
Memorandum
And
Articles of Association
of
SHARDA MOTOR INDUSTRIES LIMITED

COMPANY NO. 23202



CERTIFICATE FOR COMMENCEMENT OF BUSINESS

व्यापार प्रारंभ करने का प्रमाण-पत्र

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

I hereby certify that the **SHARDA MOTOR INDUSTRIES LIMITED**

में एतद् द्वारा प्रमाणित करता हूँ कि शारदा मोटर इण्डस्ट्रीज लिमिटेड
which was incorporated under the Companies Act, 1956 on

जो कि कम्पनी अधिनियम, 1956 के अन्तर्गत पंजीकृत की गई थी

दिनांक 9 माघ, 1907

the **TWENTY NINTH** day of **JANUARY**, 1986
and which has filed a duly verified declaration in the

और जिस ने कि यथावत् निर्धारित प्रपत्र में सत्यापित घोषणा पत्र प्रस्तुत
prescribed form that the conditions of Section

कर दिया है कि उस ने धारा 149(3) (क) से (ग)

149 (2) (a) to (c) of the said Act, have been complied with, is entitled
को सभी शर्तों का अनुपालन कर दिया है अतः व्यापार आरंभ करने की
to commence business.

अधिकारी है।

Given under my hand at **NEW DELHI** this **THIRTY FIRST** day of **JANUARY**,
One thousand nine hundred and **EIGHTY-SIX**

मेरे हस्ताक्षर से आज दिनांक 11 माघ, 1907 को जारी किया गया।

SEAL

Registrar of Companies
Delhi & Haryana
New Delhi

Sd/-

(**SOORAJ KAPOOR**)
Registrar of Companies
कम्पनी रजिस्ट्रार
दिल्ली एवं हरियाणा



सत्यमेव जयते

प्रारूप० आई० आर०

Form I. R.

निगमन का प्रमाण-पत्र

CERTIFICATE OF INCORPORATION

सं० 23202 शक 1907
No. 23202 of 1985-86

मैं एतद् द्वारा प्रमाणित करता हूँ कि आज शारदा मोटर इण्डस्ट्रीज़ लिमिटेड कम्पनी अधिनियम 1956 (1956 का 1) के अधीन नियमित की गई है और यह कम्पनी परिसीमित है।

I hereby certify that SHARDA MOTOR INDUSTRIES LIMITED is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the Company is Limited.

मेरे हस्ताक्षर से आज ता० 9 माघ, 1907 को दिया गया।

Given under my hand at NEW DELHI this TWENTY NINTH day of JANUARY One thousand nine hundred and EIGHTY-SIX



Sd/-

(सूरज कपूर)

(कम्पनी रजिस्ट्रार)

(SOORAJ KAPOOR)

Registrar of Companies
DELHI & HARYANA

MEMORANDUM OF ASSOCIATION
OF
**SHARDA MOTOR INDUSTRIES
LIMITED**

(THE COMPANIES ACT, 2013)
(PUBLIC COMPANY LIMITED BY SHARES)
MEMORANDUM OF ASSOCIATION
OF
SHARDA MOTOR INDUSTRIES LIMITED

- I. The Name of the Company is **SHARDA MOTOR INDUSTRIES LIMITED**.
- II. The Registered Office of the Company is situated in the National Capital Territory of Delhi.
- III. The objects for which the Company is established, are:
(A) **MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:**
 1. To manufacture and/or deal in automobile, automobile parts including seat covers spare parts and components of machineries and to act agents for manufacturers of various parts and components, etc.
 2. To carry on the business of importers, exporters, manufacturers, assemblers of, dealers in, hirers, repairers, cleaners, storers, warehouseers of commercial vehicles, motor cars, motor-cycles, cycle-cars, motors, scooters, motor-buses and lorries, trucks, tractors, cycles, bicycles, and carriages, launches, boats and ships, vans, aeroplanes, hydro- planes and other vehicles and conveyances of all descriptions for carrying passengers or other personnel, goods, commodities, produce, cargoes and other things on land or sea or by air (all hereinafter comprised in the terms "motors and other things") whether propelled or assisted by means of petrol, diesel, spirit, steam, gas, electrical, animal or other powers, and all engines, chassis, bodies, Turbines, tanks, tools, implements, accessories, and other things, materials and products used for, and including business of transmission, steerings, axles, shafts, castings, forgings, exhaust systems in or in connection with motors and other things.
 3. To carry on the business of engineers and manufacturers of all kinds of implements and machinery, tool-makers, electric engineers and buy, sell, manufacture, repair and convert and alter, let and hire and deal in machinery, implements, rolling stock, and hardware of all kinds and to carry on any other business (manufacturing or otherwise) which may seem to the Company capable of being conveniently carried on in connection with any of the business above specified or otherwise calculated directly or indirectly to enhance the value of any of the Company's property and right for the time being provided.
 4. To carry on the business of garage-keepers and suppliers of and dealers in diesel, petrol, electricity and other motive power to motors and other things.
 5. To design, develop, manufacture, import, produce, assemble, distribute, stock, barter, exchange, pledge, repair, use, buy, sell, export, import, and otherwise deal in all kinds of machines, motors, pumps and engines for agriculture, mining, industrial or other uses whether diesel, petrol, electric, manual or otherwise including parts, accessories, ancillaries, stores and spares, tools, plants, equipments, instruments and appliances.
 6. To carry on the business of manufacture, fabricate assemble and deal in automobile parts and agricultural implements of all kinds descriptions, automotive and other gears, transmission axles, Universal joints, springs, spring leaves, head lamps, sealed beams, clutch facing and brake lining component parts, spare parts, accessories and fittings of all kinds for the said articles and things used in connection with the manufacture thereof, alloy springs, steel billets, flats and bars, pressed and other engineering items and other related items for motor cars, motor truck, buses, tractors, vans, jeeps, lorries, motor launches, aeroplanes, motor cycles, cycles and vehicles and conveyances of all kinds.

(B) MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN PART A:

1. Subject to Section 73, 179 and 180 of the Companies Act, 2013, and the Rules and Regulations made thereunder and the directions issued by Reserve Bank of India, to borrow, raise or secure the payment of money or to receive money on deposit at interest or otherwise and on such terms and with such powers, rights and privileges as may be deemed expedient for any of the purposes of the Company and at such time or times as may be thought fit by promissory notes, bills of exchange or other obligations by taking credits in or opening current accounts with any person, firm, bank, company or financial institutions and whether with or without any security or by such other means as the directors may in their absolute discretion deem expedient and in particular by the issue of debentures or debenture-stock bonds or perpetual or otherwise and as security for any such money so borrowed, raised, received and of any such debentures or debenture- stock or bonds so issued, to mortgage, pledge or charge the whole or any part of the property and the assets of the Company both present and future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may seem expedient and to purchase, redeem or pay off any such securities, provided that the Company shall not carry on banking business as defined in Banking Regulation Act, 1949.
2. To purchase, take on lease or in exchange, hire or otherwise acquire any movable or immovable property and any rights or privileges which the Company may think necessary or convenient for the purpose of its business.
3. To build, construct, alter, maintain, enlarge, pull down, remove or replace and to work, manage and control any buildings, offices factories, mills-shops, machinery, engines, roads, ways, tramways, railways, branches or siding, bridges, reservoirs, water-courses, wharves, electric works and other works and conveniences which may seem calculated directly or indirectly to advance the interest of the Company and to join with any other person or Company in doing any of these things.
4. To make known the business of the company in such manner as may be thought fit and either by advertisement slides or otherwise.
5. To apply for, purchase or otherwise obtain, acquire and protect prolong and renew whether in India or elsewhere, any patents, patent rights, brevets, invention, trade marks, designs, licenses, protections, concessions, and the like conferring any exclusive or non-exclusive or limited right to use any secret or other information as to any invention, process or privilege which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem calculated directly or indirectly to benefit the Company and to use, exercise, develop, manufacture under or grant licenses or privileges in respect of, or otherwise turn to account, the property, rights, and information so acquired and to carry on any business in any way connected therewith and to expend money in experimenting on and testing and in improving or seeking to improve any patents, rights, inventions, discoveries, processes or information of the company or which the company may acquire or propose to acquire.
6. To acquire and undertake the whole or any part of the business, property or any liability of any person or Company carrying on or proposing to carry on any business which this Company is authorised to carry on or possessed of property suitable for the purposes of the Company or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company.
7. Subject to Sec. 230 to 232 of the Companies Act, 2013, to amalgamate, enter into partnership or into any arrangement for sharing profits, union of interests, Co-operation joint venture or reciprocal concession or for limiting competition with any person or Company carrying on or engaged in, or about to carry on or engage in or being authorized to carry on or engage in, any business or transaction which the Company is authorised to carry on or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company.
8. To improve, manage, develop, grant rights or privileges in respect of or otherwise deal with all or any part of the property and rights of the Company.

9. To vest any movable or immovable property, rights or interest acquired by or received or belonging to the Company in any person or persons or Company on behalf of or for the benefit of the Company and with or without any declared trust in favour of the Company.
10. To invest and deal with the moneys and other assets of the Company, not immediately required, in any manner.
11. To draw, make, accept, endorse, discount, execute, and issue promissory notes, bills of exchange, warrants, debentures and other negotiable or transferable instruments.
12. To apply for and obtain order under any Act of legislature, charter, privilege, concession, quota licence or authorization of any government, state or other authority for enabling the Company to carry any of its objects into effect or for extending any of the powers of the company or for effecting any modification of the constitution of the company or for any other purpose which may seem expedient and to make representations against any proceedings or applications which may seem calculated directly or indirectly to prejudice the interests of the Company.
13. To enter into any arrangement with Governments or with other authorities supreme, national local, municipal or otherwise of any place in which the company may have interests and to carry on any negotiations or operations and to take all necessary or proper steps for the purpose of directly or indirectly carrying out the objects of the company or effecting any modification in the constitution of the company or furthering the interests of its members and to oppose any such steps taken by any other company, firm or person which may be considered likely directly or indirectly to prejudice the interests of the company or its members and to promote or assist the promotion, whether directly or indirectly of any legislation which may appear to be in the interests of the company and to oppose and resist, whether directly or indirectly, any legislation which may seem disadvantageous to the company and to obtain from any such Government, authority or any company any charters, contracts, decrees, rights, licenses, quota, loans, privileges or concessions which the company may think it desirable to obtain and carry out, exercise and comply with any such arrangements, charters, contracts, decrees, rights, privileges or concessions.
14. To pay out of the funds of the Company all expenses which the Company may lawfully pay with respect to the formation and registration of the Company or the issue of its capital including brokerage and commissions for obtaining applications for of taking, placing or underwriting or procuring the underwriting of shares, debentures or other securities of the Company.
15. To pay for any rights or property acquired by the company and to remunerate any person or company whether by cash payment or by the allotment of the shares, debentures or other securities of the Company credited as paid up in full or in part or otherwise.
16. To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or super-annuation, provident or gratuity funds for the benefit of and give or procure the giving of the donations, gratuities, pensions, allowances or emoluments to any person who are or were at any time in the employment or service of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary Company or who are or were at any time directors or officers of the Company or of any such other Company as aforesaid and the wives, widows, families and dependants of any such persons and also to establish and subsidise and subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well being of the Company or of any such other Company as aforesaid and make payments to or towards the insurance of any such person as aforesaid and to any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid.
17. To procure the Company to be registered, incorporated or recognised in or under the laws of any place outside India and to do all acts necessary for carrying on in any foreign country any business or profession of the Company.

18. To establish or promote or concur in establishing or promoting any companies or company for the purpose of acquiring all or any of the property, rights, and liabilities of the Company.
19. To sell, demerge, transfer, make gift, lease, mortgage, hypothecate, encumber, let on royalty or tribute, surrender, exchange, grant licenses, easements, options and other rights over, improve, manage, develop and turn to account and in any other manner deal with or dispose of the whole of the undertaking, investments, property, assets, rights, articles, goods and effects of the company or any part thereof for such consideration as may be thought fit and in particular any shares, stocks, debentures or other securities, whether fully or partly paid up of any other company whether or not having objects altogether or in part similar to those of the company.
20. To distribute among the members in specie any property of the Company or any proceeds of sale or disposal of any property of the Company in the event of its winding up but so that no distribution amounting to a reduction of capital be made except with the sanction if any for the time being required by law.
21. To act as agents or brokers or as trustees for any person or Company and to undertake and perform sub-contracts and to do all or any of the above things in any part of the world and either as principals, agents, trustees, contractors, or otherwise and either alone or jointly with others and either by or through agents or contractors, sub-contractors, trustees or otherwise.
22. To become member of any other bodies of persons, associations, institutions, clubs, societies and bodies corporate including companies limited by guarantee.
23. To accept gifts, bequests, devises or donations of any movable or immovable property or any rights or interest therein.
24. To employ agents or experts to investigate and examine the conditions, prospects, value, character and circumstances of any business concerns and undertakings and generally of any assets, properties or rights.
25. To subscribe, contribute, gift or donate or guarantee any money, rights or assets for any national, political, education, religious, charitable, scientific, public, general or useful objects or to make gifts or donations of money or other assets to any institutions, clubs, societies, associations, trusts, scientific research associations, funds, universities, colleges or any individual or body of individuals or body corporate whether or not relating to the objects stated in the Memorandum.
26. To open bank accounts of any type including overdraft account and to operate the same in the ordinary course of business.
27. To undertake or promote scientific research related to any business or class of business in which the Company is interested.
28. To take part in the formation, supervision or control of the business or operations of any Company or undertaking and for that purposes to act as administrators; managers, secretaries, receivers or in any other capacity as far as permitted by law and to appoint and remunerate any director, administrator, manager or accountant or other expert or agent.
29. To do all such things as may be considered incidental or conducive to the attainment of the above objects.
30. To invest, buy, sell, transfer, hypothecate, deal in and dispose of any shares, stocks, debentures, whether perpetual or redeemable debenture, debenture stock, securities, properties of any other company including securities, of any Government, Local Authority, bonds certificates etc. even if such investment results in creation of subsidiaries doing altogether different business and authorizes doing indirectly that which will not be intra vires if done directly.

31. To arrange collaboration with foreign and Indian Parties for and in connection with the business of the Company.
32. To repair, alter, remodel, clean, renovate, convert, manipulate and prepare for resale and resell and let out on hire all or any of the properties or goods, articles and effects of the company from time to time belonging to the company, or dealt with by the company.
33. To manufacture, buy, sell, exchange, improve, manipulate, export, import, market, alter, prepare for market, sell, purchase and/or otherwise deal in any kind of plant and machinery, engines, machines, apparatus and appliances, tools, components, and accessories, gadgets, utensils, materials and other necessary things or articles which are convenient for carrying out of any of the objects of the Company.
34. To refer or agree to refer any claim, demands, disputes or any other question by or against the company or in which the company is interested or concerned and whether between the company and a member or members or his or their representatives or between the company and third party, to arbitration in India or at any place outside India; and to observe and perform and to do all acts, deeds, matters and things to carry out or enforce the awards.
35. To undertake financial and commercial obligations, transactions and operations of all kinds and of all nature and to enter into, make and perform contracts, agreements and arrangement.
36. To guarantee the performance of the obligations of and the payment of dividends and interest on any stock, shares or securities of any company, corporation, firm or person in any case in which such guarantee may be considered likely directly or indirectly to further the objects of the company or the interests of its share holders.
37. To guarantee the payment of money unsecured or secured by or payable under or in respect of promissory notes, bonds, debentures, debenture-stock, contracts, mortgages, charges, obligations, instruments and securities of any company or of any authority, supreme, municipal, local, or otherwise or any persons whomsoever, whether incorporated or not, and generally to guarantee or become sureties for the performance of any contracts or obligations and/or to grant all indemnities.
38. To lend and advance money or give credit to such persons or companies and on such terms as may seem expedient and in particular to customers and others having dealings with the company and to guarantee the performance of any contract or obligation and the payment of money by any of such persons or companies and generally to give guarantee and indemnities.
39. To apply for and acquire permits, licences and quota rights from the Government of India or from State Government or from Foreign Government or any other person.
40. To act in conjunction with, unite or amalgamate with establish or promote or concur or assist in establishing or promoting any company or companies or association in India or anywhere else in the world for the purpose of acquiring all or any of the properties rights and liabilities of the company or for any other purpose which may seem directly or indirectly calculated to benefit the Company and to place or guarantee the placing of, underwrite, subscribe for or otherwise, acquire all or any part of the shares, debentures or other securities of any such other Company.
41. To establish, provide, maintain, carry out and conduct or otherwise subsidise, research laboratories and experimental workshops for scientific and technical research and experiments and to undertake and carry on with all scientific and technical researches, developments, experiments and tests of all kinds and to promote studies and research, both scientific and technical, investigations or inventions by Providing, subsidizing, endowing or assisting laboratories, workshops, libraries, lectures, meeting and conferences and by providing for the remuneration of scientific or technical professors or teachers and by providing for the award of exhibitions, scholarships, prizes and grants to students or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any of the business which the Company is authorized to carry on.

42. To enter into negotiations and/or agreements with any firm, company, body corporate, Government authority, association or any other person in India or anywhere else in the world for collaboration financial, technical, commercial or of any other terms, formulate other rights and benefits and to obtain technical information, know-how and expert advice or financial accommodation for the production, manufacture or marketing of any product herein before mentioned and to pay to or the order of such firm, company, body corporate, Government authority or person, any fee, royalty, shares, bonus remuneration and otherwise to compensate them in any other manner for the services rendered by them.
43. To undertake and execute any trusts, undertaking of which may seem to the company desirable and either gratuitous or otherwise.
44. To insure the whole or any part of the property of the Company either fully or partly to protect and indemnify the Company from liabilities or loss in any respect either fully or partially and also to insure and to protect and indemnify any part of or portion thereof.
45. To promote protection of environment including air, land, forest, water and for this purpose to undertake all activities independently or in conjunction with other agencies engaged for the same purpose.
46. To pay for any rights or property acquired by the Company and to remunerate any person, firm or body corporate rendering services to the Company either by cash payment or by allotment to him or them of shares of securities of the Company as paid up in full or in part or otherwise.
47. To undertake financial and commercial obligations, transactions and operations of all kinds.
48. To draw, make, accept, endorse, discount, negotiate, execute and issue bills of exchange, promissory notes, bills of lading, debentures and other negotiable or transferable instruments of securities.
49. To aid pecuniarily or otherwise, any association, body or movement having for an object the solution, settlement of industrial or labour problems or troubles or the promotion of industry or trade.
50. To subscribe or guarantee money for any national, charitable, benevolent, public, general or useful object or for and exhibition, subject to the provision of Section 181, 182, 183 of the Act.
51. To subscribe, donate or otherwise political donations under the provisions of Companies Act, 2013.
52. To purchase, lease, rent, hire or otherwise acquire, sell and dispose of houses, offices, workshops, buildings and premises, plots or land (agricultural or otherwise) and any movable machinery, tools, engines, boilers, plant, implements, patterns, stock in trade, patents, patent, rights, technical know-how or any other asset convenient to be used in or about the trade or business of the Company.
53. To acquire and work mines, plantations, forests, lands, licenses, leases and other rights and privileges.
54. To carry on business as manufacturers, importers and exporters and exporters of and dealers in machinery articles and goods of all classes and kinds whatsoever including electrical and engineering materials, goods, machinery and requisites and as Electrical, Mechanical and General Engineers and Contractors and as manufacturers and workers in materials of any nature and kind.
55. To erect, construct, enlarge, alter and maintain buildings and structures of every kind necessary or convenient for the Company's business.
56. To transact and carry on all kinds of agency business.
57. To borrow or raise money or to receive money on deposit at interest, or otherwise in such manner as the Company may think fit, and in particular by the issue of debentures or debenture-stock perpetual

or otherwise including debenture or debenture-stock convertible into shares of this Company, or perpetual annuities, and in security of any such money so borrowed, raised, or received, to mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company, present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders power of sale and other powers as may seem expedient; and to purchase, redeem, or payoff any such securities provided that the Company shall not carry on banking business as defined in Banking Regulation Act, 1949.

58. To appropriate, use or layout land belonging to the Company for streets, parks, pleasure grounds, allotments, and other conveniences and to present any such land so laid out to the public or to any persons or company conditionally or unconditionally as the Company thinks fit.
 59. To provide for the welfare of the employees or ex-employees of the Company and the wives, widows and families of the dependants or connections of such persons, by building or contributing to the building of houses, dwellings or chawls, or by grants of money, pensions, allowances, bonus, or other 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 instruction and recreation, hospitals 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 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 of locality of operation or of public and general utility or otherwise.
- IV. The liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.
 - V. The Authorised Share Capital of the Company is Rs. 50,00,00,000/- (Rupees Fifty Crores) divided into 25,00,00,000 (Twenty-Five Crores) equity shares of Rs. 2 /- (Rupees Two) each.

We, the Several persons, whose names and addresses are hereunder 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 our respective names:-

Names, addresses description and occupation of subscribers	No. of Equity shares taken by each subscriber	Signature of Subscribers	Names, address, description and occupation of witnesses
1. AJAY RELAN S/o Shri N. D. Relan, S-233, Panchshila Park, New Delhi-110017 (Business)	10 (Ten)	Sd/-	<p>I witness the signatures of all the seven subscribers.</p> <p>Sd/- (GIRISH CHOWDHURY) S/o Shri P. Roy Chowdhury C-198, Dayanand Colony Lajpat Nagar-IV, New Delhi-110024 (Occ. Business)</p>
2. NARINDER RELAN S/o Shri R. K. Relan, S-233, Panchshila Park, New Delhi-110017 (Share Broker)	10 (Ten)	Sd/-	
3. ROHIT RELAN S/o Shri N. D. Relan, S-233, Panchshila Park, New Delhi-110017 (Business)	10 (Ten)	Sd/-	
4. RITU RELAN W/o Shri Rohit Relan, S-233, Panchshila Park, New Delhi-110017 (Business)	10 (Ten)	Sd/-	
5. SHARDA RELAN W/o Shri N. D. Relan, S-233, Panchshila Park, New Delhi-110017 (Business)	10 (Ten)	Sd/-	
6. MALA RELAN W/o Shri Ajay Relan, S-233, Panchshila Park, New Delhi-110017 (Business)	10 (Ten)	Sd/-	
7. SHIV PRAKASH MARWAHA S/o Late Shri RBL Anantram SSF Con. Place, New Delhi-110001 (Chartered Accountant)	10 (Ten)	Sd/-	
Total	70 (Seventy) Equity Shares)		

Place : New Delhi

Dated : 14th January, 1986

**ARTICLES OF ASSOCIATION
OF
SHARDA MOTOR INDUSTRIES
LIMITED**

(THE COMPANIES ACT, 2013)
(PUBLIC COMPANY LIMITED BY SHARES)
ARTICLES OF ASSOCIATION
OF
SHARDA MOTOR INDUSTRIES LIMITED

1) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act.

