

Loyal Textile Mills Limited

(Incorporated under the Indian Companies Act, 1913)

Registered Office: 21/4, Mill Street, **Kovilpatti - 628 501.**

Memorandum And Articles of Association

(MOA as amended up to 23-09-2015)

(AOA as replaced at the AGM held on 24-09-2015)

CERTIFICATES

CERTIFICATE OF INCORPORATION

(Pursuant to section 248 (5) of the Indian Companies Act, 1913.)

I hereby Certify that the "LOYAL TEXTILE MILLS LIMITED" was incorporated under the Indian Companies Act, 1913, Act, VII of 1913 on the ninth day of April one thousand nine hundred and forty six and that it is limited.

Given under my hand at Madras this fourteenth day of September one thousand nine hundred and fifty five.



Seal of the Registrar
of Companies,
TamilNadu

REGISTRAR OF COMPANIES



Certificate for Commencement of Business.



(Pursuant to section 103 (2) of the Indian Companies Act, 1913.)

I hereby Certify that the LOYAL
TEXTILE MILLS LIMITED

which was incorporated under the Indian Companies Act, 1913, Act. VII of 1913, on the NINTH day of APRIL 1946 and which has this day filed a duty verified declaration in the prescribed form that the conditions of section 103 (1) (a) to (d) of the said Act have been complied with is entitled to commence business.

Given under my hand at Madras
this Twenty Third day of May one thousand nine hundred and forty six.

Seal of the Registrar
of Companies,
TamilNadu

ASSISTANT
Registrar of Joint Stock Companies

MEMORANDUM OF ASSOCIATION

Memorandum of Association of

Loyal Textile Mills Limited

- I The name of the Company is “LOYAL TEXTILE MILLS LIMITED”
- II. The Registered Office of the Company will be situated in the Province of Madras.
- III. The objects for which the company is established are :-
 - 1) To establish, construct, purchase or otherwise acquire textile mills and to carry on the business of textile manufacturers in all its branches.
 - 2) To purchase land, buildings, plant, machinery and other fixed assets and all equipments of any existing textile mill and run them and for that purpose take over any existing option of purchase held by any individual or company.
 - 3) To carry on all or any of the business following in the province of Madras or in any other place in India or elsewhere, namely, cotton spinners, and doublers flax, hemp and jute spinners, linen manufacturers, flax, hemp, jute and wool merchants, worsted stuff manufacturer coir makers, bleachers, printers, dyers, cleaners and packed cotton and other materials and Makers of vitriol bleaching and dyeing materials and to purchase, comb, prepare, dye and deal in cotton, flax, hemp, jute, wool, silk, and other fibrous substances and to weave or otherwise manufacture, buy and sell and deal in linen, cloth, cotton cloth, woollen stuff and other goods and fabrics, whether textile, felted, netted or looped and to supply power.
 - 4) To purchase, take on lease or otherwise acquire any lands or buildings in the province of Madras, or in any other place in India or elsewhere and to work and construct on such lands or acquire any buildings, houses, factories, sheds or any other constructions necessary or adapted to the working of spinning and weaving mills, cotton press, ginning factories jute mills, coir factories, to provide machinery, engines and apparatus requisite for the construction of such mills and factories and for the due and efficient working thereof, to buy raw cotton, wool, Jute, silk and other fibrous substances and to spin, weave and work and to clean and pack the same to sell the materials so manufactured and to do and perform all such acts things as may be necessary or conducive to the attainment of the above objects or any of them.
 - 5) To purchase, take on lease or otherwise acquire in the province of Madras or in any other place in India or elsewhere, estates, plantations or other land of freehold, leasehold or any other tenure and in particular lands or estates producing or likely to or capable of spices, tapioca, sugar, tea, tobacco or any other plants or produce, oil and minerals of any kind and also grants, licences, concessions, privileges, rights and authorities of any kind and

in particulars any partial, Joint other interest therein and either absolute, optionally or conditionally and to work , develop, cultivate turn to account or otherwise deal with such lands, estates, plantations, grants, licences, concessions, privileges, rights, authority and interests.

- 6) To carry on in the province of Madras or in any other place in India or elsewhere the business of trade or planters and cultivators of any dealers in cotton, flax, hemp, jute, silk, wool, coconuts, coffee and other fibres, rubber, spices, tapioca, sugar, tea, tobacco or any other product and to carry on the business of mines, refiners and sellers and dealers in oil and other minerals of any kind.
- 7) To purchase, take on hire, lease, exchange, or otherwise acquire maintain, manage, superintend, improve, control, and work any movable or immovable property or rights and to erect, establish, acquire in any manner, improve and work any buildings, offices, factories, workshops, mills, presses, houses, sheds, roads, water ways, jetties, docks, machinery and other works of any kind which may appear to be suitable for the projects and purposes of the Company.
- 8) To buy, sell, manufacture, repair alter, Improve, exchange hire, import and export and deal in all works, plant, machinery, tools, utensils, appliances, apparatus, products, Materials, substances, articles and things capable of being used in any such business of the Company or required by any customers of or persons engaged in any such business or which may seem capable of being profitably deal with in connection with any of the said business and to manufacture, experiment with, render marketable and deal in all products and residual and by-products incidental to or obtained in any of the businesses carried by the Company.
- 9) To carry on the business of merchants, warehousemen storekeepers, importers, exporters, contractors, trustees, executors and administrators of interstate estates, mechanical and electrical engineers, manufacturers and agency in all branches in the province of Madras or in any other place in India or elsewhere.
- 10) To purchase, take on lease, hire or exchange or other wise acquire or construct, maintain, repair, remodel, or renew ships vessels, boats, barges, country crafts' motor lorries, motor cars, tramways, railways, wagons and conveyances of all kinds whatsoever and to carry on any of the business of general carriers, railway and forwarding agents and warehousemen.
- 11) To acquire and undertake the whole or any part of the business, properties and liabilities of any persons or company carrying on or engaged in any business or possessed of any property suitable for the company's purposes.
- 12) To apply for, purchase and otherwise acquire any patents, brevets d'invention, concessions, and the like, conferring an exclusive or non-exclusive or limited right to use, or any secret or other information as to any invention which may seem capable of being used to any of the purpose of the company, or the acquisition of which may seem calculated, directly or indirectly, to benefit the company, and to use, exercise, develop, grant licences in respect of, and otherwise turn to account the property, rights and information so acquired.

- 13) To enter into any contracts, agreements and arrangements with any Government or Authorities, supreme, municipal, local or otherwise which may seem conducive to the Company's objects or any of them and to obtain from any such Government Authority any rights, privileges and concessions which may appear desirable to be obtained, and to carry out, exercise, and comply with any such contracts, agreements, arrangements, rights, privileges and connections and to oppose the grant of any such rights, privileges or concessions to others.
- 14) To be interested in, promote, and undertake the formation and establishment of such institutions, business or companies (industrial, trading, manufacturing or other) as may be considered to be conducive to the profit and interest of the company and to act as managing Agents and to carry on any other business (industrial, trading manufacturing or other) which may seem to the company capable of being conveniently carried on in connection with any of these objects or other wise calculated directly or indirectly to render any of the Company's property or rights for the time being profitable, and also to acquire, promote, aid, foster, subsidise or acquire interest in any industrial or other undertaking in India or elsewhere.
- 15) To enter into partnership or into any arrangements for sharing profits, amalgamation, union of interest receiprocal concession, co-operations, joint adventure or otherwise with any person or persons or persons firm or corporation or company carrying on or about to carry on or engaged in or about to engage in any business or transaction, which this company is authorised to carry on engage in, or any business undertaking or transaction which may seem capable of being carried on or conducted, so as to directly or indirectly benefit the Company, and to take or otherwise acquire and hold shares or stock of securities of any such Company and to subsidise or otherwise assist any such Company, firm or Corporation and to sell, hold re issue with or without guarantee or otherwise deal with such shares or securities and to form, constitute or permit any other property, rights and liabilities of this Company or for any other purpose which may seem directly or indirectly beneficial to this Company.
- 16) To raise and borrow money and secure the payment of money by such means upon such terms and conditions and in such manner as may be determined and particularly by the creation or issue of bonds, mortgages, debentures, debenture-stock or other securities either perpetual or determinable, and charged specifically or by way of floating charge or otherwise upon all or any part of the undertaking, property and rights of the company (either present or future or -both), including its uncalled capital, or not entitled to any charge, and to redeem, purchase or pay off any such securities, and to remunerate any trustees appointed in connection with any such securities, and to issue any such securities at a discount, premium or otherwise, and in such manner as may be thought fit, and with or without any special rights, privileges, or conditions as to redemption, surrender, drawings, allotment of shares, conversion into shares, attending, and voting of meetings of the Company, appointment of Directors or otherwise, and so that any such securities may be made assignable, free from any equities between the Company and any person or persons, and so that upon an issue of debenture-stock, debenture may, if thought expedient, be issued to trustees as part of the security.
- 17) To sell, improve, manage, develop exchange, let (on lease or otherwise) mortgage and otherwise dispose of, deal with and turn to account, all or any part of the undertaking, property

and rights of the Company for such consideration as may be thought fit, and in particular for stocks, shares, debentures or securities or other companies.

- 18) To expend any of the moneys of the Company in exhibiting or otherwise advertising or making known the business, and products of the Company, and to make any arrangements for the payment of commission or sharing of profits with or otherwise remunerating any person or company so advertising or making known such business or products.
- 19) To insure with any person or company against losses, damages, risks, and liabilities of any kind which may affect the Company either wholly or partially.
- 20) To receive money on deposit at interest or otherwise and to lend and advance money to such persons and companies and on such terms as may seem expedient but not to do the business of banking.
- 21) To guarantee the payment of money and the performance of contracts or engagements entered into by the Company or persons, and to secure the payment of money and the performance of any contracts or engagements entered into by this or any other company or person and to discharge any debt or other obligation of or binding upon this or any other company or person by a mortgage or charge upon all or any part of the undertaking, property, and rights of the Company (either present or future or both), including its uncalled capital, or by the creation or issue of debentures, debenture-stock or other securities or by any other means.
- 22) To draw, make, accept, endorse, seal, execute, negotiate, purchase, lend money upon, discount, hold and dispose of cheques, promissory notes, bills of exchange, drafts, charter parties, bills of lading, warrants and other negotiable documents and contracts, deed and other instruments and to cancel and vary any such instruments.
- 23) To assist any company financially or otherwise by issuing or subscribing for or guaranteeing the subscription and issue of capital, shares, stock debentures, debenture-stock or other securities and to take, hold and deal in shares, stock and securities of any company notwithstanding any liability that may be thereon.
- 24) To invest and deal with the money of the Company not immediately required upon such securities and in such manner as may from time to time be determined.
- 25) To create any depreciation fund, reserve fund, Insurance fund, sinking fund or any other special fund, whether for depreciation or repairs, replacement, improving extending or maintaining any of the property of the Company or for any other purposes conducive to the interest of the Company.
- 26) To place, to reserve or distribute as dividend or bonus among the members or otherwise, to supply, as the Company from time to time may think fit, any moneys received by way of premium on shares or debentures issued at a premium by the Company and any moneys received in respect of dividends accrued on forfeited shares and moneys arising from the sale by the Company of forfeited shares or from unclaimed dividends.

- 27) To distribute among the shareholders in specie any property of the company, whether by way of dividend or upon a return of Capital, but so that no distribution amounting to a reduction of capital be made except with the sanction for the time being required by law.
- 28) To remunerate any parties for services rendered or to be rendered in placing or assisting to place any shares in the Company's capital or any debentures, debenture-stock or other securities of the Company or in or about the formation or promotion of the Company or the conduct of its business.
- 29) To pay for any lands real or personal, Immovable or movable estate or property, or assets of any kind acquired or to be acquired by the Company's or for any service rendered or to be rendered to the Company and generally to pay or discharge consideration to be paid or given by the Company in money or in shares (whether fully paid up or partly paid-up) or debentures or debenture-stock or obligation of the Company or partly in one way and partly in another or otherwise howsoever with power to issue any shares either as fully paid-up or partly paid -up for such purpose.
- 30) To accept as consideration for the sale or disposal of any lands real or personal, immovable estate or property or assets of the Company or in discharge of any other consideration to be received by the Company, money or shares (whether full paid-up or partly paid-up) of any company, or the debenture or debenture-stock or obligation of any company or person or persons or partly one and partly any other.
- 31) To amalgamate with any other company having objects altogether or in part similar to those of this company.
- 32) To promote freedom of contract and to resist, insure against, counteract, and discourage interference therewith, and to subscribe to any association or fund for any such purposes.
- 33) To pay all preliminary expenses of the Company and any company promoted or formed by the Company and any company in which this company is or may contemplate being interested or to conduct with any person, firm or company, to pay the same and to pay commission to Brokers and others for underwriting, placing or selling or guaranteeing the subscription of any shares or debentures or securities of this company or of any company promoted by this company and to pay the costs and expenses of or incidental to the winding up of any company the whole or part of the property where of is required this company or in which this company is or may be interested.
- 34) To provide for the welfare of the employees or the ex - employees of the Company and the wives, windows and families or the dependants or connection of such persons, by building or contributing to the building or houses, 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 as the Company shall think

fit and to subscribe or contribute or otherwise to assist or to guarantee money to any political parties and/or funds and/or any individual or body for any political purposes and/or charitable, benevolent, religious, scientific, national, or other institutions and objects which shall have any moral or other claim to support or aid by the Company, either by reason on locality of operation or of public and general utility or otherwise.

- 35) To obtain any Act of any Legislature or order of any Government for enabling the Company to carry on any of its objects into effect or for effecting any modification of the Company's constitution or for any other purpose which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interest.
- 36) To Procure the company to be registered, legalized, domiciled or recongnised in any country of place, and to procure its incorporation in a like character or as a society anonym or otherwise in any country or place and to carry on its business or any portion of its business and objects in any country or place.
- 37) To carry on any other business which may seem capable of being conveniently carried on without prejudice to the business of the company or calculated directly or indirectly to enhance the value or render profitable to any of the company's property or rights.
- 38) To do all or any of the above things in any part of the world and either as principals, agents, contractors, or otherwise and either alone or in conjunction with others, and either by or through agents, sup-contractors, trustees, or otherwise and generally to carry on any business or effectuate any objects of the Company.
- 39) To do all such other things as may be necessary, incidental, conducive, or convenient to the attainment of the above objects or any of them.
- 40) And it is hereby declared that the word "Company" in this clause except when referring to this company, shall be deemed in include any authority, partnership, or other body of persons whether incorporated or not incorporated and whether domiciled in India or elsewhere; and the intention is that the objects set forth in each paragraph or sub-paragraph of this clause, shall except where otherwise expressed in such paragraph or sub-paragraphs, be independent main objects and shall be in no wise limited or restricted by reference to or inference from the terms of any other paragraph or sub-paragraph or by the name of the Company.
- 41) To carry on the business of importers and manufacturers of and dealers in all kinds of medicines, medicinal preparations, OTC products, pharmaceutical chemical and surgical products including basic drugs and formulations and other preparations and surgical and scientific equipment and appliances.
- 42) a) To carry on the business of buying of otherwise acquiring selling and letting on lease or hire in any part of India or abroad all kinds of property both movable and immovable including machinery, plant, tools, jigs and fixures, agricultural machinery, ships, trawlers,

vessels, barges, automobiles and vehicles of every kind and description, computers, office equipment of every kind, airconditioning, plants, aircrafts and electronic equipment of all kinds and descriptions.

- b) To render leasing, hire purchase consultancy and advisory services and to promote, aid, keep, encourage and develop hire purchase and/or leasing business and project the interest of persons, firms, associations and other bodies corporate engaged in hire purchase and / or leasing business.
- 43) To Carry on the business of manufacturers of and dealers in biological fertilisers, insecticides, plant growth regulators and all other agricultural inputs and products based on biotechnology for applications in agriculture, pollution control.

(Clauses 41 to 43 inserted vide special resolution passed on 29th November 1985 and approved by Company Law Board in its order dated 28th August 1986 in C.P.No. 85/I 7/SRB/86).

- 44) To generate, accumulate, distribute, supply electrical and other power, including wind generated power (subject to and in accordance with law) for the purpose of light, heat motive power and for all other purposes for which electric and other energy can be employed.
- 45) To set up windmills for the purpose of generations of wind power and to sell the surplus power generated, if any in accordance with the relevant laws in force.

