of the Amalgamating Company have given up all claims in respect of the arrears of dividends to which they would be entitled under its Articles of Association. With respect to this as well as the preceding point of extension of one year, necessary amendment in the scheme has been prayed for. Lastly it was urged that the financial year of the two Companies ends on 31st December, 1978, as such the amalgamation may take effect from 1st January, 1979.



As said above, the only representation of the Regional Director pressed by the Deputy Official Liquidator before me, relates to the exchange ratio of the equity shares. Having regard to the discussion in the preceding paragraphs, I do not consider the representation so weighty as to modify the said exchange ratio.

In the result I allow the two Company Petitions Nos. 63 and 64 of 1978 and sanction the amalgamation of the Atlas Auto-Cycles Limited, Sonapat (the Amalgamated Company which is the "transferor company" in terms of Section 394 of the Companies Act) with the Atlas Cycle Industries Ltd., Sonapat (the Amalgamated Company which is the "transferee company" in terms of Section 394 of the Companies Act). The sanctioned scheme of amalgamation runs as under :

1. The amalgamation shall take effect as from 1st January, 1979.
2. The whole of the undertaking, property and liabilities (including Income Tax, Sales Tax and other dues payable to the Central Government, State Governments or any other authority and all contingent liabilities) of the Atlas Auto-Cycles Limited the Amalgamating Company, (except liabilities in respect of arrears of dividends to which the holders of Preference Shares of the Amalgamated Company, are entitled under its Articles of Association) and all claims in respect thereof shall stand transferred to The Atlas Cycle Industries Ltd., the Amalgamated Company, and shall, by virtue of this order, vest in it on 1st January, 1979.
3. All persons holding preference shares in the Amalgamating Company on sanction of the scheme by this Court shall, on 1-1-1980, be allotted fully paid up second preference shares in the capital of the Amalgamated Company, equal in face value to the amount paid up thereon on the date of the sanction of the scheme by this Court. The said shares shall be redeemable preference shares of Rs. 100/- each carrying 11 per cent cumulative dividend and entitled to all rights set out in Article 6 of the Articles of Association of the Amalgamating Company. No dividend (interim or final) shall be payable in respect of the said shares by the Amalgamated Company during the years 1978, 1979 and 1980 and they shall have no claim in respect of any arrears of dividend. In case of any transfer made and registered before 1st January, 1980 the said right shall devolve on the transferee.
4. All persons holding equity shares in the Amalgamating Company shall be allotted, as on 1st January, 1980 fully paid up equity shares in the Amalgamated Company, equal in face value to the amount paid up thereon on the date of the sanction of the Scheme by this Court. The shares so allotted shall rank pari-passu with the existing enquiry shares of the amalgamated Company in all respects. In case of transfer made and registered before 1st January, 1980, the said right shall devolve on the transferee. Shares so allotted shall not be entitled to any dividend (interim or final) declared by it in 1978, 1979 and 1980.
5. Every secured creditor of the Amalgamating Company shall become a secured creditor of the Amalgamated Company on the terms and conditions as are applicable to him on the date of sanction of the scheme by this Court and his security against any specific assets of the Amalgamating Company as on that date shall remain unaffected, but there shall be no floating charge of any such creditor.
6. Every unsecured creditor of the Amalgamating Company shall become a secured creditor of the Amalgamated Company on the terms and conditions applicable to him on the date of sanction of scheme by the Court.



7. If any person holding equity shares of the Amalgamating Company dissents from the scheme of arrangements, he shall communicate such dissent to the Amalgamated Company by registered post, within six Weeks of the scheme being sanctioned by this Court. No shares will be allotted to the dissenting member and he shall be entitled to receive fair value of his shares as on the date of the order to be determined by Shri Har Dayal Hardy, Retired Chief Justice, Delhi High Court, 57 Anand Lok, New Delhi, and Shri Mohinder Pal Puri, Chartered Accountant, 37-C, Connaught Place, New Delhi, and in case of any difference between them, by this Court. The fair value so determined shall be paid by the Amalgamated Company within two months of the same being determined, or in case of any appeal being filed in this behalf, within 15 days of its decision.

8. The workmen and other employees of the Amalgamating Company shall, as from the date of sanction of the scheme, become employees of the Amalgamated Company on same terms and conditions as are applicable to them till that date with continuity of service.

9. Subject to the requirements of 2nd proviso to Section 391 (1) (b) being duly complied with by the Amalgamating Company, the Amalgamating Company shall be dissolved without winding up, on the expiry of one year from the date of the Orders sanctioning the Scheme of Arrangement, unless directed otherwise by the Court on the Application of the Amalgamated Company or any of its shareholder.

10. Any member or creditor of the Amalgamating Company or Amalgamated Company or any other person having an interest in any of the said companies shall be at liberty to apply to this court for directions as to clarifications of any provision of the scheme or removal of any doubt or ambiguity or otherwise for facilitating the implementation of the scheme.

Sd/- S. C. Mittal

(Judge)

November 27, 1978

NOTE :- A New paragraph 9 was directed to be inserted and the existing paragraph 9 was directed to be re-numbered as 10 by an order dated 11.1.1979 passed by the Punjab and Haryana High Court, Chandigarh.

# IN THE HIGH COURT FOR THE STATES OF PUNJAB AND HARYANA AT CHANDIGARH

Company Application No. 5 of 1979

Matter of the Atlas Cycle Industries Ltd., Sonapat. Petitioner

Versus

Atlas Auto-Cycles Limited, Sonapat..... Respondent.

Application of the Atlas Cycle Industries Limited under Section 391, 392, 394 and 633 of the Companies Act, 1956 and Rules 9 and 81 of the Companies (Court) Rules, 1959 and Section 151 C.P. Code praying that this Hon'ble Court may be pleased to :-

(a) Direct that a certified copy of the aforesaid be filed with the Registrar of Companies by 23.12.1978.

(b) An order be passed in terms of paragraph 9 with such modifications, if any, as

this Hon'ble Court may consider proper and such other orders as be just and proper in the circumstances may also be passed.

Dated the 11th January, 1979.

**PRESENT**

**THE HON'BLE MR. JUSTICE S.C. MITTAL**

For the Petitioner : Mr. Bhagirath Dass, Advocate

For the Respondent : Mr. Ved Vyas, Advocate, with Mr. D.N. Awasthy, Advocate.

**ORDER**

The learned counsel has pointed out that the requirement of rule 81 of the Companies (Court) Rules, 1959, is that certified copy of the order allowing the amalgamation of the companies has to be filed within 14 days or such other time as the Court may fix with the Registrar of the companies. As in the order of this Court dated 27th November, 1978, allowing amalgamation of the Company in question there was no such direction, the certified copy of the said order filed by the petitioner-company with the Registrar of the Companies on 23rd December, 1978, is hereby held as in compliance with rule 81.

Having heard the learned counsel for the petitioner, it is directed that para 9 of the Scheme of amalgamation as sanctioned by this Court by its order dated 27th November, 1978, be renumbered as para 10 and the following be added as para 9 :-

"Subject to the requirements of the 2nd proviso to section 394 (1) (b) being duly complied with by the Amalgamating Company, the Amalgamating Company shall be dissolved without winding up, on the expiry of one year from the date of the orders sanctioning the Scheme of Arrangement, unless directed otherwise by the Court on the application of the Amalgamating Company or any of its shareholders."

Sd/- S.C. Mittal

(Judge)

January 11, 1979.