The marginal notes hereto shall not effect the construction hereof and in these presents, unless there be something in the subject or context inconsistent therewith.

(2) In these regulations—

Interpretation

- a) **"The Act"** means the Companies Act, 2013,
- b) **"These Articles"** means these Articles of Association as originally framed or as amended or adopted by the members, from time to time.
- c) **"Beneficial Owner"** means a person or persons whose name (s) is/are recorded as such by a Depository under the Depository Act, 1996.
- d) **"The Company"** means : SHARDA MOTOR INDUSTRIES LIMITED
- e) **"Depository"** means a Company Formed and registered under the Act, which has been granted a certificate of Registration by SEBI under the Securities and Exchange Board of the India Act, 1992.
- f) **"The Directors"** means the Directors of the Company for the time being.
- g) **"Dividend"** includes bonus
- h) **"Member"** means and include person defined under Section 2(55) of the Act.
- i) **"Month"** means Calendar Month
- j) **"The Office"** means the Registered Office of the Company for the time being.
- k) **"Proxy"** includes Attorney duly constituted under a power of Attorney.
- l) **"The Register"** means the Register of Members to be kept pursuant to Section 88 of the Act.
- m) **"SEBI"** means the Securities and Exchange Board of India
- n) **"Security"** means such security as may be specified by SEBI from time to time.
- o) **"In Writing"** and **"Written"** shall include printing, lithography and other modes of representing or reproducing words in a visible form.
- p) **"Year"** means a calendar year and **"Financial Year"** shall have the meaning assigned thereto by Section 2(41) of the Act.
- q) Words imparting the singular number only include the plural number and vice-versa.
- r) Words imparting the masculine gender only include the feminine gender.
- s) Words imparting persons include corporations

The regulations contained in Table F of the Schedule I to the Companies Act, 2013 shall apply to the Company in so far as they are not inconsistent with these Articles.

SHARE CAPITAL AND CERTIFICATE OF SHARES

Authorised Capital

(3) The Authorised Share Capital of the Company shall be as provided under clause V of the Memorandum of Association of the Company.

Types of Shares

- (4) Pursuant to the provisions of the Act and these Articles, the Company may issue / allot such class of Shares or Securities as it may deem appropriate from time to time, subject to the provisions of the Act including:
- a) Equity Shares with voting rights,
 - b) Equity Shares with differential rights as to dividend, voting or otherwise,
 - c) Preference Shares with such terms & conditions (including terms of redemption) as may be determined at the time of issue

**Power to Issue
Shares**

- (5). (a) Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. The Company is authorized to issue shares, securities, convertible instruments/ securities in any manner as permitted under the Act including issue of shares through rights issue to existing members, to employees under any scheme(s) of employees' stock options and to any other person on preferential basis.
- (b) The Company is authorized to issue shares as a payment or a part payment for property of any kind whatsoever to any person. The Company may, from time to time, by ordinary resolution increase the authorised share capital by such sum, to be divided into shares of such amount, as may be specified in the said resolution.
- (6) The Company may alter its Memorandum of Association with the approval of the Shareholders in the General Meeting pursuant to the applicable provision(s) of the Act to:
- a) Increase its authorised share capital by such amount as it thinks expedient,
 - b) Consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares,
 - 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 shares, or any of them, into shares of smaller denomination, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived,
 - e) Cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.
 - f) The Company may with approval of Shareholders and subject to confirmation of Tribunal reduce the share capital in any manner and in, particular, may—
 - (i) Extinguish or reduce the liability on any of its shares in respect of the share capital not paid-up; or
 - (ii) Either with or without extinguishing or reducing liability on any of its shares,—
- (a) Cancel any paid-up share capital which is lost or is unrepresented by available assets; or
- (b) Pay off any paid-up share capital which is in excess of the wants of the company.

Share Certificates

- (7). (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—
- (a) one certificate for all his shares without payment of any charges; or
 - (b) several certificates, each for one or more of his shares, upon payment of such fees as may be required under the provision of the Act or as agreed by the Company for each certificate after the first.
- (ii) Every certificate shall specify the shares to which it relates and the amount paid-up thereon.
- (iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

**Issue of Duplicate
Share Certificates &
Debenture
Certificates**

- (8). (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity or such other documents as may be required under the provisions of the Act or as per requirement as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
- (ii) The provisions of Articles (7) and (8) shall mutatis mutandis apply to debentures of the company.

**Refusal to Register
Transfer**

- (9). Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (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.

Dematerialisation of Shares & Option for Investors	(10) i) The Company shall be entitled to dematerialise its shares and other securities pursuant to the Depositories Act, 1996. 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 dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository, the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.
Securities held by Depository in fungible form	ii) All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in the Act shall apply to Depository in respect of the Securities held by it on behalf of the beneficial owners.
Right and Liabilities of the Beneficial Owner	<p>iii) a) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purpose of effecting transfer of ownership security on behalf of the beneficial owners.</p> <p>b) Save as otherwise provided in (iii) above, the Depository as the Registered owner of the securities shall not have any voting rights or any other rights in respect of the Securities held by it.</p> <p>c) Every person holding securities of the company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member of the company. The beneficial owner of the securities shall be entitled to all rights and benefits and be subject to all the liabilities in respect of his securities, which are held by the Depository.</p>
Provisions of Articles not to apply to transfer of shares held in depository	iv) Nothing contained in Section 56 of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.
Allotment of Securities dealt within a Depository	vii) Notwithstanding anything to the contrary contained in the Act or Articles, where securities are dealt with by the Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.
Distinctive number of Securities held in the depository mode	viii) Nothing contained in the Act or these Articles regarding the necessity of having distinctive number on securities issued by the Company shall apply to securities held with a Depository.
Register and Index of Beneficial Owners	ix) The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.
Reduction of Share Capital	<p>(11) 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, —</p> <p>(a) its share capital; and/or</p> <p>(b) any capital redemption reserve account; and/or</p> <p>(c) any securities premium account; and/or</p> <p>(d) any other reserve in the nature of share capital.</p>
Commission for placing shares	12. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, 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 that section and rules made thereunder.
Rate of Commission	(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
Mode of Payment	(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other
Spilt-up of Share Certificate	<p>(13) (i) Subject to applicable laws for the time being in force, If any certificate of any share or shares be surrendered to the Company for sub-division or consolidation or if any certificate be defaced, torn or old, decrepit, worn-out or where the cages on the reverse for recording transfer have been duly utilised, then upon surrender thereof to the Company, the Board, may order the same to be cancelled and may issue new certificate in lieu thereof, and if any certificate be lost or destroyed, then upon proof thereof to the satisfaction of the Board, and on such indemnity as the Board thinks fit being given a new certificate in lieu thereof; shall be given to party entitled to the shares to which such lost or destroyed certificate relates.</p> <p>(ii) Where a new certificate has been issued as aforesaid it shall state on the face of it and against the stub or counterfoil that it is issued as aforesaid and against the stub or counter foil that it is issued in lieu of a share certificate or is a duplicate issued for the one so replaced and, in the case certificate issued in place of one which has been lost or destroyed, the word "duplicate" shall be stamped or punched in bold letters across the face thereof. For every certificate issued under this Article, there shall be paid to the Company such out of pocket expenses incurred by the Company in investigating evidence as the Board may determine.</p>

Fees for Split-up	(14) No fee shall be charged for sub-division and consolidation of share and debenture certificates and for sub-division of letters of allotment and split, consolidation, renewal and pucca transfer receipts into denominations corresponding to the market units of trading, for sub-division of renounceable letters of rights; for issue of new certificate in replacement of those which are old, decrepit or worn out, or where the cages on the reverse for recording transfers have been fully utilised. Provided that the Company may charge such fees as may be agreed by it with the Stock Exchange with which its shares may be enlisted for the time being for issue of new certificates in replacement of those that are torn, defaced, lost or destroyed, and for sub-division and consolidation of share and debenture certificates and for sub-division of letter of allotment and split, consolidation, renewal and pucca transfer receipts into denominations other than those fixed for the market units of trading.
Variation of Rights	(15). (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
Meeting for variation of Rights	(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
Rights of Class	(16). 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 pari passu therewith.
Issue of Preference Shares	(17). Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.
Calls	(18). (i) The Board or any committee authorised in this regard 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: Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.
Notice to call	(ii) Each member shall, subject to receiving at least thirty 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.
Postpone or defer call When call deemed to have been made	A call may be revoked or postponed at the discretion of the Board (19). A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
Liable for Call	(20). The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
Interest on Call	(21). (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. Per annum or at such lower rate, if any, as the Board may determine.
Power to waive interest Amount payable	(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part. (22). (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
Consequence for Non-Payment	(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
Payment of calls in advance	(23). The Board— (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.

Evidence in actions by Company against Shareholders	(24) On the trial or hearing of any action or suit brought by the Company against any member or his representative to recover any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the defendant is, or was, when the claim arose, on the Register of the Company as a holder, or one of the holders of the number of shares in respect of which such claim is made, that the resolution making the call is duly recorded in the minute book and that the amount claimed is not entered as paid in the books of the Company.
	FORFEITURE AND LIEN
Notice may be given for calls or instalment not paid	(25) If any member fails to pay any call or instalment on or before the day appointed for the payment of the same, the Directors may at any time thereafter, during such time as the call or instalment remains unpaid, serve notice on such member requiring him to pay the same together with any interest that may have accrued and expenses, that may have been incurred by the Company by reasons of such non-payment
Form of notice	(26) i) The notice shall name a day (not being less than 30 (Thirty) days from the date of the notice) and a place or places on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time, and at the place or places appointed, the shares in respect of which such call was made or instalment is payable will be liable to be forfeited. ii) In case, there is no response from the member on the notice in clause (i) above, another notice 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 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.
If notice not complied with shares may be forfeited	(27) If the requirement of any such notice as aforesaid be not complied with, any shares in respect of which such notice has been given may, at any time thereafter before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share not actually paid before the forfeiture. Neither the receipt by the Company of a portion of any money which shall, from time to time, be due from any member of the Company in respect of his shares, either by way of principal or interest, nor any indulgency granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such share as herein provided.
Forefeiture and lien of bonds, debentures, etc	(28) The provisions contained in these Articles as to forfeiture and lien of shares shall also apply mutatis mutandis to the Bonds, Debentures, etc.
Notice after forfeiture	(29) When any shares shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.
Forfeited share to become property of the Company	(30) Any share so forfeited shall be deemed to be the property of the Company, and the Directors may sell, re-allot or otherwise dispose off the same in such manner as they think fit
Power to annul forfeiture	(31) The Directors may, at any time before any share so forfeited shall not be sold, re-allotted or otherwise disposed off, annul the forfeiture thereof upon such conditions as they think fit.
Arrears to be paid notwithstanding forfeiture	(32) Any member whose shares have been forfeited shall notwithstanding such forfeiture, be liable to pay and shall forthwith pay to the Company all calls, instalments, interest and the expenses, owing upon or in respect of such shares, at the time of all instalments, interest and the forfeiture together with interest thereupon, from the time of the forfeiture until payment at 12 (Twelve) per cent per annum or such other rate as the Directors may determine and the Directors may enforce the payment thereof without any deduction or allowance for the value of shares at the time of forfeiture but shall not be under any obligation to do so.
Effect of forfeiture	(33) The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the share and all other rights incidental to the share except only such of those rights as by these Articles are expressly saved.
Evidence of forfeiture	(34) A duly verified declaration in writing that the declarant is a Director of the Company and that certain shares in the Company have 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 shares and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposition thereof, shall constitute a written title to such shares.
Company's lien on shares	(35) The Company shall have a first and paramount lien upon all the shares (not fully paid up) registered in the name of each member (whether a solely or jointly with others), and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares, and no equitable interest in any share shall be created except upon the footing and condition that Article 9 hereof is to have full effect. Unless otherwise agreed, the registration of a transfer of shares, shall operate as a waiver of the Company's lien, if any, on such shares.

Intention as to enforcing lien	(36) For the purpose of enforcing such lien, the Directors may sell the shares subject thereto in such manner as they think fit, but no sale shall be made until such period as aforesaid shall have elapsed and until notice in writing of the intention to sell shall have been served on such member, his committee, curator bonus or other person recognised by the Company as entitled to represent such member and default shall have been made by him or them in the payment of the sum payable as aforesaid for thirty days after such notice. The net proceeds of any such sale shall be applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable by such member, and the residual (if any) be paid to such member, his executors, administrators or other representatives or persons so recognised as aforesaid.
Validity of Shares	(37) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers by these presents given, the Directors may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register in respect of the shares sold and after his name has been entered in the Register in respect of such shares his title to such shares shall not be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition, nor impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
Power to issue new certificate	(38) Where any shares under the powers in that behalf herein contained are sold by the Directors and the certificate thereof has not been delivered to the Company by the former holders of the said shares the Directors may issue new certificate in lieu of certificate not so delivered.
TRANSFER OF SHARES	
Execution of Share Transfer Deed	(39).a) The instrument of transfer of any shares in the Company shall be executed by or on behalf of both the transferor and the transferee in writing, in the form as may be prescribed under the Act/ Rules/ Regulations for the time being in force. b) 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. c) The Board or any committee authorized by it may, subject to the right of appeal conferred by Section 58, decline to register:
In what case to decline to register transfer of shares	i) Transfer of a share, not being a fully paid share, to a person of whom they do not approve, or ii) Transfer of shares on which the Company has a lien, or iii) Transfer of share where complete documents to the satisfaction of the Company are not provided.
Power to close transfer books and register	(40). On giving not less than seven days' previous notice in accordance with section 91 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: 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.
No transfer to minor	(41) No transfer shall be registered in favour of a person of unsound mind and no transfer of partly paid shares shall be registered in favour of a minor.
Transferability	(42) Subject to the provisions of these Articles and the requirements of the Companies Act, 2013 relating to the transfer of shares, free dealings in shares will not be restricted in any way. In the case of transfer of shares or other securities where such shares or other securities are being held in dematerialised form, the provisions of the Depositories Act, 1996 shall apply.
TRANSMISSION OF SHARES	
Transmission of registered shares	(43). (i) Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-tenants with benefit of survivorship subject to provisions following and to the other provisions of these Articles relating to joint- holders:- a) The Company shall not be bound to register more than three persons as the joint-holder of any share. b) The joint-holders of a share shall be liable severally as well as jointly in respect of all payments which ought to be made in respect of such shares. c) 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. d) Only the person whose name stands first in the Register as one of the joint- holders of any share shall be entitled to delivery of the certificate relating to such share (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons. (iii) Notwithstanding anything contained hereinabove, where nomination had already been made in compliance with the provisions of Section 72 of the Act, the Board may transfer the shares and/ or debentures or other securities issued by the company, in the name of the nominee(s) on death of the holder or joint holder, as the case may be to the exclusion of all other persons unless the nomination is varied or cancelled in the prescribed manner.
Transmission of shares under nomination	

As to transfer of shares of deceased or insolvent members	<p>(44). (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—</p> <p>(a) to be registered himself as holder of the share; or</p> <p>(b) to make such transfer of the share as the deceased or insolvent member could have made.</p> <p>(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.</p>
Notice of election to be registered	<p>(45). (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.</p> <p>(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p>(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.</p>
Right & Entitlements	<p>(46). 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:</p> <p>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.</p>
BORROWING POWERS	
Power to borrow	<p>(47). Subject to the provisions of the Act and these Articles and without prejudice to the other powers conferred by these Articles, the Board of Directors shall have the power from time to time at their discretion to borrow money including borrowing by issue of bonds, debentures, debenture stocks, other securities or in any other manner whatsoever. The Board may, from time to time, delegate its borrowing powers in such manner as it deem fit.</p> <p>(48). Subject to the provisions of the Act and these Articles the Board of Directors or a Committee/ official authorized by the Board may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, debentures or debenture-stock, or any mortgage or charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.</p> <p>(49). Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Board of Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider fit.</p> <p>(50). Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or other securities may be issued at par, premium or otherwise and with any special privileges and conditions as to redemption, surrender, drawings, allotment of shares etc. as may be prescribed.</p> <p>(51). If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Board of Directors shall, subject to the provisions of the Act and these Articles, make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed or if permitted by the Act may by instrument authorise the person in whose favour such mortgage or security is executed or any other person in trust for him to make calls on the members in respect of such uncalled capital and the provisions herein before contained in regard to calls shall mutatis mutandis apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Directors' power or otherwise and shall be assignable if expressed so to be.</p> <p>(52). Subject to the provisions of the Act and these Articles, if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Board of Directors may execute or cause to be executed any mortgage charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.</p>

GENERAL MEETINGS

Extraordinary general meeting	(53). All general meetings other than annual general meeting shall be called extraordinary general meeting.
Powers of Board to call extraordinary general meeting	(54). a) The Board may, whenever it thinks fit, call an extraordinary general meeting. b) The Board shall, at the requisition made by such number of members who hold, on the date of the receipt of the requisition, not less than one-tenth of such of the paid-up share capital of the company as on that date carries the right of voting, call an extraordinary general meeting of the company within the period specified in the Act.
PROCEEDINGS OF GENERAL MEETING	
Quorum	(55). a) 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. b) The quorum for the general meetings shall be as provided in the Act.
Chairman	(56). The Chairman of the Board shall preside as Chairperson at every general meeting of the Company.
Directors to elect a Chairperson	(57). 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 the Directors to be Chairperson of the meeting.
Members to elect a Chairperson	(58). 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 choose one of their members to be Chairperson of the meeting.
Casting vote of Chairperson at general meeting	(59) 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	(60) (a) 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	(b) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting - (a) is, or could reasonably be regarded, as defamatory of any person; or (b) is irrelevant or immaterial to the proceedings; or (c) is detrimental to the interests of the Company.
Discretion of Chairperson in relation to Minutes	(c) 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	(d) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.
Powers to arrange security at meetings	(e) 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
ADJOURNMENT OF MEETING	
Chairperson may adjourn the meeting	(61). a) The Chairperson may, with the consent of majority of members present at a meeting at which a quorum is present, adjourn the meeting from time to time and from place to place.
Business at adjourned meeting	b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. c) 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	d) If the quorum is not present within half-an-hour from the time appointed for holding a meeting of the company— (i) the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other date and such other time and place as the Board may determine; or (ii) the meeting, if called by requisitionists under section 100, shall stand cancelled.
Notice of adjourned meeting not required	(62). 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. (d) If at the adjourned meeting also, a quorum is not present within half-an-hour from the time appointed for holding meeting, the members present shall be the quorum

POSTAL BALLOT

- (63). Subject to the provisions of the Act and rules made thereunder with such variations and modifications as may be made from time to time, the company may pass such resolutions through Postal Ballot as are deemed to be necessary by the Board for securing the ascent or approval from the Shareholders.

PROXY

Member may vote in person or otherwise	(64). i) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.
Proxies when to be deposited	ii) The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed, 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 otherwise the instrument of proxy shall not be treated as valid.
Form of proxy	iii) An instrument appointing a proxy shall be in the form as prescribed in the Rules.
Proxy to be valid notwithstanding death of the principal	iv) 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.

VOTING RIGHTS

Entitlement to vote on show of hands and on poll	(65). Subject to any rights or restrictions for the time being attached to any class or classes of shares,— (a) on a show of hands, every member present in person shall have one vote; and (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.
Voting through electronic means Vote of joint holders	(66). A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once. (67). (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
Seniority of names	
How members non compos mentis and minor may vote	(68). 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.
Business may proceed pending poll	(69). 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	(70). 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. (71). (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
Qualification of Voter	(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

DIVIDENDS

Rights to Registered Owner Only	(72). Subject to the provisions of Section 89 of the Companies Act, 2013 and such other provisions of the Act as may be applicable, 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 court or authority of competent jurisdiction, or as required by statutes be bound to recognise any equitable or other claim to or interest in such share on the part of any other person.
Dividend on Proportionate basis.	(73). The profit of the Company subject to any special rights relating thereto created or authorised to be created by the Articles and subject to the provisions of the Articles and the Act/ Rules, shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively. Provided always that subject as aforesaid any such capital paid up on a share during the period in respect of which a dividend is declared shall, unless the Board otherwise determines, only entitle the holder of such shares to a proportionate amount of such dividend as from the date of payment.

Company in general meeting may declare dividends	(74). The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
Payment made to only registered holder	(75). No dividend shall be paid by the Company in respect of any share except to the registered holder of such share or to his order or to his banker.
No interest on dividends	(76). No dividend shall bear interest against the Company.
Interim dividends	(77). Subject to the provisions of Section 123 of the Companies Act, 2013, the Board may from time to time pay to the Members such interim dividends as appear to the Board to be justified by the financial position of the Company
Dividends only to be paid out of profits	(78).a) The Board may if it considers appropriate, 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 applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
Carry forward of profits	b) 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	(79).a) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, the Board may decide to declare and / or pay all dividends according to the amounts paid or credited as paid on the shares in respect whereof the dividends are paid.
Payments in advance	b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of payment of Dividends paid on the share.
No member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom	(80). 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.
Dividend how remitted	(81). a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant or such other means as permitted by law.
Instrument of payment	(b) Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act. (c) 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.
Discharge to Company	

BUYBACK OF SHARES

(82). Notwithstanding anything contained in these Articles and pursuant to a resolution of the Board of Directors or a resolution of the Shareholders, as required under the provisions of sections 68, 69 and 70 and any other applicable provision of the Companies Act, 2013 or any other law for the time being in force, the Company may Buy-Back its own shares or other specified securities

CAPITALISATION OF PROFITS

Capitalisation	<p>(83).a) The Company in general meeting may, upon the recommendation of the Board, resolve:</p> <p>(i) To capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and</p> <p>(ii) That such sum be accordingly set free for distribution in the manner specified in clause (b) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>b) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (c), either in or towards:</p> <p>(i) Paying up any amounts for the time being unpaid on any shares held by such members respectively;</p>
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	<p>Paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up (Bonus Shares), to and amongst such members in the proportions aforesaid:</p> <p>(iii) Partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii);</p> <p>(iv) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;</p> <p>(v) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.</p>
Sum how applied	<p>c) Whenever such a resolution as aforesaid shall have been passed, the Board shall:</p> <p>(i) Make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and</p>
Powers of the Board for capitalisation	<p>(iii) Generally do all acts and things required to give effect thereto.</p> <p>d) The Board shall have power:</p>
Board's power to issue fractional certificate/coupon etc.	<p>(i) To make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and</p> <p>(ii) To authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;</p>
Agreement binding on members	<p>(iii) Any agreement made under such authority shall be effective and binding on such members.</p>

ISSUE OF NON-VOTING SHARES

(84). The Board of Directors shall have the powers, at their discretion, to issue from time to time, shares at premium or otherwise, with differential or no voting rights, and/or other privileges and conditions with respect to dividend, etc., as may be allowed from time to time under the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 or any other acts, rules or regulations, as may be applicable to the Company.