(Clauses 44 and 45 inserted vide special resolution passed through postal ballot and results declared at Annual General Meeting 16th September 2004).

IV. The liability of the members is limited.

- V. "The Authorised Share Capital of the Company is Rs. 15,00,00,000/- (Rupees Fifteen Crores only) divided into 90,00,000 (Ninety Lacs) Equity Shares of Rs. 10/- each and 6,00,000 redeemable cumulative preference' shares of Rs. 100/- each."

{Amended as per the order dt. 11-04-2011 (Company Petition No.38 and 39 of 2011) of the High Court of Judicature at Madras}

The Company shall have power to issue Equity shares or preference shares in the capital original or increased in accordance with the provisions of the Companies Act, 1956 and Directors, may subject to the provisions of the Act, exercise such power in any manner, they think fit, and provide for redemption of the preference shares on such terms including right to redeem at a premium at a premium or otherwise.

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

Signature, Description and Address of Subscribers	Number of shares taken by each Subscriber			Witness
	Pref.	Ord.	Defd.	
1. A.V. Thomas Merchant, Beach Road, Allaphey	...	100	...	R. Narasimhachari Advocate, Mylapore, Madras.
2. P.S. Kumaraswamy Raja Land - Lord, Rajapalayam	...	100	...	A.N.Anantapadmanabhan, 12, Sunkuvar Agraharam, Mount Road (P.O.) Madras.
3. S.S. Natarajan, Merchant South Car Street, Virudhunagar	...	100	...	
4. A.V. Moses Technical Manager, 37, Mount Road, Guindy, Saidapet (P.O.)	...	10	...	
5. V. Idikula Thomas, Manager, A.V.T. (I) Ltd., 649, Station Road, Meenambakkam, Madras.	...	1	...	C. Narasimhamurthi 25, Poonnamalle High Road, Madras.
6. L.U. Advani, Secretary, C/o. Messrs Radio and Electrical Ltd 221, First Line Beach, Madras.	...	5	...	
7. V.S. Narayanaswamy, Stenographer, 2/11, Yelleppa Naicken St., Kamaleswaranpet, Mount Road (P.O.) Madras.	...	1	...	
Total		317		

Dated at Madras, 6th day of April 1946

ARTICLES OF ASSOCIATION

THE COMPANIES ACT, 2013

COMPANY LIMITED BY SHARES

(Incorporated under the Indian Companies Act, 1913)

Articles of Association of Loyal Textile Mills Limited

The following regulations comprised in these Articles of Association were adopted pursuant to the Special resolution passed by the members at the Annual General Meeting held on September 24th, 2015 in substitution for and to the entire exclusion of, the regulations contained in the existing Articles of Association of the Company, which was adopted at the AGM of the company held on 19/12/1963 and amended up to 23/09/2013.

TABLE “ F “ TO APPLY

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| Table “ F “ to Apply | 1. | (1) | The regulations contained in the Table marked ‘F’ in Schedule I to the Companies Act, 2013 shall apply to the Company, except in so far as the same are expressly excluded or modified by these Articles. |
| Company to be governed by these Articles | | (2) | The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles. |

INTERPRETATION

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|------------|----|-----|--|
| “Act” | 2. | (1) | In these Articles — |
| | | (a) | “Act” means the Companies Act, 2013 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. |
| “Articles” | | (b) | “Articles” means these articles of association of the Company or as altered from time to time. |

"Board of Directors" or "Board"	(c) "Board of Directors" or "Board", means the collective body of the directors of the Company.
"Company"	(d) "Company" means Loyal Textile Mills Limited.
"Rules"	(e) "Rules" means the applicable rules for the time being in force as prescribed under relevant sections of the Act.
"Seal"	(f) "seal" means the common seal of the Company.
"Number" and "Gender"	(2) Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.
Expressions in the Articles to bear the same meaning as in the Act	(3) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be

SHARE CAPITAL AND VARIATION OF RIGHTS

Capital and shares	3.	<p>The Authorized Share Capital of the Company shall be such amount and be divided into such shares as may from time to time, be provided in clause V of Memorandum of Association, with power to Board of Directors to reclassify, subdivide, consolidate and increase and with power from time to time, to issue, allot or otherwise dispose any shares of the original capital or any new capital to such persons, in such proportion and on such terms and conditions either at a premium or at par any shares of original capital or any new capital with and subject to any preferential, qualified or special rights, privileges, or conditions may be, thought fit and upon the sub-division of shares to apportion the right to participate in profits, in any manner as between the shares resulting from sub-division.</p> <p>If and whenever the capital of the Company is divided into shares of different classes, the rights of any such class may be varied, modified, affected, extended, abrogated or surrendered as provided by the said Act or by Articles of Association or by the terms of issue, but not further or otherwise.</p>
Provisions of Section 43, 47 of the Act to apply	4	<p>The provisions of Section 43, 47 of the Act along with prescribed rules thereon in so far as the same may be applicable to issue of share capital and voting right shall be observed by the Company.</p>

Directors may allot shares otherwise than for cash	5	Subject to the provisions of the Act and prescribed rules therein 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.
Issue of certificate	6	<p>(1) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide –</p> <p>(a) one certificate for all his shares without payment of any charges; or</p> <p>(b) Several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.</p> <p>(Subject to the provisions of the Act and rules made therein)</p>
Certificate to bear seal	(2)	Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
One certificate for shares held jointly	(3)	In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
Option to receive share certificate or hold shares with depository	7	A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialized state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.

Issue of new certificate in place of one defaced, lost or destroyed	8	If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board, subject to the provisions of the Act and rules therein.
Provisions as to issue of certificates to apply <i>mutatis mutandis</i> to debentures, etc.	9	<p>(1) The provisions of the foregoing Articles relating to issue of certificates shall <i>mutatis mutandis</i> apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.</p> <p>(2) Except as required by law, no person shall be recognised by the company as share upon any trust, and the company shall not be bound by, or be compelled in anyway 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 these regulations 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.</p>
Power to pay commission in connection with securities issued	10	<p>(1) The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the rules made thereunder</p>
Rate of commission in accordance with Rules		<p>(2) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.</p>
Mode of payment of commission		<p>(3) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.</p>

Variation of members' rights	11	(1) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.
Provisions as to general meetings to apply <i>mutatis mutandis</i> to each meeting		(2) To every such separate meeting, the provisions of these Articles relating to general meetings shall <i>mutatis mutandis</i> apply.
Issue of further shares not to affect rights of existing members	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 <i>pari passu</i> therewith.
Power to issue redeemable Preference shares and debentures.	13	Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes or debentures which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board subject to the provisions of the Act and rules made thereunder.
Further issue of share capital	14	(1) The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to – (a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the 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; or (c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.

Mode of further issue of shares	(2)	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.
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LIEN

Company's lien on shares	15	<p>(1) The Company shall have a first and paramount lien –</p> <p style="margin-left: 40px;">(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and</p> <p style="margin-left: 40px;">(b) on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company:</p>
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Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

Lien to extend to dividends, etc.	(2)	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 for any money owing to the Company.
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As to enforcing lien by sale	16	The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:
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Provided that no sale shall be made—

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| | (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 to the person entitled thereto by reason of his death or insolvency or otherwise |

Validity of sale	17	(1) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.
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Purchaser to be registered holder	(2)	The purchaser shall be registered as the holder of the shares comprised in any such transfer.
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Validity of Company's receipt		(3)	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.
Purchaser not affected		(4)	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 with reference to the sale.
Application of proceeds of sale	18	(1)	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.
		(2)	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.
Outsider's lien not to affect Company's lien	19		In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.
Provisions as to lien to apply <i>mutatis mutandis</i> to debentures, etc.	20		The provisions of these Articles relating to lien shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.

CALLS ON SHARES

Board may make calls	21	(1)	The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.
Notice of call		(2)	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.

Board may extend time for payment		(3)	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.
Revocation or postponement of call		(4)	A call may be revoked or postponed at the discretion of the Board.
Call to take effect from date of resolution	22		A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments.
Liability of joint holders of shares	23		The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
When interest on call or installment payable	24	(1)	If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereof from the due date to the time of actual payment at such rate as may be fixed by the Board, subject to the limits prescribed.
Board may waive interest		(2)	The Board shall be at liberty to waive payment of any such interest wholly or in part.
Sums deemed to be calls	25	(1)	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 Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
Effect of nonpayment of sums		(2)	In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

Payment in anticipation of calls may carry interest	26	<p>The Board -</p> <p>(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and</p> <p>(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board, subject to the limits prescribed. 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.</p>
Installments on shares to be duly paid	27	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.
Partial payment not to preclude forfeiture	28	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 any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.
Provisions as to calls to apply <i>mutatis mutandis</i> to debentures, etc.	29	The provisions of these Articles relating to calls shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.

TRANSFER OF SHARES

Instrument of transfer to be executed by transferor and transferee	30	<p>(1) The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee.</p> <p>(2) 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.</p>
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Board may refuse to register transfer	31	<p>The Board may, subject to the right of appeal conferred by the Act decline to register -</p> <p>(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or</p> <p>(b) any transfer of shares on which the Company has a lien.</p>
Board may decline to recognize instrument of transfer	32	<p>The Board may decline to recognise any instrument of transfer unless -</p> <p>(a) the instrument of transfer is duly executed and is in the form as prescribed in the rules made thereunder ;</p> <p>(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and</p> <p>(c) the instrument of transfer is in respect of only one class of shares.</p>
Transfer of shares when suspended	33	<p>On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:</p> <p>Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty five days in the aggregate in any year.</p>
Provisions as to transfer of shares to apply <i>mutatis mutandis</i> to debentures, etc.	34	<p>The provisions of these Articles relating to transfer of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.</p>

TRANSMISSION OF SHARES

Title to shares on death of a member	35	<p>(1) 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 recognised by the Company as having any title to his interest in the shares.</p>
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Estate of deceased member liable		(2)	Nothing in clause (1) 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.
Transmission Clause	36	(1)	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 - <ul style="list-style-type: none"> (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.
Board's right unaffected		(2)	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.
Indemnity to the Company		(3)	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.
Right to election of holder of share	37	(1)	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.
Manner of testifying election		(2)	If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
Limitations applicable to notice		(3)	All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to <p>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.</p>
Claimant to be entitled to same advantage	38		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.

Provisions as to transmission to apply <i>mutatis mutandis</i> to debentures, etc.	39	The provisions of these Articles relating to transmission by operation of law shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.
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FORFEITURE OF SHARES

If call or installment not paid notice must be given	40	If a member fails to pay any call, or installment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment
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remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or installment or other money as is unpaid, together with any interest

which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.

Form of notice	41	<p>The notice aforesaid shall:</p> <p>(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and</p> <p>(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.</p>
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In default of payment of shares to be forfeited	42	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.
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Receipt of part amount or grant of indulgence not to affect forfeiture	43	Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.
Entry of forfeiture in register of members	44	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.
Effect of forfeiture	45	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.
Forfeited shares may be sold, etc.	46	(1) A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.
Cancellation of forfeiture		(2) At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
Members still liable to pay money owing at the time of forfeiture	47	(1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.
Member still liable to pay money owing at time of forfeiture and interest		(2) All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.

Cesser of liability		(3)	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.
Certificate of forfeiture	48	(1)	A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
Title of purchaser and transferee of forfeited shares		(2)	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
Transferee to be registered as holder		(3)	The transferee shall thereupon be registered as the holder of the share; and
Transferee not affected		(4)	The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.
Validity of sales	49		Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.
Cancellation of share certificate in respect of forfeited shares	50		Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.
Surrender of share certificates	51		The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.

Sums deemed to be 52
calls

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

Provisions as 53
to forfeiture of
shares to apply
mutatis mutandis to
debentures, etc.

The provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

ALTERATION OF CAPITAL

Power to alter share 54
capital

Subject to the provisions of the Act, the Company may, by ordinary resolution –

- (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares: Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;
- (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

Shares may be converted into stock 55

Where shares are converted into stock:

- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;

Right of stockholders

- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;
- (c) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder”/“member” shall include “stock” and “stock-holder” respectively.

Reduction of capital 56

The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, thereunder—

- (a) its share capital; and/or
- (b) any capital redemption reserve account; and/or
- (c) any securities premium account; and/or
- (d) any other reserve in the nature of share capital.

Joint Holders

Joint-holders	57	Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:
Liability of Joint holders		(a) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share.
Death of one or more joint-holders		(b) On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.
Receipt of one sufficient		(c) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.
Delivery of certificate and giving of notice to first named holder		(d) Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.
Vote of joint holders		(e) (i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof.

Executors or administrators as joint holders

- (ii) 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.

Provisions as to joint holders as to shares to apply *mutatis mutandis* to debentures, etc.

- (f) 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

Capitalization

- 58 (1) The Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve —

- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
- (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

Sum how applied

- (2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, either in or towards :
- (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 or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
 - (C) Partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B).

- (3) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
 - (4) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.
- Powers of the Board 59 for capitalisation
- (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall –
 - (a) make all appropriations and applications of the amounts resolved to be capitalized thereby, and all allotments and issues of fully paid shares or other securities, if any; and
 - (b) generally do all acts and things required to give effect thereto.
- Board's power to issue fractional certificate/coupon etc.
- (2) The Board shall have power—
 - (a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and
 - (b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such 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.
- Agreement binding on members
- (3) Any agreement made under such authority shall be effective and binding on such members.

BUY-BACK OF SHARES

Buy-back of shares	60	Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.
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General meetings

Extraordinary general meeting	61	All general meetings other than annual general meeting shall be called extraordinary general meeting.
Powers of Board to call extraordinary general meeting	62	The Board may, whenever it thinks fit, call an extraordinary General meeting.

PROCEEDINGS AT GENERAL MEETINGS

Presence of Quorum	63	(1) 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.
Business confined to election of Chairperson whilst chair vacant		(2) No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.
Quorum for general meeting		(3) The quorum for a general meeting shall be as provided in the Act.
Chairperson of the meetings	64	The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.
Directors to elect a Chairperson	65	If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
Members to elect a Chairperson	66	If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by poll or electronically, choose one of their members to be Chairperson of the meeting.

Casting vote of Chairperson at general meeting	67	On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.
Minutes of proceedings of meetings and resolutions passed by postal ballot	68	(1) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.
Certain matters not to be included in Minutes	(2)	There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting - <ul style="list-style-type: none"> (a) is, or could reasonably be regarded, as defamatory of any person; or (b) is irrelevant or immaterial to the proceedings; or (c) is detrimental to the interests of the Company.
Discretion of Chairperson in relation to Minutes	(3)	The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.
Minutes to be evidence	(4)	The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.
Inspection of minute books of general meeting	69	(1) The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall: <ul style="list-style-type: none"> (a) be kept at the registered office of the Company; and (b) be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.

Members may obtain copy of minutes	(2) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above:
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Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.

Powers to arrange security at meetings	70	The Board, and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.
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ADJOURNMENT OF MEETING

Chairperson may adjourn the meeting	71	(1) The Chairperson may, , adjourn the meeting from time to time and from place to place.
Business at adjourned meeting		(2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
Notice of adjourned meeting		(3) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
Notice of adjourned meeting not required		(4) Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

VOTING RIGHTS

Entitlement to vote on show of hands and on poll	72	<p>Subject to any rights or restrictions for the time being attached to any class or classes of shares –</p> <p>(a) on a show of hands, every member present in person shall have one vote; and</p> <p>(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.</p>
Voting through electronic means	73	A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.
How members <i>non compos mentis</i> and minor may vote	74	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.
Votes in respect of shares of deceased or insolvent members, etc.	75	Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.
Business may proceed pending poll	76	Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
Restriction on voting rights	77	No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.

Restriction on exercise of voting rights in other cases to be void	78	A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.
Equal rights of members	79	Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.

PROXY

Member may vote in person or otherwise	80	(1) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.
Proxies when to be deposited		(2) The instrument appointing a proxy and the power-of attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll , not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
Form of proxy	81	An instrument appointing a proxy shall be in the form as prescribed in the Rules made thereunder.
Proxy to be valid notwithstanding death of the principal	82	A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

BOARD OF DIRECTORS

Board of Directors	83	The number of directors shall not be less than 3(three) and shall not be more than 15 (Fifteen). The Directors need not hold any qualification share.
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Managing Director	84	Any person appointed as Managing Director of the Company in accordance with the provisions of the Act and the rules made thereunder, shall be vested with the powers of Management as the Board of Directors may determine from time to time.
Nominee Director	85	The Board of Directors of the company shall have right to appoint, from time to time , as and when required, nominee director/ directors, subject to the provisions of the Act and the rules made thereunder.
Directors not liable to retire by rotation	86	(1) The Managing Director of the Company is not liable to retire by rotation. The Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation and subject to provisions of the act.
Same individual may be Chairperson and Managing Director/ Chief Executive Officer		(2) The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.
Remuneration of directors	87	(1) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
Remuneration to require members' consent		(2) 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 or special resolution passed by the Company in general meeting, as required by the Act.
Travelling and other expenses		(3) 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.