(85). No member holding Non-voting shares shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company in respect of any shares registered in his name as Non-voting shares.

BOARD OF DIRECTORS

Board of Directors	<p>(86). The number of Directors shall not be less than three and not more than twelve.</p> <p>(87). The First three Directors of the Company are:</p>
First Directors	<p>(i) Shri. Ajay Relan</p> <p>(ii) Smt. Ritu Relan</p> <p>(iii) Smt. Sharda Relan</p>
Additional Director	<p>(88) i) The Directors shall have power, at any time and from time to time, to appoint any person as Director as an addition to the Directors but so that the total number of Directors shall not at any time exceed the maximum number fixed by the Articles. Any director so appointed shall hold office only until the next Annual General Meeting of the Company and shall be eligible for re-election. A Director shall not be required to hold any share qualification.</p>
Nominee Director	<p>ii) The Company shall, subject to the provisions of the Act, be entitled to agree with any person, firm or corporation that he or it shall have the right to appoint his or its nominee on the Board of Directors of the Company upon such terms and conditions as the Company may deem fit. The Corporation, firm or person shall be entitled, from time to time, to remove any such Director or Directors and appoint another or others in his or their places. He shall be entitled to the same rights and privileges and be subject to the same obligation as any other Director of the company. If it is provided by any trust deed securing or otherwise in connection with any issue of Debentures of the Company that any person or persons shall have powers to nominate a Director of the Company then in the case of any and every such issue of Debentures, the persons having such power may exercise such power, from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as a Debenture Director. A Debenture Director may be removed from office at any time by the person or persons in whom the power to nominate has been vested.</p>

Alternate Director	<p>iii) Subject to the provisions of the Act, the Board may appoint any person to act as an alternate director for a director during the latter's absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held and such appointment shall have effect and such appointee, whilst he holds office as an alternate director; shall be entitled to notice of meetings of the Board and to attend and vote thereat accordingly, but he shall ipso facto vacate office if and when the absent director returns to State in which meetings of the Board are ordinarily held or the absent Director vacates office as a Director.</p>
Designated Employees	<p>iv) The Board may from time appoint/designate, at its discretion, one or more officers/employees of the Company, subject to the provisions of the Act, if any, and these Articles, as Executive Directors, Associate Directors, Special Directors, Assistant Director, Technical Director or such other similar title, as the Board may from time to time think fit. However, such officer shall not be a member of the Board of Directors of the Company and shall not hold themselves out in public as Director of the Company.</p> <p>Provided that the aforesaid employment shall be subject to the provisions of the contract that the company may enter into with the said employees(s) / office(s) of the Company in any specified locality in India or elsewhere in such manner as may be decided by the Board. Such officers/employees shall be entitled to such rights and privileges as may be delegated to them by Board for the purpose of performance of their duties in such position.</p>
Resignation of Director	<p>v) A Director may at any time give notice in writing of his wish to resign by delivering such notice to the Secretary or leaving the same at the registered office of the Company and there upon his office shall be vacated subject terms and conditions agreed upon.</p>
Casual Vacancy	<p>(vi) 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. Duration of office of Director appointed to fill casual vacancy. 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.</p> <p>(89). Each Director shall be entitled to be paid out of the funds of the Company by way of sitting fee / Remuneration for attending the Board Meeting or Sub-Committee thereof, as may be determined by the Board of Directors or shareholders of the Company, subject to the ceiling, if any, as may be specified by the Central Government / Act in this regard, from time to time.</p>
Sitting Fees/ Remuneration	<p>(90). (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.</p> <p>(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—</p> <p>(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or</p> <p>(b) in connection with the business of the company.</p>
Foreign Register Of Members	<p>(91). The Board may pay all expenses incurred in getting up and registering the company.</p> <p>(92). The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.</p>
Signing of documents	<p>(93). All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.</p>
Rotation of Directors	
Rotation of Directors	<p>(94). Not less than two-thirds of the total number of Directors shall be persons whose period of office is liable to determination by retirement of Directors by rotation.</p>
Directors liable to be retire	<p>(95). At each Annual General Meeting of the Company, one-third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office.</p>
Identification of Directors	<p>(96). The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those to retire shall, in default of and subject to any agreement among themselves, be determined by lot.</p>

eligible for re- election	<p>(97). A retiring Director shall be eligible for re-election and shall act as a Director throughout the meeting at which he retires</p> <p>(98). Subject to any resolution for reducing the number of Directors, if at any meeting at which an election of Directors ought to take place, the places of the retiring Directors are not filled up, the meeting shall stand adjourned till the next succeeding day which is not a public holiday at the same time and place and if at the adjourned meeting, the places of the retiring Directors are not filled up, the retiring Directors or such of them as have not had their places filled up shall (if willing to continue in office) be deemed to have been re-elected at the adjourned meeting</p>
	PROCEEDINGS OF THE BOARD
Meetings of Directors	<p>(99).(i)The Board of Directors (including the Committees of Board) may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.</p> <p>ii) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. When meeting to be convened</p>
Summoning a meetingof Directors	<p>iii) 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. Who may summon Board meeting.</p>
Quorum	<p>iv) The quorum for a Board meeting shall be as provided in the Act. Quorum for Board meetings .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.</p>
Director not be act when number falls below minimum	<p>v) 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.</p>
Question at Board Meeting how decided	<p>(100). (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.</p> <p>(ii) In case of an equality of votes, the Chairperson of theBoard, if any, shall have a second or casting vote</p>
Chairman of Meeting	<p>(101). (i) The Board may elect a Chairperson of the Company anddetermine the period for which he is to hold office.</p> <p>(ii) The Chairperson of the Company shall Chair the meetingof Board of Directors.</p> <p>(iii) If no Chairperson is appointed, or if at any meeting the Chairperson is not present within five minutes after the timeappointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.</p>
To appoint Committeeand to delegate powerand revoke it	<p>(102). (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.</p> <p>(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may beimposed on it by the Board.</p>
Chairman of Meetings of Committee	<p>(103). (i) A committee may elect a Chairperson of its meetings orthe Board may appoint the same.</p> <p>(ii) If no Chairperson is appointed , or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.</p>
Question at Committee Meetinghow decided	<p>(104). (i) A committee may meet and adjourn as it thinks fit.</p> <p>(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.</p>
Validity of acts	<p>(105). All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.</p>
Resolution by circulation	<p>(106). Save as otherwise expressly provided in the Act, a resolutionin writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.</p>

MANAGING OR WHOLE-TIME DIRECTOR(S)

Power to appoint Managing Director or Whole-time Director	(107). Subject to the provisions of the Act, the Board of Directors may from time to time appoint one or more individuals to be Managing Director or Whole-time Directors of the Company for such term as they may think fit.
To what provisions he shall be subjected	A Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation, but (Subject to the provisions of any contract between him and the Company) he shall be subject to the same provisions as to resignation and removal as the other Directors, and he shall, ipso facto and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause.
Remuneration of Managing Director or Whole-time Director	(108). The remuneration of a Managing Director or Whole-time Director, subject to applicable provisions of the Act and of these Articles and of any contract between him and the Company, shall from time to time be fixed by the Board of Directors and can be in the form of fixed salary, commission, employee stock options, incentive or through such other means or in such other form or manner as may be determined. Where, pursuant to the provisions of the Act and such other provisions as may be applicable, such remuneration require approval of the shareholders, the Company shall procure such approval.
Powers of Managing Director	(109). Subject to the provisions of the Act, in particular to the prohibitions and restrictions contained in the Act, the Board may, from time to time, entrust to and confer upon a Managing Director for the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks fit, and the Board may confer such powers either collaterally with, or to the exclusion of, and in substitution for any of the powers of the Board in that behalf and may, from time to time, revoke, withdraw, alter or vary all or any of such powers.
Power of Directors	POWERS OF DIRECTORS
	(110). Subject to the provisions of the Act, the control of the Company shall be vested in the Directors who shall be entitled to exercise all such powers and to do all such acts and things as may be exercised or done by the Company and are not hereby or by law expressly required or directed to be exercised or done by the Company in General Meeting but subject nevertheless to the provisions of any law and of these presents, from time to time, made by the Company in General Meeting, provided that no regulation so made shall invalidate any prior act or the Directors which would have been valid if such regulation had not been made.
Delegation of power	Without prejudice to the general powers conferred by the preceding article the Directors may, from time to time and at any time, subject to the restrictions contained in the Act, delegate to managers, secretaries, officers, assistants and other employees or other persons (including any firm or body corporate) any of the powers authorised and discretions for the time being vested in the Directors.
Power to appoint	(111). The Directors may authorise any such delegate or attorney as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.
Director to hold other office	(112). A manager or secretary may be appointed by the Directors on such terms, at such remuneration and upon such conditions as they may think fit and any Manager or Secretary so appointed may be removed by the Directors. (113). A Director may be appointed as Manager or Secretary, subject to Sections 196, 197 and, 203 of the Act. (114). A provision of the Act or these regulations requiring or authorising a thing to be done by a director, manager or secretary shall not be satisfied by its being done by the same person acting both as director and as, or in place of the manager or secretary.

CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

Appointment of Key Managerial Personnel	(115). Subject to the provisions of the Act: a) A Chief Executive Officer, Manager, Company Secretary and/or Chief Financial Officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit. b) A Director may be appointed as Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.
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ACCOUNTS

Inspection by members	(116). a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions, the accounts and books of the Company, or any of them, may be open to the inspection of members not being Directors. b) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting
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REGISTERS, BOOKS AND DOCUMENTS

Where to be kept (117). (a) The Company or duly authorized person on its behalf shall keep and maintain, at its registered office or at such other office as may be allowed under the Act, all statutory registers including, register of charges, register of members, register of debenture holders (if applicable), register of any other securityholders, 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 and existing policies of the Company made in this regard.

Inspection by members (b) Inspection of Register, Books and Documents: Where under any provision of the Act or Rules any person, whether a Member of the Company or not, is entitled to inspect any register, return, resolutions, agreements, certificate, deed, Memorandum of Association, Articles of Association, instrument or document, general meeting minutes etc. including electronic records, required to be kept or maintained by the Company (hereinafter called "Company Documents") or is entitled to obtain extract or copies of such Company Documents, the person so entitled to inspection/ obtain extract or copies shall be permitted to inspect/ obtain extract or copies of the same during such business hours and on payment of such fee or charges as may be determined by the Board or any committee constituted by the Board provided such fee shall not exceed the maximum fee prescribed under the Act and the Rules.

WINDING UP

(118). Subject to the provisions of applicable Law:

Winding up 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.

b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

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

Distribution of assets in specie (119). In the event of Company being wound up, whether voluntarily or otherwise, the liquidators, divide among the contributories, in specie or kind, any part of the assets of the Company and may with the like sanction, vest any part of the assets of the Company in Trustees upon such trusts for the benefit of the contributories or any of them, as the Liquidators, with like sanction shall think fit

AUTHENTICATION OF DOCUMENTS

(120). Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, Chief Financial Officer or the Company Secretary or an authorised Officer of the Company and need not be under its Seal.

THE SEAL

(121). (a) The Board shall provide for the safe custody of the seal, if any.
(b) The seal of the Company, if any, may be affixed to any instrument in the manner prescribed by the Board or by a Committee constituted by the Board.

INDEMNITY AND RESPONSIBILITY

Indemnity (122). (a) Subject to the provisions of the Act, every Director of the Company, Manager, Secretary and other Officer or employee of the Company shall be indemnified by the Company against and it shall be the duty of the Board to compensate all costs, losses and expenses (including travelling expenses) which any such Director, Officer or employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Director, Officer or employee for discharge of his duties.

(b) Subject as aforesaid every Director, Managing Director, Manager, Secretary or other Officer or employee 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 in connection with any application under the

Act in which relief is given to him by the Court.

**Individual responsibility of
Directors**

- (123). Subject to the provisions of the Act no Director or other Officer of the Company, shall be liable for the acts, receipts, neglects or defaults or any other Director or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense occurring to the Company through insufficiency or deficiency of title to any property acquired by order to the Director for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any monies, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgement or oversight on his part, or for any other loss or 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 or wilful misconduct.

SECRECY CLAUSE

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

- (124). No member shall be entitled to inspect the Company's books or establishment without the permission of the Board or require discovery of any matter which is or may be in the nature of trade secret, mystery of trade or secret process, which may relate to the conduct of the business of the Company and which in the opinion of the Board it will not be expedient in the interests of the members of the Company to communicate to the public.

GENERAL POWER

- (125). Wherever in the Act or under any other applicable Law, it has been provided that the Company or the Board 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 this Article authorizes and empowers the Company and/ or the Board (as the case may be) to have all such rights, privileges, authorities and to carry out all such transactions as have been permitted by the Act without there being any specific regulation to that effect in these Articles save and except to the extent that any particular right, privilege, authority or transaction has been expressly negated or prohibited by any other Article herein.
- (126). The provisions under these Articles relating to calls on shares, issue of certificate, forfeiture, transfer and transmission shall mutatis mutandis apply to other securities including debentures, if any issued by the Company except where the Act or any other applicable law provides otherwise or where the Board or a committee constituted by the Board or the shareholders have decided otherwise by passing a resolution.

Names, addresses description and occupation of subscribers	Signature of Subscribers	Names, address, description and occupation of witnesses
1. AJAY RELAN S/o Shri N. D. Relan, S-233, Panchshila Park, New Delhi-110017 (Business)	Sd/-	<p>I witness the signatures of all the seven subscribers.</p> <p>Sd/- (GIRISH CHOWDHURY) S/o Shri P. Roy Chowdhury C- 198, Dayanand Colony Lajpat Nagar-IV, New Delhi-110024 (Occ. Business)</p>
2. NARINDER RELAN S/o Shri R. K. Relan, S-233, Panchshila Park, New Delhi-110017 (Share Broker)	Sd/-	
3. ROHIT RELAN S/o Shri N. D. Relan, S-233, Panchshila Park, New Delhi-110017 (Business)	Sd/-	
4. RITU RELAN W/o Shri Rohit Relan, S-233, Panchshila Park, New Delhi-110017 (Business)	Sd/-	
5. SHARDA RELAN W/o Shri N. D. Relan, S-233, Panchshila Park, New Delhi-110017 (Business)	Sd/-	
6. MALA RELAN W/o Shri Ajay Relan, S-233, Panchshila Park, New Delhi-110017 (Business)	Sd/-	
7. SHIV PRAKASH MARWAHA S/o Late Shri RBL Anantram SSF Con. Place, New Delhi-110001 (Chartered Accountant)	Sd/-	

Place : New Delhi

Dated : 14th January, 1986

1. SCHEME OF ARRANGEMENT OF KORIN INDIA LIMITED WITH SHARDA MOTOR INDUSTRIES LIMITED

Case	Orders
IN THE HIGH COURT OF DELHI AT NEW DELHI	CA 413/2002 in CP 31/2002
IN THE MATTER OF SHARADA MOTOR INDUST. LTD. Petitioner. Through Ms. Kum Kum Sen, Advocate. Mr. Saud Ahmad, Asstt. Registrar for Regional Director.
CORAM:	HON'BLE MR. JUSTICE MUKUL MUDGAL
	ORDER 15.04.2002
	The application is allowed and the date fixed in the matter i.e. 15th May, 2002 stands cancelled. The company petition is taken up today.
	CP No. 31/2002
	This petition is filed under Section 391(2) of the Companies Act praying for grant of sanction to a Scheme of Amalgamation of Sharda Motor Industries (Transferee Company) and Korin India Limited (Transferor Company).
	The registered offices of the petitioner companies are within the territorial jurisdiction of this Court.
	A copy of the Scheme of Amalgamation has been placed on record. The salient features of the Scheme and the circumstances which necessitated the amalgamation of the companies have been explained in the petition.
	The Board of Directors of the petitioner

ATTESTED
Examiner Judicial Dept
High Court of Delhi

Sr. No.	Date	Orders
		companies had passed the respective resolutions approving the Scheme of Amalgamation. The petitioner companies had filed CA.No.1737/2001 Praying for directions regarding the convening of the meetings of the shareholders and the creditors of the petitioner companies for the purpose of considering and approving the Scheme of Amalgamation. By order dated 23rd November, 2001 passed in the said application, directions were issued by this Court to convene and hold the meetings of the shareholders and the secured and unsecured creditors of the petitioner companies for the purpose of considering and approving the Scheme of Amalgamation. Chairpersons were appointed by the Court to conduct the said meetings. The chairpersons appointed by the Court have filed their reports stating that the meetings of the shareholders and the secured and creditors have unanimously approved the Scheme of Amalgamation. It is stated in the petition that no proceedings under Sections 235 to 251 of the Companies Act are pending against the petitioner companies.
		Notice of this petition was issued to the Official Liquidator and the Regional Director, Department of Company Affairs, Kanpur and they have filed their affidavits stating that they have no objection to the grant of sanction to the Scheme of Amalgamation. Notice of the petition was also advertised in 'Economic Times' (English) and 'Jansatta' (Hindi). However, nobody has filed any objection to

ATTESTED
Examiner Judicial Dept
High Court of Delhi

Date	Orders
	<p>the grant of sanction to the Scheme of Amalgamation.</p> <p>Having regard to the averments in the petition and the materials placed on record I am satisfied that the petitioner companies have disclosed to this Court all material facts relating to the petitioner companies as are required under Section 391 of the Companies Act. Since the shareholders and the creditors of the petitioner companies have approved the Scheme of Amalgamation and since the Central Government has no objection to the Scheme of Amalgamation and since nobody has filed any objection to the scheme, I do not find any legal impediment to the grant of sanction to the Scheme of Amalgamation. In my view, the prayer made in the petition deserves to be allowed in the interest of justice.</p> <p>In the above circumstances, sanction under Section 391(2) of the Companies Act is granted to the proposed Scheme of Amalgamation. Consequent to the amalgamation, the Transferor Company shall stand dissolved without the process of winding up.</p> <p>The petition stands disposed of in the above terms.</p> <p style="text-align: right;">-Sd- MUKUL MUDGAL, J TRUE COPY EXAMINER</p> <p>APRIL 15, 2002 kkb</p>

MEIND-2391HC-05-08-2000.

Certified to be True Copy
Examiner, Judicial Department
High Court of Delhi,
Authorized Under Section 70
Indian Evidence Act.

Date	Orders
01.4.2002	<p>Present: Ms. Kum Kum Sen for the petitioner. Ms. Geeta Sharma for the O.L. Mr. Saud Ahmad, Asstt. Registrar for Regional Director.</p> <p><u>CP.31/02</u></p> <p>The OL has no objection to the proposed Scheme of Amalgamation.</p> <p>Five weeks time is granted to the Regional Director, Kanpur to file the reply affidavit. List on 15.5.2002.</p> <p style="text-align: right;">-Sd- Mukul Mudgal, J.</p> <p>1st April, 2002 ak</p> <p style="text-align: right;">TRUE COPY EXAMINER</p> <p style="text-align: right;">Certified to be True Copy Examiner, Judicial Department High Court of Delhi, Authorized Under Section 70 Indian Evidence Act.</p>

1-2391HC-05-05-2000.

IN THE HIGH COURT OF DELHI AT NEW DELHI
(ORIGINAL JURISDICTION)
IN THE MATTER OF THE COMPANIES ACT, 1956
AND
IN THE MATTER OF SCHEME OF AMALGAMATION
BETWEEN
COMPANY PETITION NO. 31/2002
CONNECTED WITH
COMPANY APPLICATION NO. 4737/2001

IN THE MATTER OF M/s Korin India Ltd.
Having its Regd. Office at,
B-238, Okhla Industrial Area,
Phase-I, New Delhi

.....PETITIONER
TRANSFEROR COMPANY
(WITHIN THE JURISDICTION OF THIS COURT)

IN THE MATTER OF M/s Sharda Motor Industries Ltd.,
Having its Regd. Office at B-238,
Okhla Industrial Area, Phase-I,
New Delhi-110020.

.....PETITIONER
TRANSFeree COMPANY
(WITHIN THE JURISDICTION OF THIS COURT)

BEFORE THE HON'BLE MR. JUSTICE MUKUL HUOGAL
DATED THIS THE 15th DAY OF APRIL, 2002

ORDER UNDER SECTION 39A

The above petition coming up for hearing on 15.4.2002 for sanction of the scheme of amalgamation proposed to be made between M/s Korin India Ltd., (hereinafter referred to as the Transferor Company) and M/s Sharda Motor Industries Ltd., (hereinafter referred to as the Transferee Company), upon reading the said petition, the order dated 23.11.2001 whereby the Transferee Company was ordered to convene a meeting of their equity shareholders and unsecured creditors and Transferor Company was ordered to convene a meeting of its shareholders and secured and unsecured creditors for the purpose of considering, and if thought fit, approving with or without modification, the scheme of amalgamation annexed to the affidavit of Sh. Ajay Relan and Sh.N.O.Relan, Directors of the petitioner companies both filed on the 6th day of November, 2001 and the newspapers namely (1) Economic Times (English) (2) Jansatta (Hindi) both dated 10.12.2001 each containing the advertisement of the said notice

ATTESTED

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convening the said meetings directed to be held by the said orders dated 23.11.2001, the affidavits of Sh.Rishwajit Bhattacharya and Sh.J.P. Singh, Advocates both filed on 22.12.2001 showing publication and despatch of notices convening the said meetings, the reports of the Chairman of the said meetings as to the result of the said meetings and upon hearing Ms. Kamukam Sen, Advocate for the petitioner companies Mr. Saad Ahmad, Asstt. Registrar for Regional Director, and it appearing from the reports of Chairman of the meetings that the proposed scheme of amalgamation has been approved unanimously without any modification by the said shareholders and creditors of the transferor & transferee companies present and voting, either in person or by proxy and upon reading the affidavit dated 5.4.2002 of Sh.H. Gupta, Regional Director, Northern Region, Department of Company Affairs, Kanpur on behalf of Central Government stating inter-alia that the Central Govt. has no objection to the proposed Scheme of Amalgamation and the report of Sh. H. Banerjee, Official Liquidator, dated 28.3.2002 stating therein that the affairs of the Transferor company have not been conducted in a manner prejudicial to the interest of its members or to public interest and Transferor company could be dissolved without process of winding up there being no investigation proceedings pending in relation to Petitioner companies under sections 234 to 251 of the Companies Act 1956.

THIS COURT DOth HEREBY SANCTION THE SCHEME OF AMALGAMATION set forth in Schedule-I annexed hereto and DOth HEREBY DECLARE the same to be binding on all the shareholders and creditors of the Transferor and Transferee Companies and all concerned and doth approve the said Scheme of Amalgamation from the appointed date to be effective from 1.9.2001.

AND THIS COURT DOth FURTHER ORDER:

1. That all the property, rights and powers of the Transferor Company specified in the First, Second and Third parts of the Schedule-II:

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.....
High Court of Delhi

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hereto and all other property, rights and powers of the transferor company be transferred without further act or deed to the transferee company and accordingly the same shall pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and vest in the transferee company for all the estate and interest of the transferor company therein but subject nevertheless to all charges now affecting the same; and

2. That all the liabilities and duties of the Transferor Company be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of the Transferee Company; and

3. That all proceedings now pending by or against the Transferor Company be continued by or against the Transferee Company; and

4. That the Transferee Company do without further application allot to such members of the Transferor Company as have not given such notice of dissent as is required by Clause given in the Scheme of Amalgamation herein the shares in the Transferee Company to which they are entitled under the said Amalgamation; and

5. That the Transferor Company do within 30 days after the date of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered, the Transferor Company shall be dissolved without the process of winding up and the Registrar of Companies shall place all documents relating to the Transferor Company and registered with him on the file kept by him in relation to the Transferee Company and the files relating to the said transferor and Transferee Companies shall be consolidated accordingly; and

6. That any person interested shall be at liberty to apply to the Court in the above matter for any directions that may be necessary.

SCHEDULE I
SCHEME OF AMALGAMATION
SANCTIONED BY THIS COURT
OF

Amalgamated 71
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KORIN INDIA LIMITED
WITH
SHARDA MOTOR INDUSTRIES LIMITED
PART - I

DEFINITIONS:

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

1. "The Act" means the Company Act, 1956 or any amendments thereto or re-enactment thereof.
2. "The Effective Date" means the date or the last of the dates on which the certified copy of the order of the Hon'ble High Court of Delhi at New Delhi is filed with the appropriate Registrar of Company, by the Transferor Company and the Transferee Company.
3. "Appointed Date" means the commencement of business on the 1st day of September, 2001 or such other date(s) as the Hon'ble High Court of Delhi may direct.
4. "Scheme" means the Scheme of Amalgamation in its present form with any amendment / modifications approved or imposed or directed by the Hon'ble High Court of Delhi
5. "The Transferor Company" means:

KORIN INDIA LIMITED, a Company incorporated under the Indian Company Act, 1956 as a Public Limited Company on the 4th day of January, 1996, having its registered office at B-238, Okhla Industrial Area Phase-I, New Delhi - 110 020.

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TESTED

(8)

6. Opening Balance Sheet

Appointed Date prepared by consolidating the audited accounts of Transferor Company and the Transferee Company as at 31st August 2001.

7. "The Transferee Company" means, Sharda Motor Industries Limited, a Company incorporated under the Indian Company Act, 1956 as a Public Limited Company on 29th January, 1986th. The Transferee Company is having its registered office at B-238, Okhla Industrial Area, Phase - I, New Delhi - 110 020.

8. "Undertaking of the Transferor Company." in respect of the Transferor Company, shall mean and include:

- (a) all approvals, permissions, consents, exemptions, registrations, no-objection certificates and certifications, permits, quotas, rights, entitlements, tenancies, trademarks, know-how, technical know-how, trade names, descriptions, trading style, franchise, labels, label designs, colour schemes, utility models, holograms, bar codes, designs, patents, copyrights, privileges and any rights, title or interest in Intellectual Property Rights, benefits of contracts, agreements and all other rights including lease rights, licenses including those relating to Trademarks, powers and facilities of every kind, nature and description whatsoever of the Transferor Company.
- (b) all the assets including leasehold assets and movable assets together with all present and future liabilities including any contingents/ statutory liabilities and debts and undertakings of the Transferor Company, as per the records of the Transferor Company;
- (c) all permanent employees of the Transferor Company;
- (d) all application monies, advance monies, earnest monies and / or security deposits paid, payments against other entitlements of the Transferor Company;
- (e) all the debts, liabilities, duties, responsibilities and obligations of the Transferor Company on the Appointed Date;
- (f) All immovable assets, whether freehold, leasehold or otherwise, including all buildings, fixtures, structures, and / or any other developments or rights and facilities related thereto of the Transferor Company including those comprised in the undertakings

For

illustratively (and not exhaustively) listed out in Schedule - I hereto as per Records of Transferor Company.

PREAMBLE

WHEREAS Sharda Motor Industries Limited (Transferee Company) is engaged in the business of manufacture and sale of automobile parts/components. The Transferor Company is also having overlapping / common objects and is also engaged in manufacture of automobile parts/components

NOW THEREFORE the present Scheme of Amalgamation proposes to amalgamate Korin India Limited with Sharda Motor Industries Limited. The object of the Scheme of Arrangement and Amalgamation is to integrate operations and take advantage of the combined resources of the Amalgamating Company and to rationalise the management structure by effecting amalgamation of the Transferor Company with the Transferee Company

The Scheme of Amalgamation will strengthen and consolidate the position of the amalgamated Company and will enable the amalgamated Company to participate more vigorously and profitably in an increasingly competitive and liberalised market. The amalgamated Company will be in a position to generate additional funds and to further diversify and expand its business.

The said Scheme will enable the management of the Transferor Company, and the Transferee Company to combine and pool the resources of all the Companies for their common advantage and further growth and diversification of their business.

The proposed Scheme will thus enable all the Companies concerned to rationalise and streamline their management, businesses and finances and to eliminate duplication of work to their common advantage.

The arrangement will further combine and enhance their collective net worth enabling the amalgamated Company to raise funds from the financial systems on better terms.

The Transferee Company will have a strong financial and operational structure which will be capable of resource mobilization and financial consolidation necessary to withstand the Transferee Company in the new competitive environment.

The said Scheme of Amalgamation is beneficial to all the Companies, their shareholders, creditors, employees and all concerned and will enable the Companies to achieve and fulfill their objectives more efficiently and economically. The said Scheme will contribute in furthering and fulfilling the objects of the amalgamated Company concerned and in the growth and development of their business.

Proposed amalgamation would rationalise existing inter Company transactions, introduce greater transparency, eliminate avoidable administration costs thereby improving investors' and lenders' confidence.

A merger of these Company will make the new entity more competitive in the market. Their combination will result in strong financial structure, will facilitate resource mobilisation, and financial consolidation. The merger will result in lowering of overheads. The synergy of the merger will improve credit rating of the resultant entity lowering the cost of borrowing, increased operational efficiency, integrated management functioning and will enhance the share value for the benefit of shareholders of all the existing entities.

The amalgamation will result in improved asset base and enable the Transferee Company to raise resources for future growth and expansion of the business.

Further the proposed merger of these entities is in the interest of shareholders, creditors and employees of all the concerned company.

Therefore, with a view to integrate the business synergies and reap the benefit of consolidation through focused management, the Board of Directors of the Companies have resolved to amalgamate the Transferor Company with the Transferee Company.

PART - II - SHARE CAPITAL

1. The capital structure of the Transferee and the Transferor Company as on 31st August, 2001 as are parties to the present Scheme of Amalgamation is as under:-

- (a) The Authorised Share Capital of the Transferee Company (SHARDA MOTOR INDUSTRIES LIMITED) is Rs.5,00,00,000/- (Rs. Five Crores only) divided in 50,00,000 Equity Shares of Rs. 10/- each.
- (b) The Authorised Share Capital of the Transferor Company- KORIN INDIA LIMITED is Rs. 17,00,00,000/- (Rs. Seventeen Crore only) divided in 66,00,000 Equity Shares of Rs.10/- each and 10,40,000 5% Cumulative Redeemable Preference Shares of Rs.100/- each. The issued, subscribed and paid up share capital of the Transferor Company is Rs. 8,47,57,800/- (Rs Eight Crore Forty Seven Lakh Fifty Seven Thousand and Eight hundred) divided into 66,00,000 Equity Shares of Rs.10/- each and 1,87,578 5% cumulative redeemable preference shares of Rs.100 each.

PART - III - THE SCHEME

IN CONSIDERATION OF THE RECIPROCAL PROMISES AND THE ARRANGEMENTS, THE TRANSFEROR COMPANY AND THEIR RESPECTIVE SHAREHOLDERS AND THE TRANSFEE COMPANY AND ITS SHAREHOLDERS HAVE PROPOSED THE SCHEME OF AMALGAMATION AS SET OUT IN PART - III AND IV:

1. With effect from the Appointed Date and subject to the provisions of the Scheme in relation to the mode of transfer and vesting, the Undertaking and the entire business of the Transferor Company shall without further act or deed be transferred to and be vested or deemed to have been transferred to and vested in the Transferee Company pursuant to Sections 391(2) and 394(2) of the Act so as to become as and from the Appointed Date the estates, assets, rights, title, interests and undertaking of the Transferee Company, subject however, to all charges,

liens, mortgages, created and / or registered in favour of any Bank, Financial Institutions, if any, then affecting the same or any part thereof

Provided always that any reference in the security documents or arrangements to which the Transferor Company is a party, to the assets of the Transferor Company offered as security for any financial assistance or obligation, shall be construed as a reference to the assets pertaining to that undertaking of the Transferor Company as are vested in the Transferee Company by virtue of this Scheme and the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged to create any further or additional security therefore after the amalgamation has become effective or otherwise except in case where the required security has not been created and in such case the Transferee Company will create the security in terms of the issue or agreement in relation thereto.

Similarly, the Transferee Company shall not be required to create any additional security over assets acquired by it under the Scheme for any loans, deposits or facility availed or raised by it.

2. Any inter se contracts between the Transferor Company and the Transferee Company shall stand adjusted and vest in the Transferee Company upon the sanction of the Scheme and upon the Scheme becoming effective.
3. If any suit, actions, appeal or any other proceedings of whatever nature (hereinafter called "the proceedings") by or against the Transferor Company be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking of the Transferor Company or anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Company if this Scheme had not been made.

4. There are no deposits covered under section 58A of the Company Act, 1956.

5. The transfer and vesting of the Undertaking of the Transferor Company under Clause 1 hereof and the continuance of the proceedings by or against the Transferee Company under Clause 4 hereof shall not affect any transaction or proceeding already concluded by the Transferor Company on or after the Appointed Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by or on behalf of the Transferor Company as acts, deeds and things done and executed by or on behalf of the Transferee Company.

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

7. With effect from the 'Appointed Date' upto the 'Effective Date' :-

- (a) The Transferor Company shall carry on and shall be deemed to have carried on all its business and activities in respect of the Undertaking and stand possessed of its properties and assets for and on account of and in trust for the Transferee Company,
- (b) The Transferor Company shall not, without the written consent of the Transferee Company, undertake any new business,
- (c) All the profits or incomes accruing or arising to the Transferor Company or expenditure or losses arising or incurred (including the effect of taxes, if any, thereon) by the Transferor Company shall for all purposes be treated and be deemed to be and accrued as, the profits or incomes or expenditure or losses of the Transferee Company, as the case may be,
- (d) The Transferor Company shall carry on its business activities in relation to the undertaking under reasonable diligence, utmost business prudence and shall not undertake any

additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantee, indemnities, letter of comfort or commitments, either for itself or on behalf of its subsidiaries, if any, or group Company or any third party, or save as expressly permitted by this Scheme, alienate, charge, mortgage, encumber or otherwise deal with the said Assets or any part thereof, except in the ordinary course of business, or without the prior written consent of the Transferee Company or pursuant to any pre-existing obligation undertaken by the Transferor Company prior to the Appointed Date;

(e) The Transferee Company shall also be entitled, pending the sanction of the Scheme to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law (including without limitation, under the Industries (Development & Regulation) Act, 1951, Monopolies and Restrictive Trade Practices Act, 1969, Transfer of Property Act, 1973 etc.) for such consent, approvals and sanctions which the Transferee Company, may require.

(f) Save as specifically provided in this Scheme, neither any of the Transferor Company nor the Transferee Company shall make any change in its capital structure either by any increase, (by issue of rights shares, equity or preference shares, bonus shares, convertible debentures or otherwise) decrease, reduction, re-classification, sub division or consolidation, re-organisation, or in any other manner which may in any way affect the share exchange ratio prescribed in Clause 13(a) except by mutual consent of the Board of Directors of the concerned / affected Company. The Transferee Company may however take action to increase its authorised capital and amend its object so as to include the objects of the proposed Transfer Company and to facilitate the proposed merger, (if required).

8. The borrowing limits of the Transferee Company in terms of Section 293(1)(d) of the Act, shall without further act, instrument, permission, consent, approval or deed stand enhanced by an amount equivalent to the authorised borrowings limits of the Transferor Company, such limits being incremental to the existing limits of the Transferee Company.

9. All the loans and advances extended or notes issued by the Transferee Company to the Transferor Company and vice versa shall stand cancelled and the Transferor Company and the Transferee Company, as the case may be, shall have no further obligation in that behalf.

10. The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final in respect of the accounting period prior to the Effective Date.

Fair value of the equity shares of the Transferee and Transferor Companies

11. Fair value of one Equity Share of Rs. 10/- in the Transferee Company is Rs. 120.00 (Rupees One Hundred and Twenty only) as of 1.9.2001 based on the Valuation report by M/s S. R. Dhondia & Co., Chartered Accountants.

12. Fair value of one Equity Share of Rs. 10/- in case of the Transferor Company is on September 1, 2001 based on the Valuation report by M/s S. R. Dhondia & Co., Chartered Accountants, is Rs. 0.10 (Ten Paise only).

13. (a) Upon coming into effect of the Scheme and upon the vesting and transfer of the Undertakings into the Transferee Company hereon, the Transferee Company shall fix a record date for completion of all allotments to the members of the Transferor Company existing as on the record date as provided herein and without any further act or deed, issue and allot:

i) In respect of every 2,400 (two thousand, four hundred) Equity Share of Rs. 10/- each in the Transferor Company - Koni India Limited	i) 2 (two) Equity Share of Rs. 120/- each of the Transferee Company credited as fully paid i.e. Sharda Motor Industries Ltd.
ii) In respect of every 1,87,578 (one lakh, eighty seven thousand, five hundred and seventy eight) % Cumulative Redeemable Preference Shares Share of Rs. 100/- each in the Transferor Company	ii) All preference shares of Koni India Ltd. will get extinguished as they are held by the transferee company.

(b) On the 'Effective Date' Equity Shares of the Transferor Company held by the Transferee Company will be cancelled & shares issued by the Transferor Company shall stand cancelled.

as of the Effective Date, and shall be of no effect and the Transferor Company, shall have no further obligations outstanding in that behalf.

- (c) No fractional certificates shall be issued in favour of any member of any of the Transferor Company holding Equity shares, but the total number of the fractions shall be consolidated into Equity shares of Rs. 10 each of the Transferee Company and the Board of Directors of the Transferee Company shall make an allotment of such shares as fully paid up to such person or persons (including one or more of themselves or one or more of the officers of the Transferee Company) as such Board of Directors may in their absolute discretion select for the purpose of holding and selling the shares so allotted, provided that such Board of Directors may without making an allotment of all or some of the said Equity shares resulting from such consolidation as aforesaid direct the sale of any or all such Equity Shares.

Every sale under this clause shall be at such price or prices and at such time or times as may be approved by the Board of Directors and upon receipt of the purchase price in respect of such sale, provided the Board of Directors approve of the purchaser or his nominee, the Board of Directors shall allot the Equity shares covered by such sale to the approved purchaser or nominee. The aggregate sale proceeds of all such sales, after deducting therefrom all costs, charges and expenses of and incidental to the sale, shall be distributed among such members of the Transferor Company holding Equity shares as would otherwise have been entitled to such fractions respectively in proportionate to their respective entitlement in such fractions.

- (d) All shareholders whose names shall appear on the Register of Members of each of the Transferor Company on such date (after the Effective Date) as the Board of Directors of the Transferee Company may determine, shall surrender their share certificates for cancellation thereof to the Transferee Company. In default, upon the new shares in the Transferee Company being issued and allotted by it to the shareholders whose names shall appear on the Register of Members of the Transferor Company on such date as aforesaid, the Share Certificates in relation to the shares held by them in the Transferor Company shall be deemed to have been cancelled. All Certificates for the new shares shall be sent by the Transferee Company to the shareholders of the Transferor Company at their respective registered addresses as appearing in the said Register (or in the case of joint holders to the address of

that one of the joint holders whose name stand first in such Register in respect of such joint holding) and the Transferee Company shall not be responsible for any loss or transmission.

- (e) All mandates or other instructions in force in the close of business on the Effective Date relating to the payment of dividends on the equity shares of the Transferor Company shall unless and until revoked be deemed to be valid and subsisting mandates or instructions to the Transferee Company in relation to the corresponding equity shares of the Transferee Company to be issued and allotted pursuant to the Scheme.

- (f) It is further provided that upon the Scheme coming into effect, the Debt balances appearing under the head "Miscellaneous Expenditure" in the books of accounts of the Transferor Company shall thereafter be dealt with in the same manner as if they have been created by the Transferee Company in its own books i.e. amounts equal to the balance lying to the credit of "Profit and Loss Account" and "Miscellaneous Expenses to the extent not written off or adjusted", in the books of the Transferor Company shall be aggregated by the Transferee Company with similar amounts lying in its own losses as if the same was created by the Transferee Company out of its own funds.

- (g) The Opening Balance Sheet shall constitute the reconstructed balance sheet of the Transferee Company as on the appointed date.

- (h) Upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise the sales tax returns and to claim refund/credits etc. on the basis of the Opening Balance Sheet, becoming effective on the Appointed Date pursuant to the terms of this Scheme and its right to make such revisions in the Sales Tax returns and to claim refund/credits is expressly reserved.

- (i) It is expressly clarified that upon the Scheme becoming effective all taxes payable by the Transferor Company from the appointed date onwards including all or any refunds of all claims shall be treated as the tax liability or refund/claims as the case may be of the Transferee Company.

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(j) Upon the Scheme becoming effective and without any further act or deed on the part of the Transferor and/or Transferee Company all quotas/entitlements as are available/admissible to the Transferor Company, in terms of any scheme of the Govt of India/ state govts/ any other body and subsequent modifications/ amendments thereto from time to time, shall stand transferred in the name of the Transferee Company and the Transferee Company shall be entitled to enjoy the rights to such quota/entitlements as if the same were originally admissible to the Transferee Company. Further, all guarantees given by the Transferor Company in favour of the said Authorities shall also be deemed to have been given by the Transferee Company upon the Scheme becoming effective.

(k) The Transferee Company is expressly permitted to revise its Income-tax returns and related TDS Certificates and to claim refunds, advance tax credits etc. on the basis of the Opening Balance Sheet as above, becoming effective on the Appointed Date and its right to make such revisions in the Income-tax returns and related TDS Certificates and the right to claim refunds, advance tax credits pursuant to the sanction of this Scheme and the Scheme becoming effective is expressly granted.

(l) All the employees of the Transferor Company shall become the employees of the Transferee Company without interruption in service and on terms no less favourable to them than those then applicable to them on the Effective Date. It is expressly provided that the Provident Fund, Gratuity Fund etc. created or existing for the benefit of the employees the Transferor Company shall stand substituted by the Transferee Company.

(m) Upon the Scheme becoming effective and subject to an order being made by the Hon'ble High Court of Delhi under Section 394 of the Act the Transferor Company shall stand dissolved without winding up as and from the effective date or such date as the said Hon'ble High Court may direct.

(n) The Transferee Company shall make suitable alterations to its Memorandum and Articles of Association (if necessary) for proper implementation of this Scheme.

14. The Transferee Company shall on or before the allotment of shares in terms of Clause 13(a)(i) and (ii) here-in-above, increase its share capital by the creation of at least such

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number of equity shares of Rs. 10/- each as may be necessary to satisfy its obligations under the said clauses.

15. The Transferee Company shall cause a Special Resolution to be passed pursuant to Section 81 (1 - A) of the Act for the offer and allotment of Equity Shares in the Transferee Company to the Shareholders of Transferor Company in accordance with and subject to the provisions of the Scheme.