Execution of negotiable instruments	88	(1)	All cheques, promissory notes, drafts, <i>hundis</i> , bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
Attendance of Directors		(2)	Every Director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
Appointment of additional directors	89	(1)	Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.
Duration of office of additional director		(2)	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.
Appointment of alternate director	90	(1)	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.
Duration of office of alternate director		(2)	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.
Re-appointment provisions applicable to Original Director		(3)	If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.
Appointment of director to fill a casual vacancy	91	(1)	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.

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| Duration of office of Director appointed to fill casual vacancy | (2) | The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated. |
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POWERS OF BOARD

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| General powers of the Company vested in Board | 92 | 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. |
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PROCEEDINGS OF THE BOARD

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| When meeting to be convened | 93 | (1) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. |
| Who may summon Board meeting | | (2) The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board. |
| Quorum for Board meetings | | (3) The quorum for a Board meeting shall be as provided in the Act. |
| Participation at Board meetings | | (4) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law. |
| Questions at Board meeting how decided | 94 | (1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. |
| Casting vote of Chairperson at Board meeting | | (2) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote. |

Directors not to act when number falls below minimum	95		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.
Who to preside at meetings of the Board	96	(1)	The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
Directors to elect a Chairperson		(2)	If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
Delegation of powers	97	(1)	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.
Committee to conform to Board regulations		(2)	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.
Participation at Committee meetings		(3)	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.
Chairperson of Committee	98	(1)	A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.
Who to preside at meetings of Committee		(2)	If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
Committee to meet	99	(1)	A Committee may meet and adjourn as it thinks fit.
Questions at Committee meeting how decided		(2)	Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.

Casting vote of Chairperson at Committee meeting		(3) In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.
Acts of Board or Committee valid notwithstanding defect of appointment	100	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 or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director
Passing of resolution by circulation	101	Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.
Directors Holding office or place of profit	102	Subject to the provisions of the Act and the rules made thereunder, no director of the company shall be disqualified , by virtue of his office as a Director from holding any office or place of profit under the Company or a company in which the Company is a shareholder or otherwise interested, or from contracting with a company either as vendor , purchaser or otherwise nor any such contract or arrangement entered into by or on behalf of the company in which any Director of the Company shall be in any way interested be avoided nor shall any Director of the Company be liable to account to the company for any profit arising from any such office or place of profit or realized by any such contract or arrangement by reason only of such director holding that office or of the fiduciary relations thereby established as per the provisions of the Act and rules made thereunder.

Attorney of the Company	103	<p>The Directors may appoint at any time and from time to time by a power of attorney under the Company's seal person to be the attorney of the Company for such purposes and with such powers, authorities and Attorney of the Company discretions (not exceeding those vested in or excisable by the Directors in these Articles) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment may (if the Directors think fit) be made in favour of the members or any of the members of any firm or company or the member Directors, nominees or managers of any firm or company or otherwise in favour of any body or persons, whether nominated directly or indirectly by the Directors and any such power of attorney may contain such provision for the protection or convenience, of persons dealing with such attorney as the directors may think fit. The Directors may authorize any such delegate or attorney as aforesaid to sub delegate all or any other the powers, authorities and discretion for the time being vested in them.</p>
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CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

Chief Executive Officer, etc.	104	<p>(a) Subject to the provisions of the Act,—</p> <p>A chief executive officer, manager, 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 various line of businesses.</p>
Director may be chief executive officer, etc.		<p>(b) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p>

REGISTERS

Statutory registers	105	The Company shall keep and maintain at its all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.
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THE SEAL

The seal, its custody and use	106	(1) The Board shall provide for the safe custody of the seal, if any
		(2) The seal of the Company, if any, shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorized by it in that behalf, and except in the presence of at least one director or the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

DIVIDENDS AND RESERVE

Company in general meeting may declare dividends	107	The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.
Interim dividends	108	Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit justified by the profits of the Company.

Dividends only to be paid out of profits	109	(1)	The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
Carry forward of profits		(2)	The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
Division of profits	110	(1)	Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
Payments in advance		(2)	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.
Dividends to be apportioned		(3)	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
No member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom	111	(1)	The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company

Retention of dividends		(2)	The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.
Dividend how remitted	112	(1)	Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
Instrument of payment		(2)	Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
Discharge to Company		(3)	Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.
Receipt of one holder sufficient	113		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.
No interest on dividends	114		No dividend shall bear interest against the Company.
Waiver of dividends	115		The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.
Unclaimed dividend	116		The unclaimed dividend shall be dealt as per the provisions of the Act and rules made thereunder.

ACCOUNTS

Inspection by Directors	117	(1)	The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules.
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| Restriction on inspection by members | (2) No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorised by the Board. |
| Conclusiveness of Accounts and Audit | (3) Every accounts of the Company when audited and approved by a General Meeting shall be conclusive except as regards any error discovered by the company or by any prescribed authority under any statute or under this Act shall corrected within prescribe time limit and hence forth shall be conclusive. |

WINDING UP

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| Winding up of Company | 118 | <p>Subject to the applicable provisions of the Act and the Rules made thereunder –</p> <p>(a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.</p> <p>(b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>(c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p> |
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INDEMNITY AND INSURANCE

Directors and
officers right to
indemnity

- 119 (a) Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.
- (b) Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.

Insurance

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

Not responsible for
acts of others

- (d) Subject to the provision of the Act , no Director or other Officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other director or officer or for joining in any receipt or other act for the sake of conformity or for any loss or expense happening to the company through the insufficiency or deficiency of title to any property acquired by the order of the Directors for or on behalf of the company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, company or corporation with whom any money's securities or effects shall be entrusted , or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happen through his own dishonesty.

GENERAL POWER

General power	120	<p>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</p> <p>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.</p>
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SECRECY CLAUSE

SECRECY CLAUSE	121	<p>No member shall be entitled to visit or inspect any works of the company without the permission of the directors or Managing Agents or to require discovery of or any information respecting any detail of the company's trading or any matter which is or may be in the nature of trade secret, mastery of trade secret process, which may relate to the conduct of the business of the company, and which , in the opinion of the Directors it will be in expendent in the interest of the members of the company to communicate to the public</p>
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We, the several persons, whose names and addresses are subscribed below are desirous of being formed into a Company in pursuance of this Articles of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names:

IN THE HIGH COURT OF JUDICATURE AT MADRAS
(Original Jurisdiction)

Tuesday, the 31st day of January, 1995

The Hon'ble Mr. Justice I. VENKATACHALAN

Company Petition Nos. 148 and 149/94

C.P.No. 148/94:

In the matter of the Companies Act
1956; and

In the matter of Valli Cotton Traders
Limited.

Valli Cotton Traders Limited
Venkateswarampuram,
H. Subbiahpuram (PO)
Sattur Taluk,
Kannur District,
Tamil Nadu-626 205.

.. Petitioner

Company petition praying that the said compromise
or arrangement may be sanctioned by the Court as to
be binding on all the equity share-holders of the said
Company Valli Cotton Traders Limited and the petitioner
Company be dissolved without winding up of the Company.

C.P.No. 149/94:

In the matter of the Companies Act,
1956; and

In the matter of Loyal Textile
Mills Limited.

Loyal Textile Mills Limited
21/3 Hill Street,
Kovilpatti,
Tamil Nadu - 627 001

.. Respondent

Company petition praying that the said compromise
or arrangement may be sanctioned by the Court as to be



binding on all the members of the company M/s. Loyal Textile Mills Ltd. on whom the arrangement embodied in the scheme of amalgamation is to be binding and the transferor Company be wound up without winding up.

These company Petitions coming on this day before this Court, for hearing, in the presence of Mr. R.Neemakshi Sankaran of M/s. Mahalingam and Rebello Advocates for the petitioner herein and Mr. P.B.Krishnamurthy, Central Government Standing Counsel, Madras for the Registrar of Companies, Regional Director, Madras and upon reading the order dated 24.8.1994, and made in C.A.No.963/94 whereby the said Company viz. Valli Cotton Traders Limited, the Applicant Company in C.P.No.148/94, herein was directed to convene a meeting of the equity share holders of the above-said Company for the purpose of considering and if thoughtfit approving with or without modification the proposed scheme of amalgamation in the petitioner company in C.P.No.148/94 with Loyal Textile Mills Limited the Petitioner Company in C.P.No.149/94 and the advertisement having been made in "News Today" dated 16.11.94 and "Dinakaran" dated 18.11.1994 and the report of the Chairman of the said Meeting as to the result of the said Meeting and it appearing from the said report that the scheme of amalgamation has been approved unanimously and the order dated 24.8.1994 and made in C.A.No.964/94 whereby the said Company M/s.Loyal



Textile Mills Ltd., the petitioner company in C.P.No.149/94 herein was directed to convene a meeting of the equity share holders of the above-named transferee company for the purpose of considering and if thought fit approving with or without modification a scheme of amalgamation b/s. Valli Cotton Traders Ltd. the petitioner Company in C.P.No.148/94 with the Petitioner Company in C.P.No.149/94 and the report of the Chairman of the said Meeting as to the result of the said meeting and it appearing from the said report that the scheme of amalgamation has been approved unanimously and the Company Petition Nos.148 and 149/94 this Court DOth hereby sanction the scheme of amalgamation setout in the Schedules hereto and this Court DOth hereby declare the same to be binding on the shareholders of the said companies and on the companies, THIS COURT DOth FURTHER ORDER AS FOLLOWS:-

- 1) that the petitioner companies herein do file with the Registrar of Companies, Madras a certified copy of this order within 30 days from this date;
- 2) that the parties to the scheme of amalgamation or other persons interested shall be at liberty to apply to this Court for any directions that may be necessary in regard to carrying out of the scheme amalgamation hereunder;



3) that the Official Liquidator, High Court
Andras be and is hereby directed to take
over charge of the affairs of the Companies;

4) that the Official Liquidator, High Court,
Andras shall file his report within six
weeks from this date i.e. on or before

14.3.1995 into this Court, regarding the
affairs of the Companies and

5) that the further hearing of these Company
Petitions do stand adjourned to 14.03.1995.

SCHEDULE

SCHEME OF AMALGAMATION



ORDER RE-TYPED FOR READABLE PURPOSE - NOT ORIGINAL

**IN THE HIGH COURT OF JUDICATURE AT MADRAS
(Original Jurisdiction)**

**Tuesday, 31st Day of January, 1995
The Hon'ble Mr. Justice Y. Venkatchalam
Company Petition Nos. 148 and 149/94**

C.P. No. 148/94:

In the Matter of the Companies Act 1956 and
In the matter of Valli Cotton Traders Limited.

Valli Cotton Traders Limited
Venkateswarapuram,
N. Subbhiapuram (PO)
Sattur Taluk
Kamarajar District,
Tamil Nadu – 626 205.

- Petitioner

Company petition praying that the said compromise or arrangement may be sanctioned by the court so as to be binding on all the equity share holders of the said company Valli Cotton Traders Limited and Petitioner Company be dissolved without winding up of the Company.

C.P. No. 149/94

In the Matter of the Companies Act 1956 and
In the matter of Loyal Textile Mills Limited

Loyal Textile Mills Limited
21/4, Mill Street,
Kovilpatti,
Tamil Nadu – 628 501

- Petitioner

Company petition praying that the said compromise or arrangement may be sanctioned by the court so as to be binding on all the Members of the company M/s. Loyal Textile Mills Limited on whom the arrangement embodied in the scheme of amalgamation is to be binding and the transferor Company be wound up without winding up.

These Company Petitions coming on this day before this court for hearing in the presence of Mr. R. Meenakshi Sundaram of M/s. Mahalingam and Robello Advocate for the petitioner herein and Mr. P.B. Krishna Morthy control Government Standing Counsel, Madras for the Registrar of the Companies, Regional Director, Madras and upon reading the order dated 24.8.1994 and made in C.A.No. 963/94 whereby the said Company Viz. Valli Cotton Traders Limited, the Applicant Company in C.P. No. 148/94 herein was directed to convene the meeting of the equity share holders of the above named Company for the purpose of considering and if thought fit approving with or without modification the proposed scheme of amalgamation in the petitioner company in C.P.No. 148/94 with Loyal Textile Mills Limited the Petitioner company in C.P. No. 149/94 and the advertisement having been made in "News Today" dated 16.11.94 and "Dinamalar" dated 18.11.94 and the report of the chairman of the said meeting as to the result of the said meeting and its appearing from the said report that the scheme of amalgamation has been approved unanimously and the order dated 24.8.1994 and made in C.A. No. 964/94 where by the said company M/s Loyal Textile Mills Ltd., the petitioner Company is C.P. No. 149/94 herein was directed is convene a meeting of the equity share holders of the above named transferor company for the purpose of considering and if thought fit approving iwht or without modification a scheme of amalgamation M/s Valli Cotton Traders Ltd. The petitioner Company in C.P.No. 148*94 with the Petitioner Company is C.P. No. 149/94 and the report of the Chairman of the said meeting as to the result of the said meeting and it appearing from the said report that the schme of amalgamation has been approved unanimously and the company petition Nos. 148 and 149/94 this Court Doth hereby sanction the scheme of amalgamation setout in the schedule hereto and this court DOTH hereby declare the same to be binding and the share holder of the said Companies and on the Companies, THIS COURT DOTH FURTHER ORDER AS FOLLOWS.

1. That the petitioner companies herein do file with the Registrar of Companies, Madras a certified copy of this order within 30 days from this dates.
2. That the parties to the scheme of amalgamation or other persons interested shall be at liberty to apply to this Court for any directions that may be necessary in regard to carrying out of the scheme amalgamation here under
3. That the official Liquidator, High Court, Madras be and is hereby directed to take over change of the affairs of the Companies.
4. That the official Liquidator, High Court, Madras shall file his report within six weeks from this date i.e. on or before 14.3.1995 in to this Court regarding the affairs of the company viz. Valli Cotton Traders Ltd. In C.P. NO. 148/94
5. That the further hearing of those Company Petitions do stand adjourned to 14.03.1995.

SCHEDULE
SCHEME OF AMALGAMATION

**SCHEME OF AMALGAMATION
OF
VALLI COTTON TRADERS LIMITED
WITH
LOYAL TEXTILE MILLS LIMITED**

This Scheme of Amalgamation provides for the Amalgamation of Valli Cotton Traders Ltd, having its Registered Office at Venkateswarapuram, N. Subbiahpuram (PO) Sathur Taluk - 626 205 (hereinafter called "the Transferor Company") with Loyal Textile Mills Ltd, having its Registered Office at 21/4 Mill Street, Kovilpatti - 627 701 (hereinafter called "the Transferee Company") pursuant to the relevant Provisions of the Companies Act, 1956 (herein called "the said Act").

- a) With effect from commencement of 1st April 1994 (hereinafter called "the Appointed Date") and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the undertaking and the entire business and all the properties, assets, capital work-in-progress, current assets, investment, powers, authorities, allotments, approvals and consents, licence, registration contracts, engagements, arrangement, rights, titles, interest, benefits and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power of possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company, including but without being limited to all patents, trademarks, trade names and other industrial rights of any nature whatsoever and licences in respect thereof, privileges, liberties, easements, advantages, benefits, leases, tendency rights, ownership flats, quota rights, permits, approvals, authorisations right to use and avail of telephones, telexes, facsimile connections and installations utilities, electricity and other services, reserves, provisions, funds, benefit of all agreements and all other interests arising to the Transferor Company (hereinafter collectively referred to as "the said Assets") shall be transferred to and vested in and/or deemed to be transferred and vested in the Transferee Company pursuant to the provisions of Section 394 of the said act for all estate, right, title and interest of the Transferor Company therein.
- b) The transfer/vesting as aforesaid shall be subject to existing charges/hypothecation/mortgage (if any as may be subsisting) over or in respect of the said assets or any part thereof of the Transferor Company.
- c) It is expressly provided that in respect of such of the said assets as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company, and shall become the property of the Transferee Company in pursuance of the provisions of Section 394 of the said Act, as an integral part of the undertaking.
- d) In respect of such of the said assets other than those referred to in sub-para (c) above, the same shall as more particularly provided in sub-clause (a) above, without any further act instrument or deed, be transferred to and vested in and/or deemed to be transferred and vested in the Transferee Company on the Appointed Date pursuant to the provisions of Section 394 of the said Act. The vesting of all such assets, shall by virtue of the provisions of this Scheme, and the effect of the provisions of Section 394 of the said Act, be deemed to have taken place at the place of the Registered Office of the Transferor Company i.e. in the State of Tamil Nadu.