PART - IV - GENERAL TERMS AND CONDITIONS

1. The authorised Share Capital of the Transferee Company shall be increased to an amount as may be required for the purpose of allotment of shares to the shareholders of the Transferor Company as on the effective date.
2. The Transferee Company shall file the requisite application / forms with the Registrar of Company for the increase of the authorised capital of the Transferee Company as aforesaid.
3. The issue and allotment of the shares under the provisions of this Scheme to the Shareholders will be made subject to any approval of statutory and Governmental authorities as applicable.
4. In the event, the shares are required to be allotted to non- residents in the Transferee Company upon the order of sanction of the Scheme of Amalgamation, the Scheme will become effective though the actual issue and allotment of shares is postponed or deferred in relation to the non - residents pending the grant of approval from the statutory authorities.
5. The Scheme is conditional upon and subject to the following:-
 - a) The Scheme being approved by the respective requisite majorities of the members / creditors of each of the Transferor Company and the Transferee Company and it being

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sanctioned by the Hon'ble High Court of Delhi respectively under Section 191 of the Act and the appropriate orders being made by the said High Courts pursuant to Section 194 of the Act for effecting the amalgamation under the Scheme and the implementation of the Scheme.

b) The approval and consent of any authorities/ banks concerned of the Transferor Company and the Transferee Company as may be required under any contract or statute being obtained and granted in respect of any of the matters in respect of which such approval and consent be required.

c) The certified copies of the respective orders of the Hon'ble High Court of Delhi being filed with the Registrar of Company, Delhi by the Transferor Company and the Transferee Company.

6. The Transferor and Transferee Company shall make necessary applications to the Hon'ble High Courts of Delhi for obtaining the Hon'ble Court's sanction of this Scheme and for the consequent dissolution without winding up of the Transferor Company.

7. The Scheme although operative from the transfer date shall take effect finally and from the date on which any of the aforesaid sanctions or approvals or orders shall be last obtained, which shall be the Effective Date for the purpose of the scheme.

8. Until the Scheme is sanctioned and transfers effected as aforesaid and until the Transferee Company is effectively able to take over and obtain all necessary transfer affected with the parties concerned, the Transferor Company shall carry on its business to extent possible and shall be deemed to be carrying on the said business for and on behalf of and in trust for the Transferee Company with effect from the Appointed Date.

9. In case the scheme is not sanctioned by the Hon'ble High Court of Delhi for any reason whatsoever or for any other reason the Scheme cannot be implemented before 31st March, 2004 or within such further period or periods as may be agreed upon between the Transferor Company (by their Directors) and the Transferee Company (by its Directors)

ATTESTED
Examiner Judicial Deptt.
High Court of Delhi

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the Scheme shall become null and void and in that event no rights and liabilities shall accrue to or be incurred inter se by the parties in terms of the Scheme.

10. The Transferor Company (by its Directors) and the Transferee Company (by its Directors) or any person authorised by them may assent from time to time on behalf of all persons concerned to any modifications or amendments of this Scheme or of any conditions or stipulations which the respective Hon'ble High Courts and / or any other authorities under law may deem fit to approve of or impose and to resolve all doubts or difficulties that may arise for carrying out the Scheme and to do and execute all acts, deeds, matters and things necessary and / or expedient for the purpose of implementing the Scheme.

11. 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 or doubt or difficulty that may arise.

All costs, charges and expenses of the Transferor Company 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, except as specifically provided herein be borne and paid by the Transferee Company.

TRANSFEE COMPANY

TRANSFEROR COMPANY

Shri. K. S. Srinivasan

ATTESTED
Examiner Judicial Deptt.
High Court of Delhi

KORIN INDIA LIMITED

SCHEDULE OF ASSETS OF M/S KORIN INDIA LTD.
(Transferor Company) as on 31st August 2001 to be transferred to and
vested in M/S SHARDA MOTOR INDUSTRIES LTD.
(Transferee Company)

SCHEDULE II

PART - I

(A SHORT DESCRIPTION OF FREE HOLD PROPERTY OF THE TRANSFEROR COMPANY)

(NIL)

PART - II

(A SHORT DESCRIPTION OF LEASE HOLD PROPERTY OF THE TRANSFEROR
COMPANY)

(AS PER ANNEXURE - A)

PART - III

(A SHORT DESCRIPTION OF ALL SHARES, SECURITIES, DEBENTURES IN THE NAME OF
TRANSFEROR COMPANY)

(NIL)

PART - IV

(A SHORT DESCRIPTION OF OTHER ASSETS OF TRANSFEROR COMPANY)

(AS PER ANNEXURE - B)



Regd. Office : B-238, OKHLA INDUSTRIAL AREA, PHASE-I, NEW DELHI-110020 (I)
Tel. : 91-11-6814585, 6815592, 6812896, 6816195, 6816199,
Fax No. : 6811676 E-mail : smil@ndf.vsnl.net.in

Works : PLOT NO. : 4, SECTOR-31, KASNA INDUSTRIAL AREA, GREATER
DISTT. : GAUTAM BUDDH NAGAR, (U.P.) 203 207
Tel. : +91-118-4561257, 4561258, 4561259 Fax : 4561257

KORIN INDIA LIMITED

ANNEXURE - A

PART - II

(A SHORT DESCRIPTION OF LEASE-HOLD PROPERTY OF TRANSFEROR COMPANY)

DESCRIPTION OF PROPERTY:
LAND ON WHICH FACTORY IS SET-UP

ADDRESS/LOCATION:

PLOT NO 4,
SECTOR-31,
KASNA INDUSTRIAL AREA,
GUTAMBUDH NAGAR,
GREATER NOIDA.

TOTAL AREA/MESUREMENT:

LAND AREA : 39999 75 SQ.MTRS.

THE ABOVE LAND HAVE BEEN ALLOTTED ON LEASE OF 90 YEARS FROM GREATER NOIDA
INDUSTRIAL DEVELOPMENT AUTHORITY, THROUGH LEASE DEED EXECUTED ON
19.03.1996 THE POSSESSION OF THE ABOVE LAND WAS TAKEN ON 26.03.1996 FROM THE
AUTHORITY VIDE THEIR LETTER NO.ENG/96/C-178/4 DATED 26.03.1996

STATUS/DIMENSIONS OF THE LAND :

NORTH - E - PLOT NO.05
SOUTH - W - ROAD 24.0M ROAD
S-EAST- ROAD 60.0M WIDE
N-WEST- PLOT NO.16 TO 25

For KORIN INDIA LIMITED

Joint Chairman



Regd. Office : B-238, OKHLA INDUSTRIAL AREA, PHASE-I, NEW DELHI-110020 (INDIA)
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Fax No. : 6811676 E-mail : smil@ndf.vsnl.net.in

Works : PLOT NO. : 4, SECTOR-31, KASNA INDUSTRIAL AREA, GREATER NOIDA,
DISTT. : G.
Tel. : +91-118-4561257, 4561258, 4561259 Fax : 4561257

Works : PLOT NO. : 4, SECTOR-31, KASNA INDUSTRIAL AREA, GREATER NOIDA,
DISTT. : G.
Tel. : +91-118-4561257, 4561258, 4561259 Fax : 4561257

KORIN INDIA LIMITED

ANNEXURE - B

PART - IV

(A SHORT DESCRIPTION OF OTHER ASSETS OF TRANSFEROR COMPANY)
AS ON 31.08.2001

S.NO.	ASSETS	AMOUNT RS.
1	BALANCE AT BANK	541784.86
2	CASH IN HAND	25050.53
3	SUNDRY DEBTORS	4522458.02
4	STOCK IN TRADE	4881177.92
5	LOAN & ADVANCES	18255158.98
6	ELECTRICAL EQUIPMENTS, INSTALLATION & FITTINGS	9593615.70
7	FURNITURE & FIXTURES	2161751.87
8	PLANT & MACHINERY	130920370.60
9	GENERATOR	1591981.62
10	HANDLING TROLIES	2260055.19
11	AIR CONTIONERS	163767.12
12	VEHICLES	1961540.53
13	COMPUTERS	185609.17
14	EPABX BOARD	264230.48
15	OFFICE EQUIPMENTS	643193.93
16	BUILDING	29369299.11
		207341045.63

* Details of assets mentioned at S.Nos. 08 to 16 are given on following pages.



Regd. Office : B-
Tel
Fax
Works : PL
Dist
Tel

INDUSTRIAL AREA, PHASE-I, NEW DELHI-110020 (INDIA)
i. 6815592, 6812896, 6816195, 6816199,
E-mail : smil@ndf.vsnl.net.in

FOR-31, KASNA INDUSTRIAL AREA, GREATER NOIDA,
UDH NAGAR, (U.P.) 203 207
57, 4561258, 4561259 Fax : 4561257

KORIN INDIA LIMITED

ANNEXURE - B (CONT.)

PART - IV
A SHORT DESCRIPTION OF ASSETS MENTION ABOVE AT S.NO. 8 TO 16

S.NO. 8: PLANT & MACHINERY

I) CIELO & OPEL ASTRA LINE COMPRISING OF FOLLOWING MACHINERY

- MULTI SPOT WELDING MACH FOR CONTROL ARM & BKT WITH ESSENTIAL SPARES
- TWO WAY DRILLING & BORING MACH FOR CARRIER PLATE & ESSENTIAL SPARES
- BUSH FITTING MACH & SPARES
- MILLING TRANSFER MACH FOR REAR AXLE ASSEMBLY
- HUB SUB-ASSY MACH (4 NOS)
- GREASING FOR SUPPLYING GREASE AUTOMATICALLY TO ROLLER BEARING
- FEEDING RAIL (4 NOS) & SPARE PART
- SLATE CONVEYOR FOR BREAK SYSTEM
- CASTLE NUT ASSY MACH FOR SPINDLE & C/NUT ASSY
- WELDING ASSY CHECKER
- MACHINE ASSY CHECKER
- CARRIER PLATE CHECKER
- WELDING ROBOT TWO NOS & SPARE PARTS
- INVERTOR TYPE CO2 WELDING MACHINE FOUR NOS.

II) MATIZ LINE COMPRISING OF FOLLOWING MACHINERY

- AQ2 REAR AXLE MAIN WID JIG
- AQ1 REAR AXLE MAIN WID JIG
- SQ4 SPINDLE SUB WID JIG (ABS)
- SQ3 1/ARM SUB WID JIG
- AQ1 REAR AXLE MAIN WID JIG (SUB)
- AQ2 REAR AXLE MAIN WID JIG (SUB)
- PNEUMATIC & ELECTRO SYSTEM (SUB)
- AQ2 CO2 WELDER (1 TWO NOS)
- PNEUMATIC & ELECTRO SYSTEM (MAIN) 1 TWO NOS
- SQ4 SPINDLE SUB WID JIG
- SQ3 1/ARM SUB ASSY C/F
- SQ4 SPINDLE SUB ASSY C/F
- AQ4 REAR AXLE ASSY CHECKER

III) TOOLS & ACCESSORIES

- DIE TOOLS FOR IFS (M & M)
- DIE TOOLS FOR ALTO
- DIFS & TOOLS FOR OTHERS



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Fax No. : 6811676 E-mail : smil@ndf.vsnl.net.in

Works : PLOT NO. : 4, SECTOR-31, KASNA INDUSTRIAL AREA, GREATER NOIDA,
DISTT. : GAUTAM BUDH NAGAR, (U.P.) 203 207
Tel. : +91-118-4561257, 4561258, 4561259 Fax : 4561257

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Official Deputy



KORIN INDIA LIMITED

IV) POWER PRESSES

- 63 TONS
- 180 TONS
- 250 TONS
- 315 TONS
- AND THEIR TOOLS & ACCESSORIES

V) 12 NOS. MIG WELDING MACHINES

VI) 2 NOS. PROJECTION WELDING MACHINES

VII) ONE SHEARING MACHINE

VIII) THREE HYDROLIC PALLET TRUCKS

IX) TWO DRILLING MACHINES

X) FHP COOLING TOWER

XI) TWO FORK LIFT TRUCK

XII) CO2 MANIFOLD SYSTEM OF 45 KG.

XIII) FIE UTM MACHINE ONE NO.

XIV) GRANITE SURFACE TABLE

XV) FUME EXHAUST SYSTEM

XVI) TWO NOS AIR COMPRESSORS

S.NO. 9 - GENERATOR

- ONE GENERATOR 500 KVA

S.NO. 10 - HANDLING TROLLEYS, BINS & PALLETS

- TROLLEYS FOR CIELO/OPEL ASTRA A1 - 43 NOS.
- TROLLEYS FOR CIELO A2 - 43 NOS.
- TROLLEYS FOR OPTEL ASTRA A2 - 24 NOS.
- TROLLEYS FOR MATIZ - 28 NOS.
- TROLLEYS FOR ALTO - 32 NOS.
- TROLLEYS FOR IFS - 5 NOS.
- TROLLEYS FOR MATERIAL MOVEMENT WITHIN PLANT - 8 NOS.
- BINS FOR ALTO - 10 NOS.
- PRESS SHOP TABLE - 04 NOS.
- TOOLS DESKS FOR PRESS SHOP DIE TOOLS - 68 NOS.
- PLASTIC BINS FOR ALTO BIG - 85 NOS & SMALL - 35 NOS.
- PLASTIC BINS FOR STORE - SMALL - 50 NOS.
- PLASTIC BINS FOR DG - SMALL - 02 NOS.



Regd. Office : B-238, OKH
Tel. : 91-11-
Fax No. : 8

Works : PLOT NO. :
DIST. : GA
Tel. : +91-11-

AREA, PHASE-I, NEW DELHI-110020 (INDIA)
2, 6812896, 6816195, 6816199,
imil@ndf.vsnl.net.in

KASNA INDUSTRIAL AREA, GREATER NOIDA,
GAR, (U.P.) 203 207
258, 4561259 Fax : 4561257

STED

Official Dep't
at of Delhi



KORIN INDIA LIMITED

S.NO. 11 - AIR CONDITIONERS

NINE AIR CONDITIONERS INSTALLED AT FACTORY

S.NO. 12 - VEHICLES

- THREE DAEWOO MAKE CIELO CARS
- ONE MARUTI 800 CARS
- ONE FORD MAKE ICON CAR
- ONE MAHINDRA & MAHINDRA MAKE MARSHAL JEEP
- TWO BAJAJ MAKE CIELO SCOOTERS

S.NO. 13 - COMPUTERS

- SIX COMPUTERS
- FIVE PRINTERS
- ONE ELECTRONIC TYPE WRITER

S.NO. 14 - EPABX BOARD

ONE EPABX OF TATA TELECOM MODEL PSX 130 AND TELEPHONE INSTRUMENTS

S.NO. 15 - OFFICE EQUIPMENTS

OTHER OFFICE EQUIPMENTS LIKE TWO WATER COOLERS, FAX MACHINE, ZEROX MACHINE, GRASS CUTTING MACHINE, EPABX BOARD, TELEPHONE INSTRUMENTS & ONE ALUMINIUM LADDER 40 FEET HIGH, FOUR AIR COOLERS

S.NO. 16 - BUILDING

	COVERED AREA (SQ. MTRS.)
- MAIN FACTORY SHED - WALLS MADE OF BURNT BRICKS SET IN CEMENT WITH PLASTER ON BOTH SIDES & METACOLOUR SHEETS	2602.02
- SHOP OFFICE, FINISHED GOODS STORE & WORKERS FACILITY ROOM MADE OF BURNT BRICKS SET IN CEMENT WITH HCC SHED ROOF	820.81
- ENTRANCE HALL - CONSTRUCTION AS ABOVE	24.05
- DG SET ROOM & UTILITY ROOMS - CONSTRUCTION AS ABOVE	333.95
- SECURITY BLOCK - CONSTRUCTION SIMILAR AS ABOVE	88.66
- PUMP ROOM - CONSTRUCTION SIMILAR AS ABOVE	25.30
	3700.74
- FIRST FLOOR MADE OF CONSTRUCTION SIMILAR AS ABOVE	347.04
	4047.78
- UNDER GROUND TANK - CAPACITY 1.87,200 LITERS	
- BOUNDARY WALLS WITH FENCING (800 MM)	
TOTAL PLOT AREA IS 39999.75 SQ. MTRS.	

Dated this the 15th day of April, 2002

(By order of the Court)

Registrar (Adm. Sudl.)

TRUE COPY

No. 4343
Date of Presentation 1/1/02
Application for copy
No. of Words/Pages 210
Copying Fee Rs. 10/-
Urgent Fee Rs. 10/-
Registration and Postage Fee Rs. 10/-
Agency Fee Rs. 10/-
Total Rupees Rs. 40/-
Name of Applicant Mr. J. K. Chaudhary
Date of Receipt 1/1/02
for copy
Date of Preparation of Copy 1/1/02
Date of Delivery of Copy 1/1/02

Administrative Officer (Judl)
(C. S. J.)
High Court of Delhi
New Delhi



IN THE HIGH COURT OF DELHI AT NEW DELHI
ORDINARY ORIGINAL JURISDICTION
COMPANY PETITION NO. 121 OF 2012
IN
COMPANY APPLICATION (M) NO. 4 OF 2012

IN THE MATTER OF:

The Companies Act, 1956

AND

IN THE MATTER OF:

A joint application under Section 391
to 394 of the said Act

AND

IN THE MATTER OF:

Sharda Sejong Auto Components
(India) Limited

.../PETITIONER NO. 1
TRANSFEROR COMPANY

AND

Sharda Motor Industries Limited

....PETITIONER NO.2
/TRANSFeree COMPANY

MEMO OF PARTIES

Sharda Sejong Auto Components
(India) Limited, is a Public Limited
Company incorporated on 28th
September 2005, under the
Companies Act, 1956, having its
registered office situated at D-188,
Okhla Industrial Area, Phase - I,
New Delhi - 110020.

... PETITIONER NO. 1
/TRANSFEROR COMPANY

AND

Sharda Motor Industries Limited, is
a Public Limited Company
incorporated on 29th January, 1986
under the Companies Act, 1956
having its registered office situated
at D-188, Okhla Industrial Area,
Phase - I, New Delhi - 110020

... PETITIONER NO.2
/TRANSFeree COMPANY

M.S.D.
MALINI SUD/SALIL SETH
KHAITAN & KHAITAN
ADVOCATES FOR THE APPLICANTS
D-41, DEFENCE COLONY
NEW DELHI - 110024
TEL: 41552824/25

NEW DELHI
DATED : 12.03.2012

Me
Section 391 to 394 of the Companies Act, 1956
Application for the appointment of a Liquidator under Section 391 of the Companies Act, 1956
Dated 12.03.2012
Page 2 of 2

IN THE HIGH COURT OF DELHI AT NEW DELHI
(ORIGINAL COMPANY JURISDICTION)
IN THE MATTER OF THE COMPANIES ACT, 1956
AND
IN THE MATTER OF SCHEME OF AMALGAMATION
OF

COMPANY PETITION NO.121/2012

CONNECTED WITH

COMPANY APPLICATION (M) NO.4/2012

IN THE MATTER OF Sharda Sejong Auto Components (India) Ltd.
 Having its regd. office at:
 D – 188, Okhla Industrial Area,
 Phase – I, New Delhi – 110020
 Petitioner/Transferor Company

WITH

IN THE MATTER OF Sharda Motor Industries Ltd.
 Having its regd. office at:
 D – 188, Okhla Industrial Area,
 Phase – I, New Delhi – 110020
 Petitioner /Transferee Company

BEFORE HON'BLE MS. JUSTICE INDERMEET KAUR
DATED THIS THE 25TH DAY OF JULY, 2012

ORDER UNDER SECTION 394 OF THE COMPANIES ACT, 1956

The above petition came up for hearing on 25/07/2012 for sanction of the Scheme of Amalgamation proposed to be made between Sharda Sejong Auto Components (India) Ltd. (herein referred to as Petitioner/Transferor Company) with Sharda Motor Industries Ltd. (herein referred to as Petitioner/Transferee Company). The Court examined the petition; the order dated 04/01/2012, passed in CA (M) 4/2012, whereby the requirement of convening and holding the meetings of the Shareholders and Creditors of the Transferor Company was dispensed with (there being no Creditors of the Transferor Company) and separate meetings of the Shareholders, Secured Creditors and Unsecured Creditors of the Transferee Company was ordered

to be convened for the purpose of considering the proposed Scheme of Amalgamation with or without modification, the Scheme of Amalgamation annexed to the affidavit dated 22/12/2011 of Mr. Narinder Dev Relan, Chairman and Ajay Relan, Managing Director of the Transferor and Transferee Company respectively, and the publication in the newspapers namely 'Financial Express' (English) and 'Veer Arjun' both dated 24/01/2012 containing the notice of the Petition.

The Court also examined the affidavit dated 17/07/2012 of the Regional Director, Northern Region, Ministry of Corporate Affairs and observed that the Central Government has no objection to the proposed Scheme of Amalgamation.

Upon hearing Mrs. Malini Sud, Advocate with Mr. Salil Seth and Ms. Aditi Sharma, Advocates for Petitioner company, Mr. Rajiv Bahl Advocate for Official Liquidator and Mr. K.S. Pradhan, Dy. Registrar of Companies for Regional Director (Northern Region) and in view of the approval of the Scheme of Amalgamation without any modification by the Shareholders of the Transferor Company and in view of the report dated 11/07/2012 of the Official Liquidator stating therein that the affairs of the Transferor Company have not been conducted in a manner prejudicial to the interest of its members, creditors or to the public interest and there being no investigation proceedings pending in relation to the Petitioner Company under Section 235 to 251 of the Companies Act, 1956,

THIS COURT DOTH HEREBY SANCTION THE SCHEME OF AMALGAMATION under sections 391 and 394 of the Act as set forth in Schedule-I annexed hereto (with the amendment/correction that the date mentioned in clause 19.4 of the Scheme of Amalgamation shall be 01.04.2013 instead 01.04.2011 pursuant to the order dated 10.07.2012 of

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Noted Department
for the Dept of
Secy on the
New Delhi

entire 1 to be True Copy
Noted Department
for the Dept of
Secy on the
New Delhi

Shareholders of the Transferor Company and Shareholders and Creditors of the Transferee Company and all concerned and doth approve the said Scheme of Amalgamation with effect from the appointed date i.e. 01/04/2011.

AND THE COURT DOTH FURTHER ORDER:

1. That in terms of the scheme, the whole of the undertaking, the property, rights and powers of the Transferor Company specified in Schedule-II hereto and any other property, rights and powers of the Transferor Company be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and vest in the Transferee Company for all the estate and interest of the Transferor Company therein but subject nevertheless to all charges now affecting the same; and
2. That in terms of the scheme, all the liabilities and duties of the Transferor Company be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of the Transferee Company; and
3. That all the proceedings now pending by or against the Transferor Company be continued by or against the Transferee Company; and
4. As per Clause 9.2 of the Scheme of Amalgamation upon the Scheme becoming effective, no new Equity Shares shall be issued to the Transferor Company in lieu of the Shares held by the Transferee Company, since the Transferor Company is a wholly owned subsidiary and the Transferee Company; and
5. That the Petitioner Company do within 30 days after the date of this order cause a certified copy of this order to be delivered to the Registrar of

Companies for registration and on such certified copy being so delivered, the Transferor Company shall be dissolved without undergoing the process of winding up and the concerned Registrar of Companies shall place all documents relating to the Transferor Company and registered with him on the file kept in relation to the Transferee Company and the files relating to the said Transferor and Transferee Companies shall be consolidated accordingly; and

6. That it is clarified that this order will not be construed as an order granting exemption from payment of stamp duty, taxes or any other charges, if payable in accordance with law; or permission/compliance with any other requirement which may be specifically required under any law; and

7. That any person interested shall be at liberty to apply to the Court in the above matter for any directions that may be necessary.

[Handwritten signature]
Certified to be True Copy
Exempted from stamp duty
under Section 115B(1)(ii) of
the Income Tax Act, 1961

[Handwritten signature]
Certified to be True Copy
Exempted from stamp duty
under Section 115B(1)(ii) of
the Income Tax Act, 1961

Schedule - I
29

Annexure A

SCHEME OF AMALGAMATION

OF

SHARDA SEJONG AUTO COMPONENTS (INDIA) LIMITED
the Transferor Company

WITH

SHARDA MOTOR INDUSTRIES LIMITED
the Transferee Company

This Scheme of Arrangement is proposed for Amalgamation of Sharda Sejong Auto Components (India) Limited with Sharda Motor Industries Limited, pursuant to Sections 391 to 394 and other applicable provisions of the Companies Act, 1956.

PREAMBLE

(A) Background and Description of the Company

1. Sharda Sejong Auto Components (India) Limited, the Transferor Company, is a Public Limited Company incorporated on 28th September 2005, under the Companies Act, 1956. The Company's registered office is situated at D-188, Okhla Industrial Area, Phase - I, New Delhi - 110020. The Transferor Company is a wholly owned subsidiary of the Transferee Company.

Sharda Motor Industries Limited, the Transferee Company, is a Public Limited Company incorporated under the Companies Act, 1956. The Company's registered office is situated at D-188, Okhla Industrial Area, Phase - I, New Delhi - 110020. The Transferee Company is engaged in the business of manufacture and marketing automobile parts. The shares of the Transferee Company are listed on the Delhi Stock Exchange.

(B) Purpose of the Scheme

1. This scheme of Amalgamation is presented under Section 391 to Section 394 of the Companies Act, 1956 for Amalgamation of Transferor Company with the Transferee Company.
2. This scheme also provides for various other matters consequential or otherwise integrally connected therewith.

(C) Rationale of the Scheme

The amalgamation of the Transferor Company (the wholly owned subsidiary of the Transferee Company) with the Transferee Company will result in elimination of overhead outstandings and other expenses, facilitate administrative convenience and ensure optimum utilization of available services and resources of both the companies.

In view of the aforesaid, the Board of Directors of SHARDA SEJONG AUTO COMPONENTS (INDIA) LIMITED as well as the Board of Directors of SHARDA MOTOR INDUSTRIES LIMITED have considered and proposed the amalgamation of Transferor with Transferee Company in order to benefit the stakeholders of the Companies. Accordingly, the Board

Certified to be True Copy
Examiner
19/05/2011

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1.

1.1

1.2

1.3

1.4

Reference in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" shall mean the Effective Date.

1.6

1.7

1.8

1.9

2

Changed to on file

1.10 "Undertaking" shall mean the entire business of the Transferor Company on a going concern basis, consisting, *inter alia*, of:

1.10.1 all assets whether moveable or immoveable, tangible or intangible, including investments of all kinds, trademarks, trade names, copyrights, patents and other intellectual properties, and current assets (including cash and bank balances, loans and advances etc.);

1.10.2 all present and future liabilities, debts, duties, outstandings, payables including contingent liabilities and shall include any obligations arising therefrom; and

1.10.3 all records, files, papers, information, computer programmes, softwares, manuals, data, and other records whether in physical or electronic form.

1.11 Word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed.

2. SHARE CAPITAL

2.1 The share capital structure of Transferor Company as on 1st April' 2011 is as under:

Particulars	Amount (Rs.) (In Lacs)
Authorised:	
25,000,000 Equity Share of Rs. 10/- Each	2500.00
TOTAL	2500.00
Issued, Subscribed & Paid-Up	
20,050,000 Equity Share of Rs. 10/- Each	2005.00
TOTAL	2005.00

2.2 The share capital structure of the Transferee Company as on 1st April' 2011 is as under:

Particulars	Amount (Rs.) (In Lacs)
Authorised:	
25,000,000 Equity Share of Rs. 10/- Each	2500.00
TOTAL	2500.00

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Issued, Subscribed & Paid-Up	
5,946,326 Equity Share of 10/- Each	594.63
TOTAL	594.63

The Equity shares of the Transferee Company are listed on the Delhi Stock Exchange.

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AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE
TRANSFeree COMPANY

3 TRANSFER AND VESTING OF PROPERTIES, ASSETS AND LIABILITIES

3.1 With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and the whole of the assets and liabilities of the Transferor Company shall, in terms of Sections 391 and 394 and other applicable provisions, if any, of the Act, and pursuant to the orders of the High Court of Delhi or other appropriate authority, if any, sanctioning the Scheme, without any further act, deed, matter or thing, stand transferred at their respective book values to and vested in and/or deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the assets and liabilities of the Transferee Company within the meaning of Section 2(1B) of the Income-tax Act, 1961.

3.2 Without prejudice to the generality of the above clause:

3.2.1 With effect from the Appointed Date, all the assets of the Transferor Company (whether movable or immovable, tangible or intangible) as on the Appointed Date, including investments, any trademark, copyright, secret knowledge or information, technical know-how or any other intellectual property rights, all records, books, files, papers engineering and process information, computer programs, manuals, data catalogues, domain names, quotations and all other rights, title, interest, privileges, contracts, consents, approvals or powers of every kind, nature and descriptions whatsoever, shall under the provisions of Sections 391 to 394 of the Act and other applicable provisions and pursuant to the orders of the High Courts or any other appropriate authority sanctioning this Scheme and without further act, instrument, deed or thing, but subject to the charges, if any affecting the same as on the Effective Date be transferred and/or deemed to be transferred to and vested in the Transferee Company so as to become the assets of the Transferee Company.

3.2.2 In respect of all the movable assets owned by the Transferor Company as on the Effective Date shall be so transferred to the Transferee Company to the end and intent that the benefit therein passes to the Transferee Company with effect from the Appointed Date.

3.2.3 In respect of the movable assets owned by the Transferor Company as on the Effective Date, other than those mentioned

in Clause 3.2.2 above, outstanding loans, advances, whether recoverable in cash or kind, the Transferee Company may, issue notices in such form as the Transferee Company may deem fit and proper stating that, pursuant to the High Court or other appropriate authority, having sanctioned this Scheme, the relevant loan, advance or other asset, be paid or made good or held on account of the Transferee Company, as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realize the same stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

3.2.4 All taxes of any nature, duties, cases or any other like payments or deductions made by the Transferor Company to any statutory authorities, relating to the period after the Appointed Date and up to the Effective Date shall be deemed to have been made on account of or on behalf of or paid by the Transferee Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon the passing of the order on this Scheme by the High Court or any other appropriate authority and upon relevant proof and documents being provided to the said authorities to this effect. Further, brought forward tax losses and unabsorbed depreciation of the Transferor Company in terms of the provisions of Section 72A of the Income-Tax Act, 1961 shall be allowable for set off against the profits of the Transferee Company subject to fulfillment of the conditions prescribed therein.

3.2.5 All cheques and other negotiable instruments and payment orders received in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company. Similarly, the banker of the Transferee Company shall honour cheques issued by the Transferor Company for payment between the Appointed Date and the Effective Date and presented after the Effective Date.

3.2.6 With effect from the Appointed Date, all debts (whether in Rupee or Foreign currency), liabilities (including contingent liabilities), guarantees, bonds given to the custom authorities or any other person or statutory authorities, duties and obligations of every kind, nature and description of the Transferor Company shall be deemed to have been transferred to the Transferee Company and to the extent they are outstanding on the Effective Date shall, without any further act, deed, matter or thing be and stand transferred to the Transferee Company and shall become the liabilities and obligations of the Transferee Company, which shall undertake to meet, discharge and satisfy

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the same 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 debts, liabilities, guarantee(s) and obligations have arisen in order to give effect to the provisions of this Clause.

3.2.7 Where any of the debts (whether in rupee or in foreign currency), liabilities (including contingent liabilities), duties and obligations of the Transferor Company as on the Appointed Date, deemed to be transferred to the Transferee Company, which have been discharged by the Transferor Company after the Appointed Date and the Effective Date, such discharge shall be deemed to have been discharged for and on account of the Transferee Company, and all loans, advances raised and used and all liabilities and obligations incurred by the Transferor Company after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall also without any further act, deed, matter or thing stand transferred to the Transferee Company and become the liabilities and obligations of the Transferee Company, which shall undertake to meet, discharge and satisfy the same 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 loans and liabilities have arisen in order to give effect to the provisions of this Clause.

3.2.8 All the licenses, essentiality certificates, permits, quotas, approvals, permissions, incentives, sales tax deferrals, loans, and other benefits or privileges enjoyed by or held or availed of by and all rights and benefits that have accrued or which may accrue to the Transferor Company shall, pursuant to the provisions of Section 394(2) of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date the licenses, essentiality certificates, permits, quotas, approvals, permissions, incentives, sales tax deferrals, loans of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible under law.

3.2.9 All assets acquired by the Transferor Company in relation to or in connection with its business on or after the Appointed Date and prior to the Effective Date shall deemed to have been accrued to for and on behalf of the Transferee Company and shall, upon the coming into effect of this Scheme, pursuant to the provisions of Section 394(2) of the Act, without any further act, instrument or deed be and stand transferred to or vested in

Transferee Company to that extent and shall become the estates, rights, title, interests and authorities of the Transferee Company.

3.2.10 To the extent there are inter-corporate loans or balances between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and 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.

3.2.11 For the purpose of giving effect to the amalgamation order passed under Sections 391 and 394 of the Act in respect of this Scheme by the Hon'ble High Court, the Transferee Company shall, at any time pursuant to the order on this Scheme, be entitled to get the record of the change in the legal right(s) upon the amalgamation of the Transferor Company in accordance with the provisions of Sections 391 and 394 of the Act. The Transferee Company shall be authorized to execute any pleadings, applications, forms etc. as are required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme.

3.2.12 All patents, trademarks, copyrights and other intellectual property rights registered with the authorities concerned or applications submitted at any time on or before the Effective Date in respect of the Transferor company shall stand transferred and vested in the name of Transferee Company without any further act or deed. The Transferee Company however shall after the scheme becoming effective file the relevant intimation with the concerned statutory authority(s) who shall take them on record pursuant to vesting orders of the sanctioning authority.

4 GENERAL ACCOUNTING TREATMENT

Upon the Scheme becoming effective, the amalgamation of the Transferor Company with the Transferee Company shall be accounted for as per the "Pooling of Interest Method" provided under Accounting Standard 14 issued by the Institute of Chartered Accountants of India such that:

4.1 The Transferee Company shall, with effect from the Appointed Date and upon the Scheme coming into effect, record all 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.

- 4.2 In case of any difference in the accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in the profit and loss 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.
- 4.3 The loans and advances or payables or receivables of any kind, held *inter-se*, if any, between the Transferee Company and the Transferor Company *inter-se* as appearing in their respective books of accounts shall stand cancelled as on the Appointed Date.
- 4.4 The amount by which the aggregate of book value of assets of the Transferor Company vested in the Transferee Company as per Clause 4.1 above exceeds, the aggregate of book value of liabilities, reserves shall be credited to capital reserve account of the Transferee Company.
- 4.5 The accounting treatment save as otherwise mentioned in Part II of this Scheme, shall be in accordance with the generally accepted accounting principles and applicable accounting standards prescribed by the ICAI laid out in this behalf and the provisions of the Act.
- 4.6 In case of any difference in accounting policies between Transferor Company and Transferee Company, the impact of such differences shall be quantified and adjusted as the Board of Directors of the Transferee Company deem fit to ensure that the true financial statements of Transferee Company on the Effective Date are on the basis of consistent accounting policies.

5. CONTRACTS, DEEDS, RESOLUTIONS ETC.

- 5.1 Upon the coming into effect of this scheme, subject to the other provisions of this Scheme, all contracts, memorandum of understandings, tenders, bid documents, expressions of interest, deeds, bonds, agreements and other instruments of whatsoever nature ("Contracts") to which the Transferor Company is a party, subsisting or having effect immediately before the Effective Date, shall remain in full force and effect against or in favour of the Transferee Company and may be enforced as fully and as effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.
- 5.2 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon coming into effect of this Scheme, all consents, permissions, registrations,

guarantees, bonds, power of attorney given by, issued to or executed in favour of the Transferor Company shall stand transferred to the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall make applications and do all such acts or things which may be necessary to obtain relevant approvals from the Governmental / Statutory/Regulatory Authorities as may be necessary in this behalf.

- 5.3 Upon the coming into effect of this Scheme, 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 resolutions of the Transferee Company and if any such resolutions has upper monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then the said limits shall be added and shall constitute the aggregate of the said limits in the Transferee Company.

6. LEGAL PROCEEDINGS

- 6.1 All legal proceedings of whatever nature by or against the Transferor Company, if pending, on the Effective Date, shall not abate, be discontinued or be in any way prejudicially affected by reason of the vesting of the Transferor Company in the Transferee Company or of anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.
- 6.2 The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company referred to in Clause 6.1 above, transferred in its name and to have the same continued, prosecuted and enforced by or against the Transferee Company, to the exclusion of the Transferor Company.

7. EMPLOYEES

- 7.1 On the Scheme becoming effective, all employees of the Transferor Company, if any, who are in service on the date immediately preceding the Effective Date shall become the employees of the Transferee Company, without any break or interruption in their services, on same terms and conditions on which they are engaged as on the Effective Date. The

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 Prepared by: [Signature]
 Audited and found correct by: [Signature]
 Date: 10/10/2018

immediate uninterrupted past services with the Transferor Company shall also be taken into account. The Transferee Company undertakes to continue to abide by the terms of agreement/ settlement entered into by the Transferor Company with employees' union / employee or associations of the Transferor Company.

- 7.2 Further, it is expressly provided that, on the Scheme becoming effective, the existing provident fund, gratuity fund and superannuation fund and/or schemes and trusts, if any, created or existing for the benefits of the employees of the Transferor Company, for all purposes whatsoever in relation to the administration or operation of such funds/trusts/schemes or in relation to the obligation to make contributions to the said funds/trusts/schemes in accordance with the provisions thereof as per the terms provided in the agreements/deeds governing such funds/trusts/schemes, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such funds/trusts/schemes shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the said funds/trusts/schemes.

8. SAVING OF CONCLUDED TRANSACTIONS

The transfer of the Undertaking of the Transferor Company to the Transferee Company and the continuance of all the contracts or legal proceedings by or against the Transferee Company shall not affect any contract or proceedings relating to the said assets or the liabilities already concluded by the Transferor Company on or 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 for and on behalf of the Transferor Company as acts, deeds and things done, executed for and on behalf of the Transferee Company.

9. REORGANIZATION OF CAPITAL

- 9.1 The provisions of this Section shall operate notwithstanding anything to the contrary in this Scheme.
- 9.2 Upon the scheme becoming effective, no new equity shares shall be issued to the Transferor Company in lieu of the shares held by the Transferee Company, since the Transferor Company is a wholly owned subsidiary of the Transferee Company.

- 9.3 In consideration of this Scheme and as an integral part thereof, the share capital of the Transferee Company shall be restructured and reorganized in the manner set out herein below:

Particulars	Amount (Rs.) (In Lacs)
Authorised:	
50,000,000 Equity Share of Rs. 10/- Each	5,000.00
TOTAL	
Issued, Subscribed & Paid-Up	
5,946,326 Equity Share of 10/- Each	594.63
TOTAL	594.63

10. INCREASE IN AUTHORIZED SHARE CAPITAL

- 10.1 Upon the coming into effect of this Scheme, the authorized Share Capital of the Transferee Company shall automatically stand increased without any further act, deed or thing on the part of the Transferee Company including payment of stamp duty and fees, if any payable to the concerned Registrar of Companies under the Companies Act, 1956, by the authorized share capital of the Transferor Company amounting to Rs. 250,000,000/-, which would be reorganized in the following manner:

Particulars	Amount (Rs.) (In Lacs)
Authorised:	
50,000,000 Equity Share of Rs. 10/- Each	5000.00
TOTAL	
Issued, Subscribed & Paid-Up	
5,946,326 Equity Share of 10/- Each	594.63
TOTAL	594.63

PART III

ALTERATION TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

ASSOCIATION

- 11.1 On this Scheme becoming operative, the Authorised Share Capital of the Transferor Company shall be combined with the Authorised Share Capital of the Transferee Company without payment of any additional fee. Further, if required, the Transferee Company shall take necessary steps to further increase and alter its Authorised Share Capital suitably. Upon the coming into effect of this Scheme, Clause "V" of the Memorandum of Association of the Transferee Company (relating to the Authorized Share Capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended (relevant part) pursuant to Sections 16, 31, 94 and 394 and other applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause:

"The Authorised Share Capital of the Company is Rs. 500,000,000/- (Rupees Fifty Crores) divided in 50,000,000 (Five Core) equity Shares of Rs. 10 (Rupees Ten) each."

- 11.2 As an integral part of the Scheme and upon the coming into effect of this Scheme, Article "3" of the Articles of Association of the Transferee Company shall stand amended (without any further act, deed, permission and/or compliances, in accordance with this Scheme), and be replaced as under:

"The Authorised Share Capital of the Company is Rs. 500,000,000/- (Rupees Fifty Crores) divided into 50,000,000 (Five Core) equity share of Rs. 10/- (Rupees Ten) each with power to sub-divide, Consolidate and increase or decrease and with power from time to time issue any Share of the original capital with and subject to any preference qualified or special right, privileges or conditions as may be fit, and upon the sub division of share to a proportion the right to participate in profits, in any manner as between the share resulting from sub-division."

- 11.3 The approval of the Scheme by the shareholders of the Transferee Company and the High Court or any other appropriate authority, shall be deemed to be due compliance with the provisions of Section 31 and other relevant and applicable provisions, if any of the Act for change in the Articles of Association of the Transferee Company, as provided in this Scheme. Further, the Transferee Company agrees to undertake steps, if any required to give effect to the amendment as above in the Articles of Association of the Transferee Company in the records of the Registrar of Companies, NCT of Delhi and Haryana or any other appropriate authority.

GENERAL TERMS & CONDITIONS

12. CONDUCT OF THE BUSINESS AS AND FROM THE APPOINTED DATE TILL EFFECTIVE DATE -

- 12.1 The Transferee Company undertakes to preserve and carry on the business, with reasonable diligence and business prudence and shall not undertake financial commitments or sell, transfer, alienate, charge, mortgage, or encumber or otherwise deal with or dispose of any of its properties, assets and liabilities or any of its properties, assets and liabilities or any part thereof save and except in each case:
- (a). if the same is in its ordinary course of business; or
 - (b). if the same is expressly permitted by this Scheme; or
 - (c). if the prior written consent of the Board of Directors of the Transferee Company has been obtained.

- 12.2 The Transferor Company with effect from the Appointed Date and up to and including the Effective Date:

- (i) shall carry on and shall be deemed to have carried on all its business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the Transferor Company on account of, and for the benefit of and in trust for the Transferee Company.
- (ii) all the profits or incomes accruing or arising to the Transferor Company, or expenditure or losses arising or incurred (including but not limited to the effect of advance tax, tax deducted at source, Minimum Alternate Tax credit, taxes withheld/paid in a foreign country, etc.), thereon 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 or effect of taxes as the case may be, of the Transferee Company.
- (iii). Any of the rights, powers, authorities, privileges, attached, related or pertaining to or exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company, for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties, commitments attached, related or pertaining to the Transferor Company that have been undertaken or discharged by the Transferor Company, shall be deemed

for and as an agent for the Transferee Company.

12.3 As and from the Appointed Date and till the Effective Date:

12.3.1 All assets and properties which are acquired by the Transferor Company on or after the Appointed Date, in accordance with the Scheme, shall be deemed to be the assets and properties of the Transferee Company.

12.3.2. All debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations which arise or accrue to the Transferor Company on or after the Appointed Date in accordance with this Scheme, shall be deemed to be debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations of the Transferee Company.

12.4 With effect from the Effective Date, the Transferee Company shall commence and carry on and shall be authorized to carry on the business of the Transferor Company.

12.5 The Transferee Company shall be entitled to file/ revise its tax returns, TDS certificates, TDS returns and other statutory returns, if required and shall have the right to claim refund/ credits and/ or set off all amounts paid by the Transferor Company or the Transferee Company under the relevant income tax, sales tax, service tax or any other tax laws, whether or not arising due to any inter-company deals that may occur between the Appointed Date and the Effective Date. The right to make such revisions in the tax returns and to claim refunds/credits is expressly reserved in favor of the Transferee Company.

12.6 The Transferee Company shall not vary terms and conditions of service of its employees except in the ordinary course of its business.

13. DIVIDENDS, PROFITS, BONUS/RIGHTS SHARES

13.1 The Transferor Company shall not utilize the profits or income, if any, for the purpose of declaring or paying any dividend (whether interim or final) or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of the Board of Directors of the Transferee Company.

13.2 The Transferee Company shall not issue or allot after the Appointed Date or the date of this Scheme being sanctioned by the Board of Directors, whichever is later, any rights shares,

Directors of the Transferee Company.

13.3 The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective equity shareholders in respect of the accounting period prior to the Effective Date. Provided that the equity shareholders of the Transferor Company shall not be entitled to dividend, if any, declared and paid by the Transferee Company to its equity shareholders for the accounting period prior to the Appointed Date.

13.4 The holders of the equity shares of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in the Scheme continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.

14. DISSOLUTION OF THE TRANSFEROR COMPANY

On the scheme becoming effective, the Transferor Company shall be dissolved without any further act, deed or instrument, without going through the process of winding up and shall be succeeded by the Transferee Company.