- e) The Transferee Company may at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise execute deeds of confirmation in favour of the secured creditors of the Transferor Company or in favour of any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to implement or carry out all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.
3. With effect from the Appointed date, all debts, liabilities, duties and obligations of the Transferor Company (hereinafter referred to as "the said liabilities") shall also be and stand transferred or deemed to be transferred, without further act, instrument or deed to the Transferee Company, pursuant to the provisions of Section 394 of the said Act so as to become as and from the Appointed Date the Debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations not arisen, in order to give effect to the provisions of the clause.
4. This Scheme, though effective from the Appointed Date shall be operative from the last of the following dates or such other dates as the court may direct, namely:
- a) The date on which the last of all the consents, approvals, permissions, resolutions, sanctions and order as are hereinafter referred to have been obtained or passed, and
 - b) The date on which certified copies of the order of the Court under Section 391, 392 and 394 of the said "Act are filed with the Registrar of Companies" and such date shall be hereinafter referred to as "the Effective Date".
5. With effect from the Appointed Date upto the date on which this Scheme finally takes effect (viz the Effective Date):
- a) The Transferor Company shall carry on and be deemed to have carried on all its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all the said Assets for and on account of and in trust for the Transferee Company.
 - b) All the profits or incomes accruing or arising to the Transferor Company or expenditure or losses arising or incurred by the Transferor Company shall for all purposes be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses of the Transferee Company, as the case may be:
 - c) The Transferor Company shall carry on its business activities with reasonable diligence, business prudence and shall not alienate charge, mortgages, encumber or otherwise deal with the said Assets or any part thereof, except in the ordinary course of business, or without the prior consent of the Transferee Company or pursuant to any pre-existing obligation undertaken by the Transferor Company prior to the Appointed Date:
 - d) Save as specifically provided in this Scheme, neither the Transferor Company nor the Transferee Company shall make any charge in their capital structure (paid up Capital) either by any increase, (by a fresh issue of rights shares, Equity or

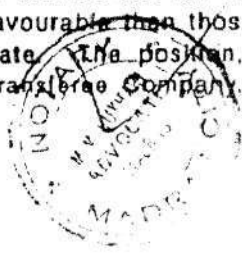
2.



preference Shares, Bonus Shares, Convertible debentures or otherwise) by decrease, reduction reclassification sub-division or consolidation, re-organisation, or in any other manner which may in any way affect the share exchange ratio prescribed in clause 10 except by mutual consent of the Board of Directors, hereinafter referred to as "the Board of both the Companies. The Transferee Company may however and is hereby permitted to take steps for increase of its Authorised Capital, and or sub-division of shares as needs to be enhanced by the provisions of this Scheme or any existing obligation or provisions of the Transferee Company or any other proposal as may be undertaken after consent of the Board of Directors of the Transferor Company.

- e) Provided that as far as the obligations in sub-clause (c) and (d) above are concerned, the restrictions thereunder shall be applicable from the date of the acceptance of the present scheme by the respective Boards of the two Companies even if the same be prior to the Appointed Date.
6. All suits actions and proceedings of whatsoever nature by or against the transferor Company pending and/or arising on or before the effective date shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been pending and/or arising against the Transferee Company.
7. Subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective date, shall be in full force and effect against or in favour of the Transferee Company as the case may be and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto. The Transferee Company shall enter into and/or issue and/or execute deeds, writings, or confirmation or enter into any tripartite arrangement, confirmations, or novations to which the Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this Clause, if so required or becomes necessary.
8. The transfer of the said assets and the said liabilities of the Transferor Company to the Transferee Company and the continuance of all the contracts or proceedings by or against the Transferee Company shall not affect any contract or proceedings relating to the said assets or the said liabilities already concluded by the Transferor Company on or after the Appointed Date.
9.
 - a) The Authorised Share Capital of the Transferor Company as on 31st March 1994 is Rs.5,00,00,000/- (Rupees five crores only) divided into 50,00,000 Equity Shares of Rs.10/- each. The subscribed and paid-up Capital of the Transferor Company as on 31st March 1994 is Rs.3,12,00,000 consisting of 31,20,000 Equity Shares of Rs.10/- each fully paid-up.
 - b) The Authorised Capital of the Transferee Company as on 31st March 1994 is Rs.10,00,00,000/- (Rupees ten crores only) consisting of 1,00,00,000 Equity Shares of Rs.10/- each. The subscribed and paid-up Capital of the Transferee Company as on 31st March 1994 is Rs.3,16,56,800/- consisting of 31,65,680 Equity shares of Rs.10/- each.
 - c) Upon the Scheme become effective, and subject to such consents as may be necessary and subject to the provisions of the said Act, the issued subscribed and paid-up Share Capital of the Transferee Company shall stand increased by Rs.1,41,17,640/- divided into 14,11,764 Equity Shares of Rs.10/- each.

10. a) Upon the Scheme becoming finally effective, in consideration of the transfer of and vesting of the said assets and said liabilities of the transferor Company in the Transferee Company in terms of the Scheme, the Transferee Company shall without any further application or deed, issue and allot 100 (one hundred) Equity Shares of the Transferee Company of Rs.10/- each credited as fully paid-up, to the Share holders of the Transferor Company whose names are recorded in its Register of Members, on a date ("Record Date") to be fixed by the Board of Directors of the Transferee Company for 221 (two hundred twentyone) Equity Shares of the face value of Rs.10/- (Rupees ten only) each in the Transferor Company.
- b) For the purpose as aforesaid, the Transferee Company shall, if and to the extent required, apply for and obtain, any approvals including that of the Reserve Bank of India and other concerned authorities, for the issue and allotment by the Transferee Company to the respective members of the Transferor Company, the Equity Shares in the said re-organised Share Capital of the Transferee Company in the ratio as aforesaid.
11. Upon this Scheme becoming finally effective, all Shareholders of the Transferor Company if so required by the Transferee Company shall surrender their Share Certificates for cancellation thereof to the Transferee Company. Notwithstanding anything to the contrary, upon the newshares in the Transferee Company being issued and allotted by it to the Shareholders of the Transferor Company whose names shall appear on the Registrar of Members of the Transferor Company on such Record date fixed as aforesaid, the Share certificates in relation to the shares held by them in the Transferor Company shall be deemed to have been automatically cancelled and be of no effect, on and from such Record date, and the Transferee Company may instead of requiring the surrender of the Share certificates, as above, directly issue and despatch the new Share Certificates of the Transferee Company in lieu thereof.
12. a. The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends to their respective Share holders prior to the Effective date. Both the Transferor Company and the Transferee Company shall declare dividends only out of disposable profit earned by respective Companies during the relevant financial year and shall not transfer any amount from the reserves for the purpose of payment of dividend. The dividend shall be declared by both the Companies only by mutual agreement between the Board of Directors of both the Companies.
- b) The Equity Share of the Transferee Company to be issued and allotted to the Share holders of the Transferor Company as provided in Clause 10 hereof shall rank pari passu in all respect with the Equity Shares of the Transferee Company including proportionate entitlements to dividend in respect of all dividends declared after the Effective date. The holders of the shares of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividend from the respective Companies of which they are members till the date this Scheme finally takes effect, i.e. the Effective date.
13. All Employees of the Transferor Company in service on the date immediately preceeding the date on which this Scheme finally takes effect, i.e. the Effective date shall become the employees of the Transferee Company on such date without any break or interruption in service and on the basis of continuity of service on the terms and conditions not less favourable than those subsisting with reference to the Transferor Company as on the said date. The position, rank and designation of the employees would be decided by the Transferee Company.



14. It is further provided that upon the Scheme coming into effect, the Reserves appearing under the head General Reserve I, General Reserve II, Investment Allowance utilised Reserve subsidy and the surplus in Profit and Loss Account, shall be credited by the Transferee Company to its respective Reserve account and subsidy and Profit and Loss Account and shall constitute the Transferee's Company's Reserves and surplus.
15. With effect from the Effective date, the Transferor Company shall stand dissolved without winding up subject to the necessary reports to be made by the official liquidator of the High Court of Madras in terms of section/proviso to subsection (1) of Sec. 394 of the Companies Act, 1956.
16. The Transferor Company shall with all reasonable despatch, make applications/petitions under Sections 391 and 394 and other applicable provisions of the said Act to the High Court for sanctioning of this Scheme and for dissolutions of the Transferor Company without winding up under the provisions of law.
17. The Transferee Company shall also with all reasonable despatch make applications/petitions under Section 391 and 394 and other applicable provisions of the said Act to the High Court of Judicature at Madras for sanctioning of this Scheme under the provisions of law.
18. The Transferor Company (by its Directors) and the Transferee Company (by its Directors) are hereby authorised and empowered to assent from time to time to any modifications or amendments of this Scheme or of any conditions or limitations which the Court and/or any authorities under law may deem fit to approve of or impose and to settle all doubts or difficulties that may arise for carrying out the Scheme and to do and execute all acts, deeds, matters and things necessary for putting the Scheme into effects.
19. For the purpose of giving effect to this Scheme or to any modifications or amendments thereof, the Directors of the Transferee Company may give and are authorised to give all such directions as are necessary including directions for settling any question of doubt or difficulty that may arise.
20. This Scheme is specifically conditional upon and subject to:
 - a) The sanction or approval under any law or of the Central Government or any other agency, department or authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.
 - b) The approval of and agreement to the scheme by the requisite majorities of such classes of persons of the Transferor Company and the Transferee Company as may be directed by the High Court at Madras on the applications made for directions under Section 391 of the said Act for calling meetings and necessary resolutions being passed under the said Act for the purpose.
 - c) The requisite Resolutions under the applicable provisions of the said Act being passed by the Share holders of the Transferee Company under the applicable provisions of the said Act, for any of the matters provided for or relating to the Scheme as may be required or be necessary.
 - d) The sanction of the High Court at Madras being obtained under Sections 391 and 394 and other applicable provisions of the said Act if so required on behalf of the Transferor Company.



- e) The sanction of the High Court of Judicature at Madras being obtained under sections 391 and 394 and other applicable Provisions of the said Act if so required on behalf of the Transferee Company;
21. In the event of any of the said sanctions and approvals referred to in the preceding Clause 20 above not being obtained and/or the scheme not being sanctioned by the High court and/or the order or orders not being passed as aforesaid before 31st March 1995 or within such further period or periods as may be agreed upon between the Transferor Company by its Directors and the Transferee Company by its Directors (and which the Board of Directors of both the Companies are hereby empowered and authorised to agree to and extend from time to time without any limitations) the Scheme of Amalgamation shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as may otherwise arise in law.
22. All costs, charges and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with this Scheme and incidental to the completion of the Amalgamation of the said undertaking of the Transferor Company in pursuance of this Scheme shall be borne and paid by the respective Companies.



414) that the transferor company, Valli Cotton

Traders Limited shall be dissolved without

winding up of the Company on receipt of ~~notice~~

from Official Liquidator; (L)



S. M. PILLAIARI
10800 N. S. STREET,
MADRAS 60001.

WITNESS the Hon'ble Thiru KUDARIKOTI ANNAIAHAYYA
SWAMI, Chief Justice at Madras, aforesaid, this the
31st day of January, 1995.

Sd/- V.A. Ranganayaka,

21.2.95

ASST. REGISTRAR (O.S.) I.

/Certified to be a true copy/

Dated at Madras this the 21st day of February, 1995.

smr 21.2.95
COURT OFFICER (O.S.)

② ~~Reluctant to sign~~
~~in presence of~~
~~me & my wife~~ ~~ATTESTED~~

21.2.95

TRUE COPY

Sd/- V.A. Ranganayaka
21.2.95 *(O.S.)*



M. M. BUKHARI
ADVOCATE
MADRAS CITY
133, VANDAR STREET, SYCAMORE,
MADRAS-600001.

1 + 4

Company Petn. Nos. 148
and 149/94

ORDER

Dated: 31.1.1995

The Hon'ble Mr. Justice

Y. VENKATACHALAM.

For approval on:

HIGH COURT, MADRAS

Original Side

C. A. No: 31.1.95 753

Applied S. J. L. M. S.

Stamp called for 21.2.95

Stamps put in 21.2.95

Ready 21.2.95

C. O. (O. S.)

Approved on:

Copy to:

The Official Liquidator,
High Court, Madras. (2 copies)



NOTARY PUBLIC
MADRAS CITY,
MADRAS-600001.

IN THE HIGH COURT OF JUDICATURE AT MADRAS

(ORIGINAL JURISDICTION)

Tuesday the 8th day of September 1998

The Hon'ble Mr. Justice S. THANGARAJ

Company Petition Nos. 73 and 74 of 1998

Company Petition No. 73/98:-

.. In the matter of Companies
Act, 1956; and

In the matter of Loyal
Textile Mills Limited.

Loyal Textile Mills Limited,
21/4 Mill Street,
Kovilpatti,
Tamilnadu-628 501.

..Petitioner

Company Petition praying that the said
compromise or arrangement embodied in the scheme of
amalgamation be sanctioned by this Court as to be
binding on all the members of the company on whom the
arrangement embodied in the scheme of amalgamation is
to be binding and on the said company.

Company Petition No. 74 of 1998:-

.. In the matter of the
Companies Act 1956; and

In the matter of Loyal
Super Fabrics Limited.

Loyal Super Fabrics Limited,
21/4 Mill Street,
Kovilpatti,
Tamilnadu-628 501.

..Petitioner

Company Petition praying that the said compromise or arrangement embodied in the scheme of amalgamation be sanctioned by this Court so as to be binding on all the members of the company on whom the arrangement embodied in the scheme of amalgamation is to be binding and on the said company be wound up without winding up.

These Company Petitions coming on this day before this Court for hearing in the presence of Mr. Rebello, of M/s. Mahalingam, and Rebello, Advocates for the petitioner in both the Company Petitions and the Regional Director Department of Company Affairs Southern Region Chennai, not appearing in person or by Advocate and upon reading the Common Order dated 6.1.1998 and made in Company Application Nos. 4 and 5 of 1998 whereby the said company viz., Loyal Textile Mills Limited the petitioner/transferee company in Company Petition No. 73 of 1998 herein was directed to convene the meeting of the shareholders of the above named company for the purpose of considering and if thought fit, approving, with or without modification, the Scheme of Amalgamation of M/s. Loyal Super Fabrics Limited, the petitioner transferor company in Company Petition No. 74 of 1998 with the transferee company viz., M/s. Loyal Textile Mills Limited and the advertisement having been made in "News Today" dated 20.1.1998 and "Dina Malar" dated 19.1.1998 each containing the advertisement of the

^{and} said meeting and the report of the Chairman of the said meeting as to the result of the said meeting and it appearing from the said report that the Scheme of Amalgamation has been approved unanimously and upon reading the Common Order dated 6.1.98 and made in C.A. Nos. 4 and 5 of 1998 whereby the said company viz., Loyal Super Fabrics Limited, the petitioner in Company Petition No. 74 of 1998 herein was directed to convene the meeting of the shareholders of the above named company for the purpose of considering and if thought fit approving with or without modification, the Scheme of Amalgamation of the petitioner/transferee company with Loyal Textile Mills Limited the petitioner/transferee company in Company Petition No. 73 of 1998 and the advertisement having been made in "News Today" dated 20.1.98 and "Dhina Malar" dated 20.1.98 each containing the advertisement of the said meeting and the report of the Chairman of the said meeting as to the result of the said meeting, and it appearing from the said report that the Scheme of Amalgamation has been approved unanimously and that no one has appeared to support or oppose the scheme and the Central Government also does not have any objection for the approval of the scheme, and this Court ^{being} satisfied with the reasons for the merger and this Court doth hereby sanction the Scheme of Amalgamation set out in the Schedule hereto,

with effect from 1.4.97 and this Court Doth hereby declare the same to be binding on the shareholders of the said companies and on the companies this Court Doth further order as follows:-

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

2. That the parties to the Scheme of Amalgamation or other persons interested shall be at liberty to apply to this Court for any direction that may be necessary in regard to carrying out of this Scheme hereunder; and

3. That the Official Liquidator, High Court, Madras, be and is hereby directed to file his report for the dissolution of the transferor Company viz., Loyal Super Fabrics Limited at the earliest in pursuance to Section 394 (1) Second Proviso of the Companies Act, 1956.

SCHEDULE:

SCHEME OF AMALGAMATION:

ORDER RE-TYPED FOR READABLE PURPOSE - NOT ORIGINAL

**IN THE HIGH COURT OF JUDICATURE AT MADRAS
(Original Jurisdiction)**

Tuesday the 8th day of September, 1998

The Hon'ble Mr. Justice S. THANGARAJ

Company Petition Nos. 73 and 74 of 1998

Company Petition No. 73/98:-

In the Matter of the Companies Act 1956 and
In the matter of Loyal Textile Mills Limited.

Loyal Textile Mills Limited
21/4, Mill Street,
Kovilpatti,
Tamil Nadu – 628 501

- Petitioner

Company petition praying that the said compromise or arrangement embodied in the scheme of amalgamation be sanctioned by this court as to be binding on all the member of the company on whom the arrangement embodied in the scheme of amalgamation is to be binding and on the said Company.

Company Petition No. 74/1998:-

In the Matter of the Companies Act 1956 and
In the matter of Loyal Super Fabrics Limited

Loyal Super Fabrics Limited
21/4, Mill Street,
Kovilpatti,
Tamil Nadu – 628 501

- Petitioner

Company petition praying that the said compromise or arrangement embodied in the scheme of amalgamation be sanctioned by this court so as to be binding on all the Members of the company on whom the arrangement embodied in the scheme of amalgamation is to be binding and as the said company be wound up without winding up.

These Company Petitions coming on this day before this court for hearing in the presence of Mr. Rabello of M/s. Mahalingam and Robello Advocates for the petitioner in both the company petitions and the Regional Director, Department of Company affairs Southern Region Chennai, not appearing in person or by advocate and upon reading the common order dated 6.1.1998 and made in Company Application Nos. 4 and 5 of 1998 whereby the said Company Viz. Loyal Textile Mills Limited, the petitioner / transferee Company in Company Petition No. 73/1998 herein was directed to convene the meeting of the share holders of the above named Company for the purpose of considering and if thought fit approving with or without modification the scheme of amalgamation of M/s Loyal Super Fabrics Limited, the petitioner / transferor company in Company Petition No. 74 of 1998 with the transferee Company viz. M/s Loyal Textile Mills Limited and the advertisement having been made in "News Today" dated 20.1.1998 and "Dinamalar" dated 19.1.1998 each containing the advertisement of the said meeting and the report of the chairman of the said meeting as to the result of the said meeting and it appearing from the said report that the scheme of amalgamation has been approved unanimously and upon reading the common order dated 6.1.98 and made in C.A. No. 4 and 5 1998 where by the said company Viz., Loyal Super Fabrics Limited the petitioner in Company petition No. 74 of 1998 herein was directed to convene the meeting of the share holders of the above named company for the purpose of considering and if thought fit approving with or without modification, the scheme of amalgamation of the petitioner / transferor Company with Loyal Textile Mills Limited the petitioner / transferee Company in Company petition No.73 of 1998 and the advertisement having been made in "News Today" dated 20.1.98 and "Dinamalar" dated 20.1.98 each containing the advertisement of the said meeting and the report of the Chairman of the said meeting as to the result of the said meeting, and it appearing from the said report that the scheme of amalgamation has been approved unanimously and that no one has appeared to support or oppose the scheme and the central Government also doesnot have any objection for the approval of the scheme, and this court being satisfied with the reason for the merger and this court doth hereby sanctioned the scheme of amalgamation set out in the schedule hereto, with effect from 1.4.97 and this court doth hereby declare the same to be binding and the share holders of the said Companies and on the Companies, in this court Doth further order as follows.

1. That the petitioner companies herein do file with the Registrar of Companies, Madras a certified copy of this order within 30 days from this dates.
2. That the parties to the scheme of amalgamation or other persons interested shall be at liberty to apply to this Court for any directions that may be necessary in regard to carrying out of this scheme hereunder; and
3. That the official Liquidator, High Court, Madras, be and is hereby directed to file is report for the dissolution of the transferor company viz., Loyal Super Fabrics Limited at the earliest in pursuance to section 394 (1) Second Proviso of the Companies Act, 1956.

SCHEDULE
SCHEME OF AMALGAMATION

**SCHEME OF AMALGAMATION
OF
LOYAL SUPER FABRICS LIMITED
WITH
LOYAL TEXTILE MILLS LIMITED**

1. This Scheme of amalgamation provides for the Amalgamation of LOYAL SUPER FABRICS LTD., having its Registered Office at 21/F, Mill Street, Kovilpatti - 628 501 (hereinafter called “the Transferor Company”) with Loyal Textile Mills Ltd., having its Registered Office at 21/4 Mill Street, Kovilpatti - 628 501 (hereinafter called “the Transferee Company”) pursuant to the relevant Provisions of the Companies Act, 1956 (hereinafter called “the said Act”).
2.
 - a) With effect from commencement of 1st April 1997 (hereinafter called “the Transfer Date”) and subject to the provisions of this scheme in relation to the mode of transfer and vesting, the undertaking and entire business and all the properties, assets, capital work-in-progress, current assets, Investment powers, authorities, allotments, approvals and consents, licence, registration contracts, engagements, arrangement, rights, titles, interest, benefits and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power of possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company, including but without being limited to all patents, trademarks, trade names and other industrial rights of any nature whatsoever and licences in respect thereof, privileges, liberties, easements, advantages, benefits leases, tenancy rights, ownership flats, quota rights, permits, approvals, authorisations, right to use and avail of telephones telexes, facsimile connections and installations utilities, electricity and all other services, Reserves, Provisions, Finds, benefits of all agreements and all other interests arising to the “Transferor Company” (hereinafter collectively referred to as “the said Assets”) shall be transferred to and vested in an/or deemed to be transferred and vested in the Transferee Company pursuant to the provisions of Section 394 of the said Act for all estates, rights, titles and interests of the Transferor Company therein.
 - b) The transfer/vesting as aforesaid shall be subject to existing charges/hypothecation/mortgage (if any as may be subsisting) over or in respect of the said assets or any part thereof of the “Transferor Company”.
 - c) It is expressly provided that in respect of such of the said assets as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company, and shall become the property of the Transferee Company in pursuance of the provisions of Section 394 of the said Act, as an integral part of the undertaking.
 - d) In respect of such of the said assets other than those referred to in sub-para (c) above, the same shall as more particularly provided in sub-clause (a) above, without any further act instrument or deed, be transferred to and vested in and/or deemed to be transferred and vested in the Transferee Company on the “Transfer Date” pursuant to the provisions of Section 394 of the said Act. The vesting of all such assets, shall by virtue of the provisions

of this Scheme, and the effect of the provisions of Section 394 of the said Act, be deemed to have taken place at the place of the Registered Office of the Transferor Company i.e. in the State of Tamil Nadu.

- e) The Transferee Company may at any time after the coming into effect of this scheme in accordance with the provisions hereof, if so required, under any law or otherwise execute deeds of confirmation in favour of the secured creditors of the Transferor company or in favour of any party to any contract or arrangement to which the Transferor company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor company and to implement or carry out all such formalities or compliances referred to above on the apart of the Transferor Company to be carried out or performed.
- 3. With effect from the appointed Date, all debts, liabilities, duties and obligations of the Transferor Company (hereinafter referred to as “the said liabilities”) shall also be and stand transferred or deemed to be transferred, without further act, instrument or deed to the Transferee Company, pursuant to the provisions of Section 394 of the said Act so as to become as and from the Transfer Date the debts, liabilities, duties and obligations of the Transferee Company and further that it not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations not arisen, in order to give effect to the provisions of the clause.
 - 4. This scheme, though effective from the Transfer Date shall be operative from the “Completion of Procedure Date” For the purpose of this scheme “Completion of Procedure Date” shall be the last of the following dates or such other dates as the court may direct, namely :
 - a) The date on which the last of all the consents, approvals, permissions, resolutions, sanctions and order as are hereinafter referred to have been obtained or passed and
 - b) The date on which certified copies of the order of the Court under Section 391, 392 and 394 of the “said Act are filed with the “Registrar, of Companies”.
 - 5. With effect from the Transfer Date upto the Completion of Procedure Date :
 - a) The Transferor company shall carry on and be deemed to have carried on all its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all the said Assets for and on account of and in trust for the Transferee Company.
 - b) All the profits or incomes accruing or arising to the Transferor Company or expenditure or. losses arising or incurred by the Transferor Company shall for all purposes be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses of the Transferee Company, as the case may be.

- c) The Transferor Company shall carry on its business activities with reasonable diligence, business prudence and shall not alienate charge, mortgages, encumber or otherwise deal with the said Assets or any part thereof, except in the ordinary course of business, or without the prior consent of the Transferee Company or pursuant to any pre-existing obligation undertaken by the Transferor Company prior to the Transfer Date.
 - d) Save as specifically provided in this scheme, neither the Transferor Company nor the Transferee company shall make any change in their capital structure (Paid up Capital) either by any increase, (by a fresh issue of rights shares, Equity shares, Bonus shares, Convertible debentures or otherwise but excluding Preference shares) by decrease, reduction, reclassification, sub-division or consolidation, re-organisation, or in any other manner which may in any way affect the share exchange ratio prescribed in clause 10 except by mutual consent of the Board of Directors, hereinafter referred to as the Board of both the Companies. The Transferee Company may however and is hereby permitted to take steps for increase of its Authorised Capital, and or sub-division of shares as needs to be enhanced by the provisions of this scheme or any existing obligation or provisions of the Transferee company or any other proposal as may be undertaken after consent of the Board of Directors of the Transferor Company.
 - e) Provided that as far as the obligations in sub clause (c) and (d) above are concerned, the restrictions thereunder shall be applicable from the date of the acceptance of the present scheme by the respective Boards of the two companies even if the same be prior to the Transfer Date
6. All suits actions and proceedings of whatsoever nature by or against the transferor Company pending and / or arising on or before the completion of procedure Date shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been pending and/or arising against the Transferee Company.
7. Subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Transfer Date, shall be in full force and effect against or in favour of the Transferee Company as the case may be and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transfer Company had been a party or beneficiary thereto. The Transferee Company shall enter into and/or issue and/or execute deeds, writings, or confirmation or enter into any tripartite arrangement, confirmations, or novations to which the Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this clause, if so required or becomes necessary.
8. The transfer of the said assets and the said liabilities of the Transferor Company to the Transferee Company and the continuance of all the contracts or proceedings by or against the Transferee Company shall not affect any contract or proceedings relating to the said assets or the said liabilities already concluded by the Transferor company on or after the Transfer Date.

9. a) The Authorised Share capital of the Transferor Company as on 31st March 1997 is Rs. 1,50,00,000 (Rupees One crore and Fifty lacs only) divided into 15,00,000/-Equity Shares of Rs.10/- each. The subscribed and paid up capital of the Transferor Company as on 31st March 1997 is Rs. 50,60,070/- consisting of 5,06,007 Equity Shares of Rs.10/- each fully paid up.
- b) The Authorised Share Capital of the Transferee company as on 31st March 1997 is Rs. 10,00,00,000/- (Rupees Ten crores only) consisting of 80,00,000 Equity Shares of Rs. 10/- each and 2,00,000 Redeemable Preference Shares Rs.100/- each. The subscribed and paid up capital of the Transferee company as on 31st March 1997 is Rs.4,57,74,440 consisting of 45,57,444 Equity Shares of Rs. 10/- each.
- c) Upon the scheme become operative, and subject to such consents as may be necessary and subject to the provisions of the said Act, the issued subscribed and paid up Share Capital of the Transferee Company shall stand increased by Rs.12,65,020/- divided into 1,26,502/- Equity Shares of Rs.10/- each.
10. a) Upon the Scheme becoming finally operative, in consideration of the transfer of and vesting of the said assets and said liabilities of the transferor company in the Transferee Company in terms of the Scheme, the Transferee Company shall without any further application or deed, issue and allot 100 (One hundred) Equity Shares of the Transferee Company of Rs. 10/- each credited as fully paid up, to the share holders of the Transferor Company whose names are recorded in its Register of Members, on a date (Record Date) to be fixed by the Board of Directors of the Transferee company for 400 (Four hundred) Equity shares of the face value of Rs.10/- (Rupees ten only) each in the Transferor company.
- b) For the purpose as aforesaid, the Transferee Company shall, if and to the extent required, apply for and obtain, any approvals of SEBI including that of the Reserve Bank of India and other concerned authorities, for the issue and allotment by the Transferee Company to the respective members of the Transferor Company, the Equity Shares in the said reorganised Share Capital of the Transferee Company in the ratio as aforesaid.
11. Upon this Scheme becoming operative, all share holders of the Transferor Company if so required by the Transferee company shall surrender their Share Certificates for cancellation thereof to the Transferee Company. Notwithstanding anything to the contrary upon the new shares in the Transferee Company being issued and allotted by it to the Shareholders of the Transferor Company whose names shall appear on the Register of Members of the Transferor Company on such Record Date fixed as aforesaid, the Share Certificates in relation to the shares held by them in the Transferor Company shall be deemed to have been automatically cancelled and be of no effect, on and from such Record Date, and the Transferee Company may instead of requiring the surrender of the Share Certificates, as above, directly issue and despatch the new Share Certificates of the Transferee Company in lieu thereof.
12. a) The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends to their respective share holders prior to the "Completion of Procedure

Date” Both the transferor company and the transferee company shall declare dividends only out of disposable profit earned by respective companies during the relevant financial year and shall not transfer any amount from the reserves for the purpose of payment of dividend. The dividend shall be declared by both the Companies only by mutual agreement between the Board of Directors of both the companies. forming part of the capital of the company.

- b) The Equity share of the transferee Company to be issued and allotted to the share holders of the Transferor Company as provided in clause 10 hereof shall rank pari passu in all respect with the Equity shares of the Transferee Company including proportionate entitlements to dividend in respect of all dividends declared after the Completion of Procedure Date. The holders of the shares of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividend from the respective Companies of which they are members till the date this Scheme becomes operative, i.e. the completion of Procedure Date.
13. All Employees of the transferor Company in service on the date immediately preceeding the date on which this Scheme becomes operative, i.e. the completion of Procedure Date shall become the employees of the Transferee Company on such date without any break or interruption in service and on the basis of continuity of service on the terms and conditions not less favourable than those subsisting with reference to the Transferor Company as on the said date. The position, rank and designation of the employees would be decided by the Transferee company.
 14. It further provided that upon the Scheme coming into operation the Reserves appearing under the head Investment Allowance Reserve, Investment Allowance utilised Reserve, subsidy and the surplus in Profit and Loss Account, shall be credited by the Transferee Company to its respective Reserves account subsidy account and profit and Loss Account and shall constitute the Transferee's Company's Reserves and Surplus.
 15. With effect from the completion of Procedure Date, the Transferor Company shall stand dissolved without winding up subject to the necessary reports to be made by the official liquidator of the High Court of Madras in terms of section/provision to subsection (1) of Sec. 394 of the Companies Act, 1956.
 16. The Transferor Company shall with all reasonable despatch, make applications/petitions under Sections 391 and 394 and other applicable provisions of the said Act to the High Court for sanctioning of this Scheme and for dissolutions of the Transferor Company without winding up under the provisions of law.
 17. The Transferee Company shall also with all reasonable despatch make applications/petitions under Section 391 and 394 and other applicable provisions of the said Act to the High Court of Judicature at Madras for sanctioning of this Scheme under the provisions of law.