15. APPLICATION TO HIGH COURT

The Transferor Company and the Transferee Company shall make necessary applications under the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Act to the Hon'ble High Courts of Delhi for sanction of this Scheme and for the consequent dissolution without winding up of the Transferor Company.

16. MODIFICATION OR AMENDMENT TO THE SCHEME

The Transferor Company and the Transferee Company may assent from time to time on behalf of all persons concerned to any modifications or amendments or additions to this scheme or to any conditions or limitations which either the board of directors of the Transferee Company and the Transferor Company deem fit or which the High Court of Delhi or any other authorities under law may deem fit to approve or impose and which the Transferor Company and the Transferee Company may in their discretion deem fit and resolve all doubts or difficulties that may arise in carrying out and implementing the scheme.

17. SCHEME CONDITIONAL UPON AND SUBJECT TO

17.1 The Scheme being agreed to by the respective requisite

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majorities of the members, secured and unsecured creditors of both, the Transferor Company and Transferee Company, as may be required by the Hon'ble High Court either at a meeting or through consent/ No-objection Letters on the application made for direction under Section 391 of the Act for calling/ dispensing of a meeting and necessary resolution if any, been passed under the Act for the purpose.

- 17.2 Sanction of the Hon'ble High Courts of Delhi under section 391 and 394 of the Act and necessary order or orders under section 394 of the Act being obtained.
- 17.3 Such other sanction and approvals as may be required by law in respect of the Scheme being obtained.
- 17.4 This Scheme, although to come into operation from the Appointed Date, shall not become effective until the date on which the certified copies of the orders of the Hon'ble High Court under Sections 391 and 394 of the Act are duly filed with the offices of the respective Registrar of Companies, where both the Transferor Company and the Transferee Company are registered.

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The Judicial Department
of the Court of Sessions
at the District Court, Delhi

OTHER TERMS AND CONDITIONS

18. APPROVALS AND MODIFICATIONS

18.1. The Transferor Company and the Transferee Company may assent from time to time on behalf of all persons concerned to any modifications or amendments or additions to this Scheme or to any conditions or limitations which either the Board of Directors or a committee or committees of the concerned Board of Directors authorized in that behalf by the concerned Board of Directors (hereinafter referred to as the "Delegates") of the Transferor Company and the Transferee Company deem fit, or which the High Court of Delhi or any other authorities under law may deem fit to approve of or impose and which the Transferor Company and the Transferee Company may in their discretion deem fit and to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or to review the position relating to the satisfaction of the conditions to this Scheme and if necessary, to waive any of those (to the extent permissible under law) for bringing this Scheme into effect.

18.2 In the event that the Transferor Company or the Transferee Company may find any of the modifications or conditions which may be imposed by the Hon'ble High Court or other authorities unacceptable for any reason, then the Transferor Company and the Transferee Company are at liberty to withdraw the Scheme. The aforesaid powers of the Transferor Company and the Transferee Company may be exercised by the Delegates of the respective Company.

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

19. CONSENT OF MEMBERS AND DIRECTORS

19.1 On the approval of the scheme by the members of the Transferor Company and the members of the Transferee Company pursuant to section 391 of the Act, it shall be deemed

extent the same may be considered applicable.

19.2 The directors of each of the Transferee Company and the Transferor Company may be deemed to be concerned and/or interested in the scheme to the extent of their shareholding in the company, or to the extent the said directors are common directors in the company, or to the extent the said directors are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust, that hold shares in the company.

19.3 The scheme will have no effect on the interest of the directors except in their capacity as shareholders. The particulars of the interest of directors are available for inspection at the respective registered offices of the transferee and the transferor company.

19.4 In the event of any of the approvals or conditions required to be obtained or fulfilled are not obtained or complied with on or before 01.04.2011 or within such further period or periods as may be agreed upon by and between the Transferor Company and the Transferee Company (through their respective Board of Directors) the Scheme shall stand revoked, cancelled, and be of no effect and become null and void and in that event no rights or liabilities whatsoever shall accrue to or be incurred *inter-se* between the Transferor Company and the Transferee Company and in such event, each party shall bear their respective costs, charges and expenses in connection with the Scheme.

20. COST, CHARGES & EXPENSES

20.1 All costs, charges and expenses, including any taxes and duties of the Transferor Company and Transferee Company respectively in relation to or in connection with this Scheme and incidental to the completion and implementation of the amalgamation of the Transferor Company with the Transferee Company in pursuance of this Scheme shall be borne and paid by the Transferee Company.

20.2 The Transferor Company and the Transferee Company shall also take all such other steps as may be necessary or expedient to give full and formal effect to and implement the provisions of this Scheme.

20.3 In the event of non-fulfillment of any or all obligations under this Scheme by any party towards any other party, inter-se or to third parties and non-performance of which will place the other party under any obligation, then such defaulting party will indemnify all costs and interest to such other affected party.

Schedule of Properties As on 31.03.2011			
Category	Particulars	Amount (Rs.)	
Fixed Assets	PART - I Short Description of the Free Hold Land of the Transferor Company		
	PART - II Short Description of the Lease Hold Land of the Transferor Company		
	PART - III Short Description of Fixed Assets and Other Operating		
	Building Plant & Machinery Office Furniture & Equipment Electrical Fitting Vehicle Technical Know-how Capital Work in Progress Total		
Investment			
	Total		
Current Assets	Inventories		
	Sundry debtors		
	Cash & Banks Balance		
	Cash in hand	358	
	In Current Account	98,865	
	In Fixed Deposit (Including Interest accrued)	8,593	
	FDR With Yes Bank		
	Other Current Assets		
	Loan & Advance		
	- Advances and other amounts recoverable in cash	212,988,869	
	- Mat Credit Entitlement	1,723,191	
	- Advance Tax (Including T.D.S)	32,407,280	
	- Security Deposit		
	- Balances with Central Excise Authorities		
	Total	247,227,156	247,227,156
Less :			
Current Liabilities	Current Liabilities	10,000	
	Provisions		
	Total	10,000	10,000
Net Current Assets			247,217,156

Joint Registrar (Co.)
for Registrar General

Dated this the 25th day of July, 2012

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IN THE HIGH COURT OF DELHI AT NEW DELHI

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Date of Judgment: 25th July, 2012

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Co. Pet. No. 121/2012

IN THE MATTER OF SHARDA SEJONG AUTO
COMPONENTS (INDIA) LTD. & ORS.

Through: Mrs. Malini Sud, Advocate with
Mr. Salil Seth and Ms. Aditi
Sharma, Advocates for Petitioner
Companies
Mr. Rajiv Bahl, Advocate for
Official Liquidator.
Mr. K.S. Pradhan, Deputy
Registrar of Companies for
Regional Director (Northern
Region).

CORAM:
HON'BLE MS. JUSTICE INDERMEET KAUR

INDERMEET KAUR, J. (Oral)

1. This second motion joint Petition has been filed under Sections 391(2) and 394 of the Companies Act, 1956 by the abovenamed Petitioner Transferor Company and Transferee Company, seeking sanction of the Scheme of Amalgamation of SHARDA SEJONG AUTO COMPONENTS (INDIA) LIMITED with SHARDA MOTOR

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INDUSTRIES LIMITED as amended by the order dated 10.07.2012 passed by this Hon'ble Court.

2. The registered offices of the Petitioner Transferor Company and Transferee Company are situated at New Delhi, within the jurisdiction of this Court.

3. Details with regard to the date of incorporation of Petitioner Transferor and Transferee Company, their authorized, issued, subscribed and paid up capital have been given in the Petition.

4. Copies of the Memorandum and Articles of Association as well as the latest audited Annual Accounts for the year ended 31st March, 2011 of the Petitioner Transferor and Transferee Company have also been enclosed with the Petition.

5. Copies of the resolutions passed by the Board of Directors of the Petitioner Companies, approving the Scheme of Amalgamation have also been placed on record.

6. It has been submitted that no proceedings under Sections 235 to 251 of the Companies Act, 1956 are pending against the Petitioner Companies.

Certified to be True Copy
Minister of State
Department of Company Affairs
Government of India

7. So far as the share exchange ratio for amalgamation is concerned, the Scheme of Amalgamation provides that, upon the Scheme finally coming into effect, the shares of the Transferor Company (being the wholly owned subsidiary) of the Transferee Company, shall stand cancelled and no new equity shares shall be issued to the shareholders of the Transferor Company in lieu of the shares held by the Transferee Company. Subsequently, upon the coming into effect of this Scheme, the authorized Share Capital of the Transferee Company shall automatically stand increased without any further act, deed or thing on the part of the Transferee Company including payment of stamp duty and fees, if any, payable to the concerned Registrar of Companies under the Companies Act, 1956, by the authorized share capital of the Transferor Company amounting to Rs. 250,000,000/-, which would be reorganized in the following manner:

Particulars	Amount (Rs.) (In Lacs)
Authorised:	
50,000,000 Equity Share of Rs. 10/- Each	5000.00
TOTAL	
Issued, Subscribed & Paid-Up	
5,946,326 Equity Share of 10/- Each	594.63
TOTAL	594.63

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8. The Petitioner Companies had earlier filed C.A. (M) No. 4 of 2012, seeking directions of this Court for dispensation / convening of meetings of their shareholders and the creditors. Vide order dated 04.01.2012 this Court allowed the Application and dispensed with the requirement of convening the meetings of Shareholders of the Transferor Company. The Court also dispensed with the requirement of convening the meetings of the Secured and the Unsecured Creditors of the Transferor Company as there were none. Further, the Court directed that separate meetings of the Shareholders, Secured and Unsecured Creditors of the Transferee Company shall be held on 18.02.2012 at the India Habitat Centre, New Delhi at 11.00 a.m., 2.00 p.m. and 3.30 p.m. respectively. In the meetings directed by this Court, the Scheme was approved unanimously by those who were present and voting.

9. The Transferor and Transferee Company have thereafter, filed the present Petition seeking sanction of the Scheme of Amalgamation. Vide order dated 16.03.2012, notice in the Petition was directed to be issued to the Regional Director, Northern Region and the Official Liquidator. Citations were also directed to be published in 'Financial Express' (English Delhi Edition) and 'Veer Arjun' (Hindi Delhi Co. Pet. No. 121/2012

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Edition). Affidavit of Service and Publication has been filed on behalf of the Petitioner Companies on 07.07.2012, showing compliance regarding service of the Petition on the Regional Director, Northern Region and the Official Liquidator and also regarding publication of citations in the aforesaid newspapers on 10.04.2012. Copies of the newspaper's cutting, in original, containing the publications have been filed along with the Affidavit of Service filed on behalf of the Petitioner Companies.

10. An Application being C. A. (M) No. 1254/2012 under Rule 9 of the Company Court Rules, 1959 was also filed on behalf of the Petitioners, *inter alia*, praying as follows :-

".....a. pass an order to the effect that typographical error in clause 19.4 in the Scheme of Amalgamation as stated in para 3 above stands corrected; and
b.... pass an order stating that date 01.04.2011 will be read in place of 01.04.2013 in clause 19.4....."

By an order dated 10.07.2012, passed by the Hon'ble Court the said Application was allowed and it was held that the date mentioned in line 3 of clause 19.4 of the scheme shall read as 01.04.2013 and not 01.04.2011, which was accepted as being an obvious typographical error.

Verified by True Copy
Notary Public at District of
Mumbai, Maharashtra
Date: 10/07/2012

11. Pursuant to the notices issued, the Official Liquidator sought information from the Petitioner Companies. Based on the information received, the Official Liquidator has filed his Report dated 11.07.2012 wherein he has stated that there is nothing to show that the affairs of the transferor Company have in any manner been conducted prejudicial to the interest of its members or to public interest.

12. In response to the notices issued in the Petition, Mr. K.S. Pradhan, Regional Director (Northern Region) Ministry of Corporate Affairs, has filed his Affidavit dated 11.07.2012. Relying on Clause 7.1 of Part - II of the Scheme of Amalgamation, he has stated that upon sanction of the Scheme of Amalgamation, all the employees of the Transferor Company shall become the employees of the Transferee Company without any break or interruption in their services upon sanctioning of the Scheme of Amalgamation by the Court.

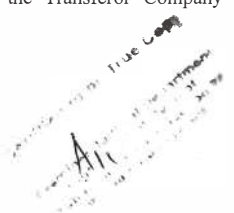
13. No objection has been received to the Scheme from any other party. Ms. Malini Sud, learned counsel for Petitioner Companies Company, has filed an affidavit dated 24.07.2012, confirming that neither the Petitioner Companies nor has she received any objection pursuant to citations published in the newspapers.

Verified by True Copy
Notary Public at District of
Mumbai, Maharashtra
Date: 10/07/2012

14. In view of the approval accorded by the Shareholders and Creditors of the Petitioner Companies; representation / reports filed by the Regional Director, Northern Region and the Official Liquidator, attached with this Court to the proposed Scheme of Amalgamation, there appears to be no impediment to the grant of sanction to the Scheme of Amalgamation. Consequently, sanction is hereby granted to the Scheme of Amalgamation under Sections 391 and 394 of the Companies Act, 1956. The Petitioner Companies will comply with the statutory requirements in accordance with law. Certified copy of the order be filed with the Registrar of Companies within 30 days from the date of receipt of the same. In terms of the provisions of sections 391 and 394 of the Companies Act, 1956, and in terms of the Scheme of Amalgamation, the whole or part of the undertakings, the properties, rights and powers of the Transferor Company be transferred to and vest in the Transferee Company, without any further act or deed. Similarly, in terms of the Scheme of Amalgamation, all the liabilities and duties of the Transferor Company be transferred to the Transferee Company, without any further act or deed. Upon the Scheme of Amalgamation coming into effect, the Transferor Company shall stand dissolved.

Co. Pet. No. 121/2012

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without winding up. It is, however, clarified that this order will not be construed as an order granting exemption from payment of stamp duty or taxes or any other charges, if payable in accordance with any law or permission / compliance with any other requirement which may be specifically required under any law.

15. The Petitioner Companies would voluntarily deposit a sum of Rs. 1,00,000/- in the Common Pool fund of the Official Liquidator within three weeks from today.

16. The Petition is allowed in the above terms.

17. Order dasti.

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INDERMEET KAUR, J

JULY 25, 2012
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New Delhi



15-9-12

**THE NATIONAL COMPANY LAW TRIBUNAL
PRINCIPAL BENCH,
AT NEW DELHI**

CAA-164 (PB) /2019

**Under Section 230 to 232 and other applicable provisions
of the Companies Act, 2013 read with Companies (Compromises,
Arrangements and Amalgamations) Rules, 2016**

In the matter of
Scheme of Arrangement
Between

Sharda Motor Industries Limited

..... Petitioner-1/ Demerged Company

AND

NDR Auto Components Limited

..... Petitioner-2/ Resulting Company

488
Date of Presentation
of application for Copy 28/02/2020
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Date of Preparation of Copy 11/03/2020
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11L 11-3-2020
DD/DR/AR/Court Officer
National Company Law Tribunal
New Delhi



Judgment pronounced on: 20.02.2020

Coram:

SH. B.S.V. PRAKASH KUMAR, HON'BLE ACTG. PRESIDENT

SH. S. K. MOHAPATRA, HON'BLE MEMBER (TECHNICAL)

Present:

For the Petitioner: Mr. K. M. Gupta, Advocate

For the RD (NR) : Ms. Tania Sharma, Advocate



ORDER

S. K. Mohapatra, Member

1. This Joint petition has been filed by both the Petitioner Companies under Sections 230 to 232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the National Company Law Tribunal Rules, 2016, for the purpose of the approval of the Scheme of Arrangement as contemplated between the demerged company and the resulting company. Copy of the said Scheme of Arrangement (hereinafter referred as the "Scheme") has been placed on record.
2. The "Demerged Company", Sharda Motor Industries Limited is a company incorporated on 29.01.1986 under the provisions of the Companies Act, 1956 having its registered office at D-188, Okhla Industrial Area, Phase-I, New Delhi – 110020.
3. The "Resulting Company", NDR Auto Components Limited is a company incorporated on 19.03.2019 under the provisions of the Companies Act, 2013 having its registered office at D-188, Okhla Industrial Area, Phase-I, New Delhi – 110020.



4. A perusal of the petition discloses that initially the First Motion application seeking convening / dispensation from convening the meetings of Shareholders and Creditors of the petitioner companies was filed before this Bench vide Company Application CAA No. 137 (PB)/2019. Based on such joint application moved under Sections 230-232 of the Companies Act, 2013, the meetings of Equity Shareholders, Secured Creditors and Unsecured Creditors of the resulting company and secured creditors of demerged company were dispensed with, and the meetings of Equity Shareholders, and Unsecured Creditors of the demerged company were directed to be convened vide order dated 10.10.2019 passed by this Bench.
5. Subsequently, the aforesaid meetings were duly convened on 20.11.2019 and the Scheme was unanimously approved by the members present in the said meetings. The reports of Chairperson and Scrutinizers have been placed on record.
6. Thereafter, on 02.01.2019 the Petitioners were directed to carry out publication in the newspapers "Business Standard" (English, Delhi edition) and "Business Standard" (Hindi, Delhi edition). In addition to the public notice, notices were directed to be served on the Regional Director (Northern Region),



Registrar of Companies, NCT of Delhi and Haryana, the Income Tax Department including BSE, NSE and SEBI and to the other relevant sectoral regulators.

7. It is seen from the records that the Petitioners have filed an affidavit dated 30.01.2020 affirming compliance of the order passed by the Tribunal dated 21.11.2019. A perusal of the affidavit discloses that the petitioners have effected the newspaper publication as directed in one issue of the 'Business Standard' English edition on 20.01.2020 as well as in 'Business Standard' Hindi edition on 20.01.2020 in relation to the date of hearing of the petition. Further, the affidavit discloses that copies of petition have been duly served to the Registrar of Companies, Regional Director, Northern Region, SEBI, BSE, NSE and Income Tax Department in compliance of the order and in proof of the same acknowledgement made by the respective offices have also been enclosed.

8. The Regional Director has filed its representation on 13.01.2020 in which it is stated that the resulting company and demerged company have filed Annual Returns and Balance Sheets upto 31.03.2018 and no prosecution has been filed and



no inspection or investigation has been conducted in respect of any of the petitioner companies.

9. Despite opportunity afforded to the Department of Income Tax, no reply has been filed by the Department of Income Tax till date. It is pertinent to mention here that the Department of Income Tax should have filed their response within 30 days from the date of receipt of such notice as per the provisions of sub-section 5 of Section 230 of the Companies Act, 2013, failing which it is provided in the said Section that it shall be presumed that the authority has no representation to be made in respect of the Scheme. In view of the above inference can be taken that the Department of Income Tax has no observation against the Scheme.

10. However the Demerged Company has filed an Affidavit dated 10.02.2020 and 17.02.2020 submitting as follows:-

“ a. Upon the coming into effect of the Scheme and the transfer and vesting of the Automobile Seating Undertaking of SMIL in NACL through demerger, consideration for the transfer of the Automobile Seating Undertaking as per clause 12.1 of the Scheme is in the following proportion namely:



“for every 1 (One) equity share of face value of INR10/ (Rupees Ten only) each held in SMIL as on the Record Date, the equity shareholders of SMIL shall be issued 1 (One) equity share of face value INR10/- (Rupees Ten only) each credited as fully paid-up in NACL”

- a. It is further submitted that the provisions of this Scheme has been drawn up to comply with the conditions relating to “Demerger” as defined under Section 2(19AA) of the Income-tax Act.*
- b. That it is confirmed that any proceeding / stay/ appeal to any matter shall remain unaffected post the sanction of Scheme.*
- c. That the sanction of the Scheme shall not abate any demand and penalty, if any levied thereon.*
- d. That SMIL shall comply with the provisions of the Income Tax Act, 1961 as applicable, post the sanction of the Scheme.*
- e. That the tax authorities of SMIL shall not be prejudicially impacted on account of the proposed demerger.”*

11. Additionally, the Resulting Company has also filed Affidavit dated 10.02.2020 and 17.02.2020 stating that:-



“ (a) Upon the coming into effect of the Scheme and the transfer and vesting of the Automobile Seating Undertaking of SMIL in NACL through demerger, consideration for the transfer of the Automobile Seating Undertaking as per clause 12.1 of the Scheme is in the following proportion namely:

“for every 1 (One) equity share of face value of INR10/- (Rupees Ten only) each held in SMIL as on the Record Date, the equity shareholders of SMIL shall be issued 1 (One) equity share of face value INR10/- (Rupees Ten only) each credited as fully paid-up in NACL”

b) It is further submitted that the provisions of this Scheme have been drawn up to comply with the conditions relating to “Demerger” as defined under Section 2(19AA) of the Income-tax Act.

c) That provisions of section 72(A)(2) of the Income Tax Act 1961 of the Act is not per se applicable as there are no brought forward losses/ unabsorbed depreciation which are being transferred to the Resulting Company pursuant to demerger.

d) That it is confirmed that any proceeding / stay/ appeal to any matter shall remain unaffected post the sanction of Scheme.



- e) *That there are no pending demands/ proceedings as on date and that the sanction of the Scheme shall not abate any demand and penalty, if any levied thereon.*
- f) *That NACL shall comply with the provisions of the Income Tax Act, 1961 as applicable, post the sanction of the Scheme.*
- g) *That NACL shall remain in existence post the Scheme and that the tax authorities of NACL shall not be prejudicially impacted on account of the proposed demerger.*
- h) *In response to the observation made by the Income Tax Department, the resulting company unconditionally undertakes to honor the liability relating to any tax demand, as may be finally determined as per the provisions of Income tax Act, 1961 in the future in respect of the resulting company.*
- i) *The resulting company undertakes that the payment of income tax shall not be hampered in any way as a result of the demerger between demerged and resulting company.”*

12. It is thus seen that the interest of revenue has been duly protected through aforesaid undertakings tendered by the petitioner companies. Be that as it may, it is however clarified that there shall be no limitation on the power of the Income tax



Department for recovery of pending Income Tax dues, including imposition of penalties etc. from both the petitioner companies as provided in law.

13. In the joint petition it has also been affirmed that no proceeding for inspection, inquiry or investigation under the provisions of the Companies Act, 2013 or under provisions of Companies Act, 1956 is pending against the Petitioner Companies.