18. The Transferor Company (by its directors) and the Transferee Company (by its Directors) are hereby authorised and empowered to assent from time to time to any modifications or amendments of this Scheme or of any conditions or limitations which the Court and/or any authorities under law may deem fit to approve of or impose and to settle all doubts or difficulties that may arise for carrying out the Scheme and to do and execute all acts, deeds, matters and things necessary for putting the scheme into operative.
19. For the purpose of giving effect to this Scheme or to any modifications or amendments thereof, the Directors of the Transferee Company may give and are authorised to give all such directions as are necessary including directions for setting any question of doubt or difficulty that may arise.
20. This Scheme is specifically conditional upon and subject to :
- a) the sanction or approval under any law or of the Central Government or any other agency, department or authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.
 - b) The approval of and agreement to the scheme by the requisite majorities of such classes of persons of the Transferor Company and the Transferee Company as may be directed by the High Court at Madras on the applications made for directions under Section 391 of the said Act for calling meetings and necessary resolutions being passed under the said Act for the purpose.
 - c) The requisite Resolutions under the applicable provisions of the said Act, being passed by the share holders of the Transferee Company under the applicable provisions of the said Act, for any of the matters provided for or relating to the Scheme as may be required or be necessary.
 - d) The sanction of the High Court at madras being obtained under Sections 391 and 394 and other applicable provisions of the said Act if so required on behalf of the Transferor' Company.
 - e) The sanction of the High Court of Judicature at madras being obtained under sections 391 and 394 and other applicable provisions of the said Act if so required on behalf of the Transferee Company.
21. In the event of any of the said sanctions and approvals referred to in the preceding Clause 20 above not being obtained and/or the scheme not being sanctioned the High Court and/ or the order or orders not being passed as aforesaid before 31st December 1998 or within such further period or periods as may be agreed upon between the Transferor Company by its directors and the Transferee Company by its Directors (and which the Board of Directors of both the Companies are hereby empowered and authorised to agree to and extend from time to time without any limitations) the Scheme of amalgamation shall stand revoked, cancelled and be of

no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as may otherwise arise in law.

22. All costs, charges and expenses of the Transferor Company and the Transferee company respectively in relation to or in connection with this Scheme and incidental to the completion of the Amalgamation of the said undertaking of the Transferor Company in pursuance of this Scheme shall be borne and paid by the respective Companies.

- 13 -



Witness the Hon'ble Thiru Man Mohan Singh Liberman,
Chief Justice at Madras, aforesaid this the 3th day of
September, 1993.

Sd/ V.A. Ranganayaki
ASSISTANT REGISTRAR (O.S.)

CV.

/Certified to be a true copy /

Dated this the 5th day of January 1994


COURT OFFICER (O.S.)


(1 + 3)

C.P. Nos. 73 and 74

ORDER

DATED: 2.9.1998

THE HON'BLE MR. JUSTICE

S. THANGARAJ

FOR APPROVAL: 2-11-98

APPROVED ON: 2-11-98

HIGH COURT, MADRAS

Original Side

C. A. No: 5433/98

Applied 8-9-98

Stamp called for 12-11-98

Stamp put in 19-11-98

Ready 5-1-99

2-11-98
C.O. (O.S.)

COPY TO:

THE OFFICIAL LIQUIDATOR,
HIGH COURT, MADRAS.

IN THE HIGH COURT OF JUDICATURE AT MADRAS

(ORIGINAL JURISDICTION)

Monday, the 11th day of April, 2011.

THE HON'BLE MR.JUSTICE VINOD K.SHARMA

COMP.PETN.Nos.38 and 39 OF 2011

In the matter of the Companies Act, 1956

and

In the matter of Section 391 to 394 of the Companies Act,

1956

and

In the matter of Scheme of Amalgamation of Shri Chintamani
Textile Mills Limited (Transferor Company)

with

Loyal Textile Mills Limited (Transferee Company)

and

Their respective shareholders and creditors.

C.P.NO.38/2011:

Shri Chintamani Textile Mills Limited,
having registered office at
N.Venkateswarapuram, N.Subbailpuram (P.O.)
Sattur Taluk, Virudhunagar Dist
626205, Rep.by its Director
M.Ramakrishnan

.. Petitioner/
Transferor Company

This Company Petition praying this Court:-

- a) That the Scheme of Amalgamation of Petitioner/
Transferor Company, namely, Shri Chintamani Textile Mills
Limited with Transferee Company, namely, Loyal Textile
Mills Limited, be sanctioned by the High Court with effect
from 1st April 2010 or such other date as determined in
terms of the Scheme so as to be binding on all the
shareholders and creditors of the Petitioner Company and on
the said Petitioner Company, namely, Shri Chintamani
Textile Mills Limited.
- b) That the Petitioner/Transferor Company may be dissolved
without Winding up.

C.P.No.39/2011:

M/s.Loyal Textile Mills Ltd.,
 having Regd. Office at
 21/4 Mill Street,
 Kovilpatti 628 501
 Represented by its Director
P.Manivannan

.. Petitioner/Transferee
 Company

This Company Petition praying this Court that the Scheme of Amalgamation between Shri Chintamani Textile Mills Limited and Loyal Textile Mills Limited, be sanctioned by the High Court with effect from 1st April 2010 so as to be binding on all the shareholders and creditors of the Transferee Company, namely, Loyal Textile Mills Limited and on the said petitioner Company.

These Company Petitions coming on this day before this Court for hearing in the presence of Mr.B.Dhanaraj, Advocate for the Petitioners in both the Company Petition Nos.38 and 39/2011, and Mr.Damayanthi Jayakumar, Additional Central Government Standing Counsel appearing for the Regional Director, Southern Region, Ministry of Corporate Affairs, Chennai, and Mr.M.Jayakumar, Deputy Official Liquidator for Official Liquidator, High Court, Madras, and upon reading the order dated 23.12.2010 and 4.1.2011 and made in C.A.No.1944 of 2010 whereby the said company M/s.Loyal Textile Mills Limited the petitioner company in C.P.No.39 of 2011 herein was directed to convene a meeting of the equity shareholders of the above named company for the purpose of considering and if thought fit, approving, with or without modification, of the proposed scheme of Amalgamation and the advertisement having been made in one issue of English Daily, "The Hindu Business Line", dated 2.1.2011, and another issue of Tamil Daily "Malai Murasu", dated 2.1.2011, each containing the advertisement of the said meeting and the report of the chairman of the said

meeting as to the result of the meeting and report as the scheme of Amalgamation had been approved unanimously, and upon reading the Company Petition Nos.38 and 39/2011, and the affidavit of K.Pandian, Regional Director, Southern Region, Ministry of Corporate Affairs, Chennai and the report dated 23.2.2011 filed by the Official Liquidator, High Court, Madras in C.P.No.38/2011, and the advertisement of the company petitions having been made in one issue of English Daily "The Hindu Business Line" (Chennai Edition) dated 18.2.2011, and also in one issue of Tamil Daily "Malai Murasu" (Chennai edition) dated 18.2.2011, and this Court having dispensed with the convening, holding and conducting of the meeting of the equity shareholders of the Applicant Company by an order dated 23.12.2010 and made in C.A.No.1943 of 2010, and the orders of this Court dated 9.2.2011, and made in C.P.No.38 of 2011, and on perusal of the report of the Official Liquidator, High Court, Madras summarising the report of the Chartered Accountant, to the effect that there is no material to come to a conclusion that the affairs of the transferor company have been conducted in a manner prejudicial to the interest of its members or creditors or to public interest or there were any transactions to attract the provisions of Sections 542 and 543 of the Companies Act, 1956, and this Court doth hereby sanction the Scheme of Amalgamation annexed hereunder with effect from 1.4.2010 and declare the same to be binding on all the shareholders and creditors of the said companies, and the said companies, THIS COURT DOTH FURTHER ORDER AS FOLLOWS:-

(1) That, the Petitioner Companies herein do file with the Registrar of Companies, Chennai, a certified copy of the order within 30 days from this date.

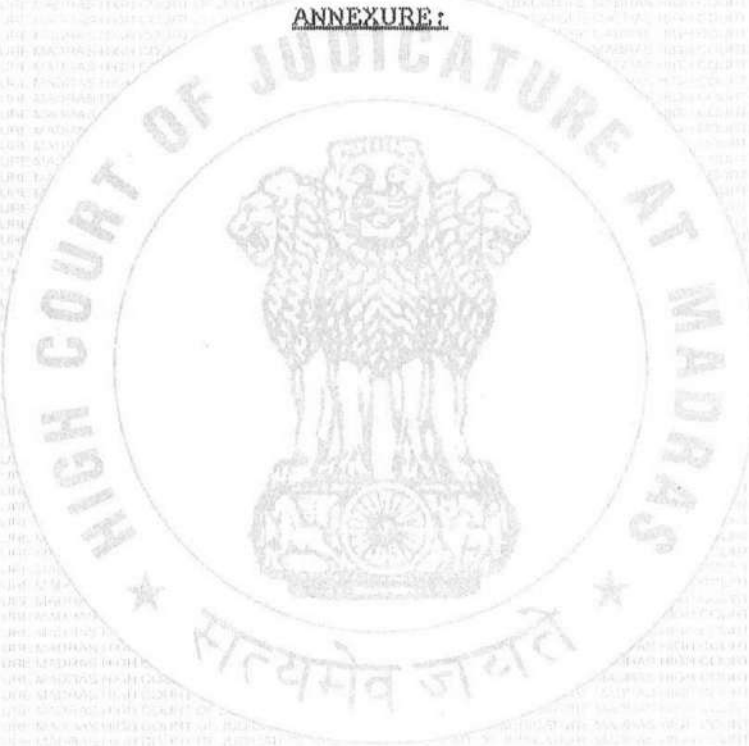
(2) That, the parties to the Scheme of Amalgamation or any other person interested shall be at liberty to apply to this Court for any directions that may be necessary in regard to carrying out this Scheme of Amalgamation annexed

hereunder.

(3) That the Transferor Company viz., Shri Chintamani Textile Mills Limited shall be dissolved without being wound up.

(4) That the remuneration to the Additional Central Government Standing Counsel be and is hereby fixed at Rs.5,000/- (Rupees five thousand only) for each petition to be paid by the petitioner companies.

ANNEXURE:



SCHEME OF AMALGAMATION

OF

SHRI CHINTAMANI TEXTILE MILLS LIMITED

WITH

LOYAL TEXTILE MILLS LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS

(Under Sections 391 to 394 of the Companies Act, 1956)

(I) DESCRIPTION OF COMPANIES

1. **SHRI CHINTAMANI TEXTILE MILLS LIMITED (SCTML)**, a company incorporated under the Companies Act, 1956 and having its registered office at N. Venkateshwarapuram, N. Subbairpuram (P.O) Sattur Talukm Virudhunagar District – 626205 (hereinafter also referred to as the 'Transferor Company') and is engaged in the business of spinning, weaving, knitting and making garments. The Company is managed by the independent Board of Directors..
2. **LOYAL TEXTILE MILLS LIMITED (LTML)**, a company incorporated under Companies Act, 1956 and having its registered office at 21/4, Mill Street, Kovilpatti – 628501 (hereinafter referred to as the 'Transferee Company') and is engaged in the business of textile manufacturing, cotton yarn, staple yarn, cloth, knit wears,, linen manufacturers, manufacture of garments, dyeing etc., The Company is managed by the Managing Director, Whole Time Director and independent directors.

(II) RATIONALE FOR SCHEME OF AMALGAMATION

The Board of Directors of LOYAL TEXTILE MILLS LIMITED believes that the Scheme of Amalgamation would benefit the shareholders, employees and other stakeholders of LOYAL TEXTILE MILLS LIMITED, on account of the following

REASONS:

1. To carry on the business more efficiently and economically and to streamline the textile business of the transferor company with the transferee company.
2. To reduce the cost of establishment, management and other incidental costs by combining the business of both the companies which are in more or less similar line of activities. By this amalgamation the production shall be optimized without additional managerial cost.
3. The combined net worth of the Transferee Company will enable it to make substantial investments for improving the business and shall increase the productivity and profitability of the transferee company thereby benefit the share holders and other stakeholders of the company.
4. The Board of Directors of Transferor Company believes that the consolidation or business would benefit its shareholders and employees. Accordingly, it is proposed to Amalgamation all the business and merge the same with Transferee company under this scheme of Amalgamation.

(III) PURPOSE OF THE SCHEME OF AMALGAMATION

This Scheme of Amalgamation is presented under section 391 to 394 read with other relevant provisions of the Companies Act, 1956 for amalgamation of Shri Chintamani Textile Mills Limited Loyal Textile Mills Limited.

(IV) THE PARTS OF THE SCHEME OF AMALGAMATION

1. **PART - I** which deals with the Definitions and share capital
2. **PART - II** which deals with Amalgamation of Shri Chintamani Textile Mills Limited with Loyal Mills Limited.
3. **PART - III** which deals with General Terms and Conditions.

PART I**1. DEFINITIONS**

In this Scheme, unless inconsistent with the subject or context, the following shall have the meanings as provided herein.

For Loyal Textile Mills Ltd.,

 Director

- 1.1 **"Act"** means the Companies Act, 1956 or any statutory modification or reenactment thereof.
- 1.2 **"Appointed Date"** means the date from which this Scheme shall become operative viz., 1st April 2010 or if the Boards of Directors of the Transferor Company and the Transferee Company require any other date prior or subsequent to 1st April 2010 and / or the Court modifies the Appointed Date to such other date, then the same shall be the Appointed Date
- 1.3 **"Court"** means the Hon'ble High Court of Judicature at Madras or such other Court/ Tribunal empowered to sanction the Scheme as per the provisions of the Act.
- 1.4 **"Effective Date"** means the date or last of the dates on which the certified copy of the order of the court sanctioning this Scheme is filed with the Register of Companies by the Transferor and the Transferee Companies.
- 1.5 **"Record Date"** shall mean the date to be fixed by the Board of Directors of the Transferee Company, for the purpose of determining the members of the Transferor Companies to whom shares will be allotted pursuant to this Scheme, in the Transferee Company.
- 1.6 **"Scheme of Amalgamation" or "Scheme" or "The Scheme" or "This Scheme"** means this Scheme of Amalgamation in its present form or with any modification(s) approved, imposed, or directed by the Court.
- 1.7 **"Transferee Company"** means Loyal Textile Mills Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at 21/4, Mills Street, Kovilpatti - 628 501.
- 1.8 **"Transferor Company"** means Shri Chintamani Textile Mills Limited, a company registered under the Companies Act, 1956, and having its Registered Office at "N.Venkateswarapuram, Subbiahpuram (P.O.), Sattur Taluk," Virudhunagar District - 626 201."

For Loyal Textile Mills Ltd.,

Director

1.9 “Undertaking” shall mean and include

- a) All the assets and properties of the Transferor Company and the merged undertaking as on the Appointed Date (hereinafter referred to as a “the said assets”) including the following assets namely;
 - I) Land & Building of the Transferor company situation at various places including land situated at CTM Mill Area t an extent of 31.90 acres, Windmill land at Panagudi, Thirunelveli District to an extent of 2.00 Acres. Windmill land at Chinnaputhur, Erode District to an extent of 1.75 acres & Land at Uppathur, Sattur to an extent 38.99 Acres. Land at Meleakkottai Village, Madurai measuring to an extent of 3.22 acres.
 - II) The whole of the undertaking of the Transferor Company, as a going concern, including its business, all secured and unsecured debts, liabilities, duties and obligations, Annual Maintenance Contracts and all the assets, properties, rights titles and benefits, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible present or contingent and including but without being limited to land and building (whether owned, leased, licensed), all fixed and movable plant and machinery, vehicles, windmills, fixed assets, work in progress, current assets, investments reserves, provisions, funds, licenses in respect thereof (application for copyrights, patents, trade names, trade marks), leases licences, tenancy rights, premises, ownership flats, hire purchase and lease arrangements, lending arrangements, computers, officce equipment, telephones, telexes, facsimile connections,

For Loyal Textile Mills Ltd.,

Director

Communication facilities, equipment and installations and utilities, electricity, water and other service connections, benefits of agreements, contracts, and arrangements, powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, reserces, provisions, advances, receivables, deposits including accrued interest thereon, funds, cash bank balances, accounts and all other right, benefits of all agreements, subsidies including investment subsidies including interest subsidies, grants, taz credits (including but not limited to bredits in respect of income Tax, value added tax, turnover tax, service tax, etc.,) Software Licence, Domain/ Websites, Lease Line etc., in connection / relating to the Transferor Company and other claims and powers, of whatsoever nature and wheresoever situted belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company, as on the Appointed Data.

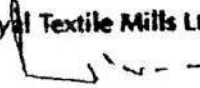
- 1.10 All terms and words not defined in this scheme shall, unless repugnant or contracy to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts Regulation Act, 1956, the Depositories Act, 1996 and other applicable laws, rules regulations, bye-laws, as the case may be or any statutory modification or reenactment thereof form time to time

2. DATE TAKING EFFECT AND OPERTIVE DATE

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

3. SHARE CAPITAL

- 3.1 The Share Capital of the Transferor and Transferee Companies as on 31st March 2010 is as under.

For Loyal Textile Mills Ltd.,

 Director

A. SHRI CHINTAMANI TEXTILE MILLS LIMITED	Amount(Rs.)
Authorised Share Capital	
10,00,000 Equity Shares or Rs. 10/- each	1,00,00,000
Issued Subscribed and Paid up Share Capital	1,00,00,000
4,50,000 Equity Shares of Rs. 10/- each	45,00,000
B. LOYAL TEXTILE MILLS LIMITED	
Authorised Share Capital	
80,00,000 Equity Shares of Rs. 10/- each	8,00,00,000
6,00,000 Redeemable Cumulative Preference Shares of Rs. 100/- each	6,00,00,000
ISSUED, SUBSCRIBED & PAID UP SHARE CAPITAL	
47,03,946 Equity shares of Rs. 10/- each	4,70,39,460

There is no change in the Authorized & the paid up Share Capital of the Transferor/Transferee Company as on date of Presentation of this Scheme

PART II - TRANSFER AND VESTING

4. TRANSFER OF UNDERTAKING

The undertaking shall be transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company in the following manner.

- (a) With effect from the Appointed date, the whole of the Undertaking of the Transferor Company as mentioned in para 1.9 above and comprising its business, all assets and liabilities of whatsoever nature and wheresoever situated, shall, under the provisions of Section 391 read with Section 394 and all applicable provisions, if any, of the Act, without any further act or deed (save as provided in Sub-clauses (b), (c)

For Loyall Textile Mills Ltd.,

Director

below), be transferred to, and vested in, and/or be deemed to be transferred to, and vested in, the Transferred Company as a going concern so as to become as from the Appointed date, the Undertaking of the Transferee company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Company therein.

- (a) Provided that for the purpose of giving effect to the vesting order passed under Section 391 to 394 in respect of this Scheme, the Transferee Company shall at any time pursuant to the orders on this Scheme be entitled to get the recordal of the change in the title and the appurtenant legal right(s) upon the vesting of such assets of the Transferor Company in accordance with the provision of Sections 391 to 394 of the Act, at the office of the respective Registrar of Assurances or any other concerned authority, where any such property is situated.
- (b) All movable assets including cash in hand, of the Transferor Company, capable of passing by manual delivery or by endorsement and delivery, shall be so delivered, as the case may be, to the Transferee Company. Such delivery shall be made on a data mutually agreed upon between the Board of Directors of the Transferor Company and the Transferee Company.

In respect of movables other than those specified in sub-clause (b) above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons, the following modus operandi for intimating to third parties shall, to the extent possible, be followed:

- (i) The Transferee Company shall give notice in such form as it may deem fit and proper, to each person, debtors, credits, loanee or depositor (if any) as the case may be, that pursuant to the Court having sanctioned the Scheme, the said debts, loans credits, security deposits, advances, bank balances or the deposits be paid or made good or held on account of the Transferee

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Company as the person entitled thereof to the end and intent that, the right of the Transferor Company to recover or realise the same stands extinguished and that appropriate entry should be passed in its books to record the aforesaid change.

- (ii) The Transferor Company shall also give notice in such form as they may deem fit and proper to each person, debtor, creditor, loanee or depositor that pursuant to the (if any) having sanctioned the Scheme, the said debt, loan credit, advance or deposit be paid or made good or held on account of the Transferee Company and that the right of the Transferee Company to recover or realise the same stands extinguished.
- (d) In respect of all the assets including immovable properties of the Transferor Company as mentioned in para 1.9 shall without any further act, instrument or deed, be transferred to and vested in and / or deemed to be transferred and vested in the transferee company on the 'Appointed date', pursuant to the provisions of Section 391 to 394 of the said Act and there shall not be transfer duty/stamp duty in respect of immovable properties of the transferor situated at various places including Land and /or Building situated at Arasanur, Thirumanjulai Post, Sivaganga District measuring 21.9 Acres land, Panangudi, Tirunelveli District measuring 2.00 Acres land, Chinnamputhur, Erode District measuring 1.75 Acres and land at Upathur, Sattur District measuring 38.99 Acres, land at Mellakottai Village, Madurai measuring to an extent of 3.22 acres, in favour of the transferee company by the respective Sub-Registrar.
- (e) With effect from the Appointed Date, all debts, liabilities, contingent liabilities, Guarantees given or taken, duties and obligations of every kind, nature, description, whether or not provided for in the books of accounts and whether disclosed or undisclosed in the balance sheet of the Transferor Company shall also, under the provisions of Section 391 read with Section of the Act, without any further

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act of deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed date the debt, liabilities, contingent liabilities, duties and obligations of the Transferee company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debt, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub-clause.

However, the Transferee Company may, at any time, after the coming into effect of this Scheme in accordance hereof, if so required, under any law or otherwise execute deeds of confirmation in favour of the secured creditors (if any) of the Transferor Company or in favour of any other party or any writing, as may be necessary in order to give formal effects to the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Company as well as to implement and carry out all such formalities and compliances referred to above.

- (f) Upon the Coming into effect the borrowing limits of the Transferee Company in terms of Section 293(1)(d) of the Act shall be deemed without any further act or deed to have been enhanced by the aggregate liabilities/authorized borrowing limit of the Transferor Company which are being transferred to the Transferee Company pursuant to the Scheme, such limits being incremental to the exiting limits of the Transferee Company, with effect from the Appointed Date. These limits, as enhanced, may be increased, from time to time, by the Transferee Company by obtaining sanction of its shareholders in accordance with the provisions of the Act.
- (g) Upon the coming into effect of this Scheme, the limits of the Transferee Company to invest and grant in terms of Section 372A of the Act shall be deemed, without

For Loyal Textile Mills Ltd.,

 Director

any further act or deed, to have been enhanced by the aggregate limits of the Transferor Company to invest or grant loans, which are being transferred to the transferee Company pursuant to the Scheme, such limits being incremental to the existing limits of the Transferor Company, with effect from the Appointed date. These limits, as enhanced, may be increased, from time to time, by the Transferee Company by obtaining sanction of its shareholders in accordance with the provisions of the Act,

- (h) Upon the scheme coming into effect, all taxes / cess/ duties payable by or on behalf of the Transferor Company from the Appointed Date onwards including all or any refunds and claims, including refunds or claims pending with the revenue authorities and including the right of carry forward of accumulated losses, shall for all purposes, be treated as the tax / cess / duty, liabilities or refunds, claims and accumulated losses of the Transferee Company, Accordingly, upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise, if it becomes necessary, its income tax, Sales tax returns, Excise & Cenvat returns, service tax returns, other Direct and Indirect tax returns, and to claim refunds/ credits, set offs, pursuant to the provisions of this Scheme.
- (e) Provided further that upon the Scheme becoming effective, the Transferee Company is also expressly permitted to revise, if it becomes necessary, its income tax returns and related TDS Certificate, including TDS Certificates relating to transactions between or amongst the Transferor Company and the Transferee Company, and to claim refunds, advance tax and withholding tax credits, benefit of carry forward of accumulated losses, other deductions, rebates, claims, set offs and to prefer further appeals, claims, refunds on revision / appellate decisions etc., pursuant to the provisions of this Scheme.
- (f) Provided Further that upon the scheme becoming effective, the Transferee Company, if required, is expressly permitted to revise its returns and filling of papers / petitions / forms under the Income Tax Act, 1961, Service Tax Laws,

For **Loyal Textile Mills Ltd.,**

Director

Companies Act, Value Added Tax Laws, under SEBI laws and regulations, textile committee rules, electricity board rules and file / revise any returns under any statute or its rules and to file / receive any claim including claims subsisting with insurance companies, and under other Laws / regulations/rules and to claim refund and/ or credits or set off for tax, other claims, obligations etc., and for matters incidental thereto to give effect to the provisions of the Scheme, pertaining to the Transferor Company.

- (i) In accordance with the Cenvat Credit Rules framed under the Central Excise Act, 1944, as are prevalent on the Effective Date, the unutilized credits relating to excise duties paid on inputs/capital goods/input services lying in the accounts of the undertaking of the Transferor Company shall be permitted to be transferred to the credit of the Transferee Company, as if all such unutilized credit were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the excise duty / service tax payable by it.
- (j) In accordance with the Tamil Nadu Value Added Tax Act, 2006, as are prevalent on the Effective Date, the unutilized credits relating to VAT paid on inputs/capital goods lying in the accounts of the undertaking of the Transferor Company shall be permitted to be transferred to the credit of the Transferred Company, as if all such unutilized credit were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against VAT / CST payable by it.
- (k) Upon the Scheme coming into effect, the resolutions, if any, of the Transferor Company which are valid and subsisting on the Effective Date shall continue to be valid and subsisting and be considered as the resolutions of the Transferee Company and if any such resolutions have upper monetary limits being imposed under the provisions of Act, of any other applicable provisions, then the said limits

For **Loyal Textile Mills Ltd.,**

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shall be added and shall constitute the aggregate of the said limits in the Transferee Company.

- (I) The transfer and vesting of the undertaking of the Transferor Company as aforesaid shall be subject to the existing securities, charges and mortgage, if any subsisting, over or in respect of the property and assets or any part thereof of the Transferor Company.

Provided however that any reference in any security documents or arrangements (to which the Transferor Company is a party) pertaining to the assets of the Transferor Company offered, or agreed to be offered, as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Undertaking of the Transfer Company as are vested in the Transferee Company vested in the Transferee Company by virtue of the aforesaid Clauses, to the end and intent that, such security, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of the Transferee Company.

Provided further that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend, to any of the assets of the Transferor Company vested in the Transferee Company.

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

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Director

- (m) In so far as the various incentives, subsidies, special status, reimbursements and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person and availed of by the Transferor Company are concerned, the same shall vest with and be available to the Transferee Company on the same, terms and conditions, so also the transferee company shall take credit of or set off of any credit for any obligation(s) that are met by the transferor company. The transferee company, on the approval of the Scheme, shall vest with the insurable interest, from the Appointed Date, on the assets of the transferor company, both movable and immovable.
- (n) Loans or other obligations, if any, due between or amongst the Transferor Company and the Transferee company shall stand discharged and there shall be no liability in that behalf. In so far as any shares, securities, debentures or notes issued by the Transferor Company, and held by the Transferee Company and vice versa are concerned, the same shall, unless sold or transferred by the Transferor Company or the Transferee Company, as the case may be, at any time prior to the Effective Date, stand cancelled as on the Effective Date, and shall have no effect and the Transferor Company or the Transferee Company, as the case may be, shall have no further obligation outstanding in that behalf.
- (o) The Transferor Company shall have taken all steps as may be necessary to ensure that vacant, lawful, peaceful and unencumbered possession, right, title, interest of its immovable property is given to the Transferee Company.
- (p) Where any of the liabilities and obligations / assets attributed to the Transferor Company on the Appointed Date has been discharged / sold by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge / sale shall be deemed to have been for and on behalf of the Transferee Company.
- (q) From the "Effective Date" and till such time that the names of the respective bank accounts of the Transferor Company are replaced with that of the Transferee Company, the

For Loyal Textile Mills Ltd.,

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Transferee Company shall be entitled to operate the bank accounts of the Transferor Company, in its name, in so far as may be necessary.

5. LEGAL PROCEEDINGS

- 5.1 All suits, actions and proceedings of whatsoever nature by or against the Transferor Company on the Appointed Date shall be transferred to the name of the Transferee Company and the same shall be continued and enforced by or against the Transferee Company, to the exclusion of the Transferor Company, as the case may be.
- 5.2 If proceedings are taken against the Transferor Company, in respect of matters referred to above, it shall defend the same in accordance with the advice of, and at the cost of, the Transferee Company, as the case may be from Appointed Date till Effective Date, and the latter shall reimburse and indemnify the Transferor company, against all liabilities and obligations incurred by the Transferor Company in respect thereof.

6. CONTRACT, DEEDS, BONDS AND OTHER INSTRUMENT

- 6.1 Subject to the other provisions contained in the Scheme, all contract, deeds, bonds, agreements including annual maintenance contracts, service agreements, power purchase agreements, insurance policies and other instruments of whatsoever nature to which the Transferor company is a party subsisting or having effect immediately before this arrangement under this Scheme, shall be, in full force and effect, against or in favour of the Transferor Company, and may be enforced as fully and as effectively as if, instead of the Transferor Company, the Transferor company had been a party thereto. The Transferor Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations of novations to which the Transferor Company as the case may be will, if necessary, also be party in order to give formal effect to the provisions of this clause. If so required or become necessary.

For Loyal Textile Mills Ltd.,

Director

- 6.2 As a consequence of the amalgamation of the Transferor Company with the Transferee Company in accordance with this Scheme, the recording of change in name from the Transferor Company as the case be to the Transferee Company, whether for the purposes of any licence, permit, approval or any other reason, or whether for the purpose of any transfer, registration, multation or any other reason, shall be carried out by the concerned statutory or regulatory or any other authority without the requirement of payment of any transfer or registration fee or any other charge or imposition whatsoever.
- 6.3 The Transferee Company may, at any time, after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of any party to any contract of arrangement to which the Transferor Company is a party or any writings, as may be necessary, to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of the Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company, implement or carry out all such formalities or compliances referred to above on the part of the Transferor Company, as the case may be, to be carried out or performed.
- 6.4 For the removal of doubts, it is expressly made clear that the dissolution of the Transferor Company without the process of winding up as contemplated hereinafter, shall not, except to the extent set out in the Scheme, affect the previous operation of any contract, agreement, deed or any instrument or beneficial interest to which the Transferor Company is a party thereto and shall not affect any right, privilege, obligations or liability, acquired, or deemed to be acquired prior to Appointed Date and all such references in such agreements, contracts and instruments to the Transferor Company shall be construed as reference only to the Transferee Company with effect from the Appointed Date.

7. EMPLOYEES

For ~~Loyal~~ Textile Mills Ltd.,

Director

7.1 All the executives, staff, workmen, and other employees in the service of the Transferor Company, immediately before the Appointed Date, under this Scheme shall become the executives, staff, workmen, and other employees of the Transferee Company, on the basis that:

- a) Their Services shall have been continuous and shall not have interrupted by reason of such transfer as if such transfer is effected under Section 25FF of the Industrial Disputes Act, 1947;
- b) The terms and conditions of service applicable to the said executives, staff, workmen, and other employees after such transfer shall not in any way be less favourable to them than those applicable to them immediately before the transfer;
- c) In the event of retrenchment of such executives, staff, workmen, or other employees, the Transferee Company shall be liable to pay compensation in accordance with law on the basis that the services of the executives, staff, workmen, or other employees shall have been continuous and shall not have been interrupted by reason of such transfer;

and

In so far as the existing provident fund trusts, gratuity fund and pension and/or superannuation fund trusts created by the Transferor Company for its employees are concerned, that part of the funds referable to the employees who are being transferred shall be continued for the benefit of the employees who are being transferred to the Transferee company pursuant to the Scheme in the manner provided hereinafter. In the event that the Transferee company has its own funds in respect of any of the funds referred to above, the amounts in such funds in respect of contributions pertaining to the employees of the Transferor Company, shall, subject to the necessary approvals and permissions, be transferred to the relevant funds of the Transferee Company. In the event that the Transferee Company does not have its own fund, in respect of any of the aforesaid matters, the Transferee Company may, subject to necessary approvals and permissions,

For Loyd Textile Mills Ltd.,

Director

and permissions, continue to contribute to the relevant funds of the Transferor Company, as the case may be, until such time that the Transferee Company creates its own fund, at which time the contributions pertaining to the employees of the Transferor Company shall be transferred to such funds created by the Transferee Company. In so far as the Provident Funds maintained with Tamil Nadu State Government, by the transferor company, necessary application be made with concerned authorities for transfer of funds to the Provident Funds maintained for the employees of the transferee company. In so far as the acculation of funds with the transferee company employee' gratuity funds, necessary applications be made with the concerned authorities by the transferor company for transfer of funds to the Gratuity Fund maintained for the employees of the transferee company and future contributions shall be made by the transferor company after ascertaining the present obligation annually.

8. SAVING OF CONCLUDED TRANSACTIONS

The transfer of Undertaking under clause 3 above, the continuance of proceedings by or against the Transferee Company under Clause 4 above and the effectiveness of contrancts and deeds under clause 5 above shall not affect any transaction or proceedings or contracts or deeds already concluded by the Transferor company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

9. CONDUCT OF BUSINESS OF THE TRANSFERER COMPANY TILL EFFECTIVE DATE With effect from the Appointed Date and up to and including the Effective Date:

- 9.1 The Transferor Company shall carry on, and be deemed to have been carrying on, all business activities and shall be deemed to have been held for and on account of, and in trust for, the Transferee company.

For ~~Loyal~~ Textile Mills Ltd.,

 Director

- 9.2 Any income or profit accruing or arising to the Transferor Company and costs, charges, expenses and losses or taxes (including but not limited to advance tax, tax deducted at source, Minimum Alternate Tax credit, taxes withheld/paid in a foreign country, etc), incurred by the Transferor Company shall for purposes be treated as the income, profits, tax credits, costs, charges, expenses and losses or taxes, as the case may be, of the Transferee Company and shall be available to the Transferee Company for being disposed off in any manner as it thinks fit.
- 9.3 The Transferor Company shall carry on their business activities with proper prudence and diligence and shall not, without prior written consent of the Transferee Company, alienate, charge or otherwise deal with or dispose off any of the business undertaking or any part thereof (except in the ordinary course of business or pursuant of any pre-existing obligation undertaken by the Transferor Company prior to the Appointed Date).
- 9.4 The Transferee Company shall also be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government, and all other agencies, departments and statutory authorities concerned, whenever necessary, for such consents, approvals and sanctions which the Transferee Company may require including the registration, approvals, exemptions, reliefs, etc., as may be required / granted under any law for time being in force for carrying on business by the Transferee Company.
- 9.5 The Transferor Company shall continue to comply with the provisions of the Act including those relating to preparation, presentation, circulation and filling of accounts as and when they become due for compliance.
- 9.6 The Transferor Company and the Transferee Company shall be at liberty to declare and/or pay dividend including interim dividend on their respective paid up capital after obtained requisite approvals under the Act. The Transferor Company share holders shall not have the right to dividend till the conclusion of the amalgamation)

For Loyal Textile Mills Ltd.,

Director

9.7 The Transferor Company shall not make any modification to their capital structure, either by an increase (by issue of rights shares, bonus shares, convertible debentures or otherwise), decrease, reclassify, sub-divide or re-organise or in any other manner, whatsoever, except by mutual consent of the Board of Directors of the Transferor Company and of the Transferee Company.

9.8 The Transferor Company shall not vary, except in the ordinary course of business, the terms and conditions of the employment of their employees without the consent of the Board of Directors of the Transferee Company.

10. **OBJECT CLAUSE**

Upon the Scheme become fully effective, the main objects of the transferor company will also become the main objects of the transferee company.

11. **AUTHORISED SHARE CAPITAL**

11.1 Upon the Scheme becoming fully effective, the authorised share capital of the Transferor Company shall stand combined with the authorised share capital of the Transferee Company. Filing fees and stamp duty, if any, paid by the Transferor Company on its authorised share capital, shall be deemed to have so paid by the Transferee Company on the combined authorised Share capital and accordingly, the Transferee Company shall not be required to pay any fee/stamp duty for its increased authorised share capital.

11.2 Clause V of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Section 94 and 394 and other applicable provisions of the Act by deleting the existing Clause and replacing it by the following:

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 Director

"The Authorised Share Capital of the Company is Rs.15,00,00,000/- (Rupees Fifteen Crores only) divided into 90,00,000 (Ninety Lacs) Equity Shares of 10/- each and 6,00,000 redeemable cumulative preference shares of Rs.100/-each."

- 11.3 Article 2 (a) of the Articles of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended by deleting the existing Article and replacing it by the following:

"The Authorised Share Capital of the Company is Rs.15,00,00,000/- (Rupees Fifteen Crores only) divided into 90,00,000 (Ninety Lacs Equity Shares of 10/- each) and 6,00,000 redeemable cumulative preference shares of Rs.100/- each with power to increase or reduce the capital in accordance with the provisions of the Companies Act, 1956'.

- 11.4 The approval of this Scheme under Sections 391 and 394 of the act shall be deemed to have the approval under Sections 16, 31, 94, 97 and other applicable provisions of the Act and any other consents and approvals required in this regard.

12. ISSUE AND ALLOTMENT OF SHARES BY THE TRANSFeree COMPANY

- 12.1 Upon this Scheme coming into effect, in consideration of this transfer of and vesting of this Undertaking of the Transferor Company in the Transferee Company in terms of this Scheme, the Transferee Company shall, without any further application, act or deed, issue and allot to every member of the Transferor Company, holding fully paid-up Equity Share(s) in the Transferor Company and whose name appear in the Register of Members of the Transferor Company on the Record Date, his/her heirs, executors, administrators or the successors-in-title, as the case may be, One equity Share of the face value of Rs.10/- each of the Transferee company credited as fully paid-up in respect of every Four Equity

For Loyd Textile Mills Ltd.,

Director

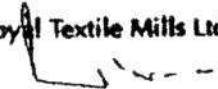
Shares of face value of Rs.10/- each fully paid up held by him/her/ it in the Transferor Company.

- 12.2 The Equity Shares issued by the Transferee Company shall be either in physical certificate form or in dematerialised form. Each member of the Transferor Company shall have the option, to be exercised by way of giving a notice to the Transferee Company on or before the Record Date, to receive the Equity shares of the Transferee Company in dematerialised form. In the event that such notice has not been received by the Transferee Company in respect of any member, the Equity shares of the Transferee Company shall be issued to such members in physical form.
- 12.3 Upon the Equity Shares being issued and allotted, as aforesaid by the Transferee Company, the Equity Shares issued by the Transferor Company and held by its shareholders, whether in dematerialised or physical form, shall be deemed to have been automatically cancelled and of no effect.
- 12.4 The Equity Shares to be issued and allotted by the Transferee Company as aforesaid in terms of this Scheme shall rank pari passu in all respect with the existing Equity Shares of the Transferee Company but shall not rank for dividend for the prior to the date of their allotment.
- 12.5 For the purpose aforesaid, the Transferee Company shall, if and to the extent required, apply for and obtain any approvals including that of Reserve Bank of India and other concerned regulatory authorities for the issue and allotment by the Transferee Company of Equity Shares to the members of the Transferor Company.
- 12.6 The Equity Shares to be issued by the Transferee Company pursuant to Clauses 12.1, 12.2 and 12.3 above in respect of any Equity of the Transferor Company which are held in abeyance under the provisions of Section 206A of the Act or otherwise shall, pending allotment or settlement of dispute by order of respective Court or otherwise, also be held in abeyance by the Transferee Company.

For Loyal Textile Mills Ltd.,

Director

- 12.7 The Board of Directors of the Transferee Company shall Consolidate all fractional entitlements arising due to the issue of Equity Shares in terms of Clauses 12.1, 12.2 and 12.3 above to Equity shareholders of the Transferor Company and thereupon issue and allot Equity Shares in lieu of such fractional entitlements to the Managing Director or an Officer of the Transferee company, which/who shall hold such Shares for and on behalf of the shareholders entitled to such fractional entitlements with the express understanding that the Managing Director/ such Officer shall sell the same at such time or times and at such price or prices to such person or persons, as it deems fit. The said Officer / Managing Director shall distribute such net sale proceeds to the shareholders in the same proportion as their respective fractional entitlements bear to the consolidated fractional entitlements.
- 12.8 The issue and allotment of Equity Shares in the Transferee Company to the members of the Transferor Company as provide in this scheme shall be deemed to have been carried out in compliance with the procedure laid down under Section 81(1A) and other applicable provisions, if any, of the Act.
- 12.9 The Equity Shares of the Transferee Company issued in terms of clauses 12.1, 12.2 and 12.3 above shall, subject to applicable regulations and payments of the appropriate fee and approval of the respective stock exchange(s), be listed and/or admitted to trading on the relevant stock exchange in India, where the equity shares of the Transferee company were listed and/or admitted to trading.
13. ACCOUNTING TREATMENT
- 13.1 The Transferee Company shall, upon the Scheme coming into effect, record the assets and liabilities of the Transferor Company vested in it pursuant to this Scheme at the respective book values thereof and in the same form as appearing in the books of the Transferor Company at the close of business of the day immediately preceding the Appointed Date.
- 13.2 The Transferee Company shall record the Reserves of the Transferor Company

For **Loyal Textile Mills Ltd.,**

 Director

same from and at the same values as they appear in the financial statements of the Transferor Company at the close of business of the day immediately preceding the Appointed Date. Balances in the Profit and Loss Account of the Transferor Company shall be similarly aggregated with the balances in Profit and Loss Account of the Transferee Company. Balances shown as Miscellaneous Expenditure (to the extent not written off or adjusted) in the balance sheet of the Transferor Company shall be similarly aggregated with balances of the Transferee Company.

- 13.3 The excess of, or deficit in, the value of the assets over the value of the liabilities of the Transferor Company vested in the Transferee Company pursuant to this Scheme as recorded in the books of account of the Transferee Company shall, after adjusting the aggregate face value of the shares issued by the Transferee Company to the members of the Transferor Company pursuant to this Scheme and the amounts recorded in terms of Clause 13.2 above, be adjusted in the Reserve in the books of the Transferee Company.
- 13.4 In case of any differences in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted in the General Reserve of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy. Provided however that insofar as the depreciation policy relating to the assets of the Transferor Company are concerned, the Board of Directors of Transferee Company may either follow the policy adopted by the Transferor Company or the Transferee Company and make appropriate disclosure of the same in the financial statements.
- 13.5 To the extent there are inter-corporate loans balances between the transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and

For Loyal Textile Mills Ltd.,

Director

corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.

PART III - GENERAL TERMS AND CONDITIONS

14. APPLICATION TO COURT

The Transferor Company and the Transferee Company shall, with reasonable despatch, apply to the Court for necessary orders or directions for holding meetings of the members and / or creditors (where applicable) of the Transferor Company and the Transferee Company for sanctioning this Scheme of Amalgamation under Section 391 of the Act or for dispensing the holding of such meetings and orders Section 394 of the Act for carrying the Scheme into effect and for dissolution of the Transferor Company without winding up.

15. DISSOLUTION OF TRANSFEROR COMPANY

Subject to an order being made by the Court under Section 394 of the Act, the Transferor Company shall be dissolved without the process of winding up on the Scheme becoming effective in according with the provisions of the Act and the Rules made thereunder.

16. MODIFICATIONS / AMENDMENTS TO THE SCHEME

- 16.1 The Transferor Company and the Transferee Company through their respective Boards of Directors including Committees of Directors or other persons, duly authorised by the respective Boards in this regards, may make or assent to any alteration or modification to this Scheme or to any conditions or limitations, which the Court or any other Competent Authority may deem fit to direct, approve or impose and may give such directions including an order of dissolution of the Transferor Company without process of winding up as they consider necessary, to settle any doubt, questions or difficulty, arising under the scheme or in regard to its implementation or in any manner connected therewith and to do and to execute all such

For Loyal Textile Mills Ltd.,

Director

acts, deeds, matters and things necessary for putting this Scheme into effect, or to review the portion relating to the satisfaction of the conditions to this scheme and if necessary, to waive any of those (to the extent permitted under law) for bringing this scheme into effect.

- 16.2 If any Part or provision of this Scheme hereof is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Parties that such Part or provision, as the case may be, shall be severable from the remainder of the Scheme and the Scheme shall not be affected thereby, unless the deletion of such Part or provision, as the case may be, shall cause this Scheme to become materially adverse to any Party, in which case the Parties shall attempt to bring about a modification in the Scheme, as will best preserve for the Parties the benefits and obligations of the Scheme, including but not limited to such Part or provision.

17. DATE OF TAKING EFFECT

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

18. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

This Scheme is conditional on and subject to:-

- 18.1 The sanction or approval under any law of the Central Government, State Government, or any other agency, department or authorities concerned being and granted in respect of any of the matters in respect of which such sanction or approval is required.
- 18.2 The approval of and agreement to the scheme by the requisite majority of such classes of persons of the Transferor Company and the Transferee Company as may be directed by the Court on the applications made for directions under Section 391 of the Act for calling meetings.

For **Loyal Textile Mills Ltd.,**

 Director

- 18.3 The sanction by the Court under Sections 391 and 394 and other applicable provisions of the Act being obtained by the Transferor Company and the Transferee Company.
- 18.4 The filing with the Registrar of Companies, Chennai, of certified copies of all necessary orders, sanctions and approvals mentioned above by the respective Company.
19. **EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS**

In the event of the Scheme not being sanctioned by the Court and/or the order or orders not being passed as aforesaid, the Scheme shall become shall become fully null and void and in that event no rights and liabilities shall accrue to or be inter-se by the parties in terms of the Scheme, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have arisen pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. In such event, each party shall bear and pay its respective costs, charges and expenses for and / or in connection with the Scheme.

20. **EXPENSES CONNECTED WITH THE SCHEME**

All Costs, charges, levies, fees duties and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with negotiation leading up to the Scheme and of carrying out and completing the terms and provisions of this Scheme and in relation to or in connection with the Scheme shall be borne and paid by the Transferee Company.

For Loyall Textile Mills Ltd.,

Director

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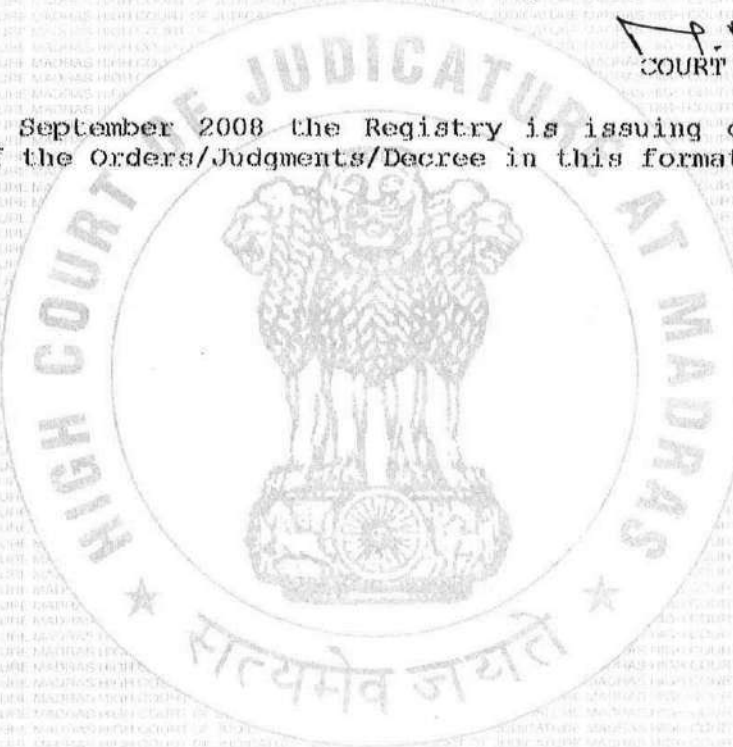
WITNESS, The Hon'ble Thiru M.YUSUF EQBAL, Chief Justice
of Madras High Court, aforesaid this the 11th day of April,
2011.

Sd/-
DEPUTY REGISTRAR(O.S.).

//CERTIFIED TO BE A TRUE COPY//
DATED THIS THE 28th DAY OF April 2011.

[Signature]
COURT OFFICER.

From 25th September 2008 the Registry is issuing certified
copies of the Orders/Judgments/Decree in this format.



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bs/27.4.2011

COMP. PETN. Nos. 38 and 39
of 2011.

ORDER DATED: 11.4.2011

THE HON'BLE MR. JUSTICE
VINOD K. SHARMA

FOR APPROVAL ON: 27.4.2011

APPROVED ON: 27.4.2011

COPY TO:

1. The Official Liquidator,
High Court, Madras.
2. The Regional Director,
Southern Region,
5th Floor, Ministry of
Corporate Affairs,
No.26, Haddows Road,
Chennai-6.
3. The Registrar of
Companies, II Floor,
No.26, Haddows Road,
Chennai.6.

HIGH COURT, MADRAS
ORIGINAL SIDE

2.A. No. 4522/4
 lled 11/6/4
 mp called for 28/6/4
 aps put in 28/6/4
 ady 28/6/4

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 CO. (O.S.)

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