14. Certificates of respective Statutory auditors of both the petitioner companies have been placed on record to the effect that Accounting Treatment proposed in the Scheme of Amalgamation is in conformity with the Accounting Standard notified by the Central Government as specified under the provisions of Section 133 of the Companies Act, 2013.

15. The shareholders of the applicant companies are the best Judges of their interest, fully conversant with market trends, and therefore, their decision should not be interfered with by the Tribunal for the reason that it is not a part of judicial function to examine entrepreneurial activities and their commercial decisions. It is well settled that the Tribunal evaluating the Scheme of which sanction is sought under Section 230-232 of



the Companies Act of 2013 will not ordinarily interfere with the corporate decisions of companies approved by shareholders and creditors.

16. In the case of Hindustan Lever Employees Union Vs. Hindustan Lever Limited (1995) 5 SCC 491 the three Judges Bench of Hon'ble Supreme Court held that:

“ A company court does not exercise appellate jurisdiction over a scheme and its jurisdiction is limited to ascertaining fairness, justness and reasonableness of the Scheme and to ensure that neither any law has been violated or public interest compromised in the process.”

17. Right to apply for the sanction of the Scheme has been statutorily provided under Section 230-234 of the Companies Act, 2013 and therefore, it is open to the applicant companies to avail the benefits extended by statutory provisions and the Rules.

18. It has also been affirmed in the petition that Scheme is in the interest of Demerged Company and the Resulting Company including their shareholders, creditors, employees and all concerned.



19. In view of the foregoing, upon considering the approval accorded by the members and creditors of the Petitioner companies to the proposed Scheme, and the report filed by the Regional Director, Northern Region, Ministry of Corporate Affairs and no Objections of BSE and NSE and also in the absence of any objection against the Scheme; there appears to be no impediment in sanctioning the present Scheme.

20. Consequently, sanction is hereby granted to the Scheme under Section 230 to 232 of the Companies Act, 2013.

21. The Petitioners shall however remain bound to comply with the statutory requirements in accordance with law.

22. Notwithstanding the above, if there is any deficiency found or, violation committed qua any enactment, statutory rule or regulation, the sanction granted by this court to the scheme will not come in the way of action being taken, albeit, in accordance with law, against the concerned persons, directors and officials of the petitioners.

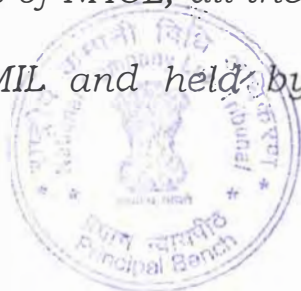
23. While approving the Scheme as above, we further clarify that this order should not be construed as an order in any way granting exemption from payment of stamp duty, taxes or any other charges, if any, and payment in accordance with law or in



respect to any permission/compliance with any other requirement which may be specifically required under any law.

24. **THIS TRIBUNAL DO FURTHER ORDER**

- i. *That all the property, rights and powers of the Demerged Company in respect of Demerged Undertaking be transferred without further act or deed to the Resulting Company and accordingly the same shall pursuant to Section 232 of the Companies Act, 2013 be transferred to and vest in the Resulting Company.*
- ii. *That all the liabilities and duties of the Demerged Company in respect of Demerged Undertaking be transferred without further act or deed to the Resulting Company and accordingly the same shall be in pursuance to Section 232 of the Act and become the liabilities and duties of the Resulting Company;*
- iii. *With the issue and allotment of the new equity shares by NACL to the equity shareholders of SMIL in accordance with clauses 12 of the Scheme, in the books of NACL, all the equity shares issued by NACL to SMIL and held by SMIL shall stand cancelled,*



extinguished and annulled on and from the Effective Date.

- iv. *That all the employees of the Demerged Company in respect of Demerged Undertaking in service, on the date immediately preceding the date on which the scheme takes effect, i.e. the effective date shall become the employees of the Resulting Company on such date without any break or interruption in service and upon terms and condition not less favorable than those subsisting in the demerged company on the said date.*
- v. *That both the petitioner companies shall within thirty days of the date of the receipt of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered the Registrar of Companies shall place all documents relating the demerged undertaking of demerged company registered on the file kept by him in relation to the Resulting Company; and*



vi. That any person interested shall be at liberty to apply to the Tribunal in the above matter for any directions that may be necessary.

The petition stands disposed of in the above terms.

Let copy of the order be served to the parties.

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Date of Delivery of Copy 11/03/2020

11.3.2020
DD/DR/AW/Court Officer
National Company Law Tribunal
New Delhi



—sd—
(B.S.V PRAKASH KUMAR)
ACTG. PRESIDENT

—sd—
(S. K. MOHAPATRA)
MEMBER (T)

11.3.2020
Deputy Registrar
National Company Law Tribunal
CGO Complex, New Delhi-110003

SCHEME OF ARRANGEMENT

BETWEEN

SHARDA MOTOR INDUSTRIES LIMITED

(“DEMERGED COMPANY”)

AND

NDR AUTO COMPONENTS LIMITED

(“RESULTING COMPANY”)

AND

**THEIR RESPECTIVE SHAREHOLDERS AND
CREDITORS**

**UNDER SECTIONS 230 TO 232 OF THE
COMPANIES ACT, 2013 READ WITH SECTION
66 OF THE COMPANIES ACT, 2013**

PREAMBLE

This Draft Scheme (hereinafter defined) is presented under Section 230 to 232 of the Act (hereinafter defined) read with section 66 of the Act, and other relevant provisions of the Act, as applicable from time to time, for the transfer and vesting of Automobile Seating Undertaking (hereinafter defined) of Sharda Motor Industries Limited (hereinafter defined as “SMIL” or “Demerged Company”) to NDR Auto Components Limited (hereinafter defined as “NACL” or “Resulting Company”) with effect from the Appointed Date (hereinafter defined), and upon the occurrence of the Effective Date (hereinafter defined). In addition, this Scheme of Arrangement also provides for various other matters consequential or otherwise integrally connected herewith.

A. Background

- i. Sharda Motor Industries Limited is a public limited company incorporated under the provisions of Companies Act, 1956 on January 29, 1986 bearing Corporate Identification Number L74899DL1986PLC023202. The registered office of SMIL is situated at D-188, Okhla Industrial Area, Phase-I, New Delhi - 110020. The correspondence email address of SMIL is smil@shardamotor.com. The equity shares of SMIL are listed on Bombay Stock Exchange Limited (“BSE”) & National Stock Exchange of India Limited (“NSE”).

SMIL has the following business undertakings:

- a) Suspension, Exhaust, Silencer, Canopy and White Goods Undertaking engaged in manufacturing of suspension, exhaust, silencer, Canopy and white goods i.e. Air Conditioner & Components thereof; and
- b) Automobile Seating Undertaking engaged in manufacturing of automobile

seating.

- ii. NDR Auto Components Limited is a public limited company incorporated under the provisions of Companies Act, 2013 on March 19, 2019 bearing Corporate Identification Number: U29304DL2019PLC347460. The registered office of NACL is situated at D-188, Okhla Industrial Area, Phase-1, Delhi-110020. The correspondence email address of NACL is ndr_auto_components@outlook.com. The equity shares of NACL are not currently listed on any stock exchange.

SMIL is the holding company of NACL. As on the date of filing of the Scheme, SMIL along with its nominees hold 100% equity share capital of NACL.

B. Rationale for the Scheme of Arrangement

The arrangement is aimed at demerger of “Automobile Seating Undertaking”(hereinafter defined) of SMIL into NACL to segregate the said business. The transfer and vesting by way of a demerger shall achieve the following benefits for SMIL and NACL:

- a) The Automobile Seating Undertaking carried on by SMIL has significant potential for growth. The nature of risk, competition, challenges, opportunities and business methods for the Automobile Seating Undertaking is separate and distinct from the other business of the Company. The Automobile Seating Undertaking would become capable of attracting a different set of investors, strategic partners, lenders and other stakeholders and would further enhance the shareholders wealth.
- b) The management teams and Board of Directors of SMIL and NACL would be able to chart out independent strategies of their respective businesses to maximize value creation for their respective stakeholders. Demerger shall enhance focus of

management on the operations of the Automobile Seating Undertaking by NACL and Suspension, Exhaust, Silencer, Canopy and White goods Undertaking by SMIL.

- c) As part of the Resulting Company, the Automobile Seating business shall be amenable to benchmarking, and be in a position to attract the right set of investors, strategic partners, employees and other relevant stakeholders.
- d) The demerger will permit increased focus by SMIL and NACL on their respective businesses in order to better meet their respective customers' needs and priorities, develop their own network of alliances and talent models that are critical to success.

There is no adverse effect of Scheme on any of the directors, key management personnel, promoters, non-promoter members, creditors and employees of SMIL and NACL.

The transfer and vesting of the Automobile Seating Undertaking (hereinafter defined) into NACL would be in the best interests of the shareholders, creditors and employees of SMIL and NACL, respectively, as it would result in enhanced value for the shareholders and allow focused strategy in operation of the Automobile Seating Undertaking and the Remaining Business(hereinafter defined) of SMIL. Pursuant to this Scheme all the shareholders of SMIL will get shares in NACL and there would be no change in the economic interest for any of the shareholders of SMIL pre and post implementation of the Scheme.

In view of the above rationale, the Board recommended a Scheme of Arrangement whereby the Automobile Seating Undertaking of SMIL will be demerged into NACL

as a going concern with effect from the Appointed Date (hereinafter defined). Accordingly, the Board of Directors of SMIL and NACL have decided to make requisite applications and/or petitions before the Tribunal (hereinafter defined) as the case may be, as applicable under Sections 230 to 232 of the Act (hereinafter defined) read with section 66 of the Act, and other applicable provisions for the sanction of this Scheme.

C. Treatment of Scheme for the purposes of Income-Tax Act, 1961

The provisions of this Scheme have been drawn up to comply with the conditions relating to “Demerger” as defined under Section 2(19AA) of the Income-tax Act, 1961 (“IT Act”). If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the IT Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the IT Act. Such modifications will however not affect the other provisions of the Scheme.

D. The Scheme is divided into the following parts:

PART A deals with Definition and share capital of the companies.

PART B (Read with Schedule I and Schedule II) deals with the transfer and vesting of the Automobile Seating Undertaking (hereinafter defined) of SMIL to and with NACL in accordance with section 230 to 232 of the Act (hereinafter defined) read with section 66 of the Act, other applicable provisions of the Act (hereinafter defined), and in accordance with section 2(19AA) of the IT Act.

PART C deals with General terms and conditions that would be applicable to the Scheme.

PART A - DEFINITION AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme, unless inconsistent with the subject, the following expressions shall have the meanings respectively assigned against them:

- 1.1 **“The Act”** means the Companies Act, 2013, as notified, and ordinances, rules and regulations made thereunder and shall include any statutory modification, re-enactment or amendments thereof.
- 1.2 **“Appointed Date”** means December 31, 2018 (end of day) or such other date as may be decided by the Board of the Demerged Company and the Resulting Company with the consent or as per the direction by the Tribunal.
- 1.3 **“Board of Directors”** or **“Board”** means and includes the respective Boards of Directors of the Demerged Company and the Resulting Company or any committee constituted by such Board of Directors for the purposes of the Scheme.
- 1.4 **“Automobile Seating business”** or **“Automobile Seating Undertaking”** of SMIL means all the businesses, undertakings, activities, properties and liabilities, whatsoever nature and kind and wheresoever situated, of SMIL pertaining to the Automobile Seating business, including specifically the following:
 - 1.4.1 all immovable properties (As listed in Schedule I of this Scheme) i.e.

land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) including but not limited to offices, structures, warehouses, workshop, sheds, stores, DG Room, roads, boundary walls, soil filling works, benefits of any rental agreement for use of premises, marketing offices, share of any joint assets, etc., which immovable properties are currently being used for the purpose of and in relation to the Automobile Seating business and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;

- 1.4.2 all assets, as are movable in nature pertaining to and in relation to the Automobile Seating Business, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including plant and machinery, capital work in progress, stores under progress, electrical fittings, furniture, fixtures, appliances, accessories, power lines, office equipments, computers, communication facilities, installations, vehicles, inventory and tools and plants), stock-in-trade, stock-in-transit, raw materials, finished good packaging items, actionable claims, current assets, earnest monies and sundry debtors, financial assets, outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Government, semi-Government, local and other authorities and bodies,

banks, customers and other, persons, insurances, the benefits of any bank guarantees, performance guarantees and letters of credit, and tax related assets, including but not limited to goods and services tax credit, service tax input credits, CENVAT credits, value added tax/sales tax/entry tax credits or set-offs, advance tax, minimum alternate tax credit, deferred tax assets/liabilities, tax deducted at source and tax refunds;

1.4.3 all permits, licenses, permissions including municipal permissions, right of way, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, liberties and advantages (including consent/authorisation granted by relevant Pollution Control Boards and other licenses/permits granted/issued/given by any governmental, statutory or regulatory or local or administrative bodies for the purpose of carrying on the Automobile Seating business or in connection therewith) including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain exclusively to the Automobile Seating Business;

1.4.4 all contracts, agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/licence agreements,

tenancy rights, agreements/ panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the Automobile Seating Business;

1.4.5 all applications(including hardware, software, licenses, source codes, parameterization and scripts), registrations, licenses, trade names, service marks, trademarks, copyrights, patents, domain names, designs, intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered), trade secrets, research and studies, technical knowhow, confidential information and all such rights of whatsoever description and nature that pertain exclusively to the Automobile Seating Business;

1.4.6 all rights to use and avail telephones, telexes, facsimile, email, Internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by SMIL pertaining to or

in connection with or relating to the Automobile Seating Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by SMIL and pertaining to the Automobile Seating Business;

1.4.7 all books, records, files, papers, engineering- and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product' registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the Automobile Seating Business;

1.4.8 all debts, liabilities including contingent liabilities, duties, taxes and obligations of SMIL pertaining to the Automobile Seating Undertaking and/or arising out of and/or relatable to the Automobile Seating Business and including:

a) the debts, liabilities, duties and obligations of SMIL which arises out of the activities or operations of the Automobile Seating business;
and

b) specific loans and borrowings raised, incurred and utilized solely for

the activities or operations of or pertaining to the Automobile Seating Business.

1.4.9 all employees of SMIL employed/engaged in the Automobile Seating Business as on the Effective Date; and

1.4.10 all legal or other proceedings of whatsoever nature that pertain to the Automobile Seating Business.

1.5 **“Demerged Company”** means Sharda Motor Industries Limited (or **“SMIL”**).

1.6 **“Effective Date”** means the date on which the last of the conditions mentioned in Clause 18 of Part C of the Scheme is fulfilled. Any references in this Scheme to the “date of coming into effect of this Scheme” or “effectiveness of the Scheme” or “Scheme taking effect” shall mean the Effective Date.

1.7 **“National Company Law Tribunal” or “NCLT” or “Tribunal”** means the National Company Law Tribunal, Delhi Bench.

1.8 **“Record Date”** means the date fixed by the Board of Directors of the Resulting Company or any committee thereof in consultation with the Demerged Company, for the purpose of determining names of the equity shareholders of the Demerged Company, who shall be entitled to receive the equity shares in the Resulting Company pursuant to Clause 12 of the Scheme, upon coming into effect of this Scheme.

1.9 **“Remaining Business” or “Suspension, Exhaust, Silencer, Canopy and White goods Undertaking”** means all assets, liabilities, businesses, activities and operations of Suspension, Exhaust, Silencer, Canopy and White goods i.e. Air conditioner & Components thereof business of the Demerged Company.

- 1.10 **“Resulting Company”** means NDR Auto Components Limited (or **“NACL”**).
- 1.11 **“RoC”** means Registrar of Companies, Delhi and Haryana.
- 1.12 **“Scheme”** or **"the Scheme"** or **"this Scheme"** or **"Scheme of Arrangement"** means this Scheme of Arrangement among the Demerged Company, the Resulting Company and their respective shareholders and creditors pursuant to the provisions of Sections 230 to 232 of the Act read with section 66 of the Act, and other applicable provisions of the Act, as the case may be, in its present form or with any modification(s) made under Clause 17 of the Scheme by the Board of Directors of the Demerged Company and the Resulting Company, and/ or as approved or directed by the Tribunal, as the case may be.
- 1.13 **“SEBI”** means Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.
- 1.14 **“SEBI Circulars”** means Circular No. CFD/DIL3/CIR/CMD/2017/21 dated March 10, 2017, issued by SEBI and as amended from time to time or any other circulars issued by SEBI applicable to a Scheme of Arrangement.
- 1.15 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contract (Regulation) Act, 1956, the Depositories Act, 1996, SEBI Circulars and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) and amendments(s) made under Clause 17of the Scheme, approved or imposed or directed by the Tribunal as the case may be, as applicable, shall be effective from the Appointed Date, as the case may be, but shall be made operative from the Effective Date.

3. CAPITAL STRUCTUREOF THE COMPANIES

3.1. The share capital of SMIL as at March 31, 2018 is as under:

Particulars	Amount (INR)
Authorized Share Capital	
5,00,00,000 Equity Shares of INR 10 each	50,00,00,000
Total	50,00,00,000
Issued, Subscribed and Paid Up Share Capital	
59,46,326 Equity Shares of INR 10 each fully paid up	5,94,63,260
Total	5,94,63,260

Since March 31, 2018 and as on the date of filing of this Scheme, there has been no change in the capital structure of SMIL.

3.2. The share capital of NACL shall be as under:

Particulars	Amount (INR)
Authorized Share Capital	
10,000 Equity Shares of INR 10 each	100,000
Total	
Issued, Subscribed and Paid Up Share Capital	
10,000 Equity Shares of INR 10 each fully paid up	100,000
Total	100,000

The entire shareholding of NACL shall be held by SMIL and its nominees.

4. MAIN OBJECTS

4.1. The main objects of SMIL are as follows:

- a) To manufacture and/or deal in automobile, automobile parts including seat covers spare parts and components of machineries and to act agents for manufacturers of various parts and components, etc.
- b) To acquire and hold by way of investment, shares, stocks, debentures, debenture stock, bonds, obligations or securities, by original subscription, participation in syndicates, tender, purchase, exchange or otherwise and to subscribe for the same or to guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by or incidental to the ownership

thereof and to carry on business of money lending and to carry on the business of dealers in shares, stocks, debentures, debenture stock, bonds, obligations, units securities and other investments."

4.2. The main objects of NACL are as follows:

- i. To carry on the business of assembling, blending, manufacturing, design, development, dealing and supplying components, engineering goods, equipment and interior components for the automotive and non-automotive industry for domestic and export purposes.
- ii. To carry on the business of manufacturing fabricating and assembling, buying, selling, Import, export, distribution and dealing in or all and every kind of automotive components including seats, spare parts and component for the seats and to deal in each and every kind of activity associated with the manufacture and trading of any kind of components, whether directly or indirectly or whether in India or abroad.
- iii. To carry on the business of manufacturing, trading, import, export in any and of or every kind of parts, interiors and components made from rubber, foam, rubberized foam, coir, yarn, (whether synthetic or woolen) whether used singly or by blending of or with various chemicals for various automotive or non-automotive application.
- iv. To carry on the business of design, development, testing, validation of all and every type of components, advisory of setting up of manufacturing line, process(es), suppliers of technical know-how, equipments and man power suppliers, site planners etc.

**PART B - TRANSFER AND VESTING OF AUTOMOBILE SEATING
UNDERTAKING (READ WITH SCHEDULE I AND SCHEDULE II) FROM
SMIL TO NACL**

**5. TRANSFER AND VESTING OF AUTOMOBILE SEATING
UNDERTAKING FROM DEMERGED COMPANY TO RESULTING
COMPANY**

5.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Automobile Seating Undertaking (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Automobile Seating Undertaking) shall, without any further act, instrument, deed, matter or thing, be demerged from SMIL and transferred to and vested in NACL or be deemed to have been demerged from SMIL, and transferred to and vested in NACL as a going concern, so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interests and authorities of NACL, pursuant to Section 232 of the Act.

5.2. In respect of such of the assets of the Automobile Seating Undertaking as are movable in nature and/or otherwise capable of transfer by manual or constructive delivery of possession and/or by endorsement and delivery, the same shall be so transferred by SMIL to NACL upon the coming into effect of this Scheme pursuant to the provisions of Section 232 of the Act without requiring any deed or instrument of conveyance for transfer of the same, and shall become the property of NACL as an integral part of the Automobile

Seating Undertaking.

- 5.3. In respect of the movable assets other than those dealt with in clause 5.2 above, including but not limited to sundry debts, actionable claims, earnest monies, receivables, bills, credits, loans, advances and deposits with the Government, semi-Government, local and any other authorities and bodies and/or customers, if any, whether recoverable in cash or in kind or for value to be received, bank balances, etc. the same shall stand transferred to and vested in NACL without any notice or other intimation to any person in pursuance of the provisions of Sections 230 to 232 read with other relevant provisions of the Act to the end and intent that the right of SMIL to recover or realize the same stands transferred to NACL. NACL shall, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in NACL and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes.
- 5.4. In respect of such of the assets belonging to the Automobile Seating Undertaking other than those referred to in clause 5.2 and 5.3 above, the same shall, as more particularly provided in clause 5.1 above, without an further act, instrument or deed, be demerged from SMIL and transferred to and vested in and/or be deemed to be demerged from SMIL and transferred to and vested in NACL upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230-232 of the Act.
- 5.5. All assets, rights, title, interests and investments of SMIL in relation to the

Automobile Seating Undertaking (including investments by SMIL in Bharat Seats Limited, Toyota Boshoku Relan India Private Limited and Toyo Sharda India Private Limited) shall also without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in NACL upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230-232 of the Act.

- 5.6. Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme, all the rights, title, interest and claims of SMIL in any leasehold/leave and licence/right of way properties of SMIL in relation to the Automobile Seating Undertaking, shall, pursuant to Section 232 of the Act, without any further act or deed, be transferred to and vested in or be-deemed to have been transferred to or vested in NACL automatically and on the same terms and conditions.
- 5.7. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is expressly clarified that upon the coming into effect of this Scheme, all permits, licenses, permissions, right of way, approvals, clearances, consents, benefits, registrations, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, issued to or granted to or executed in favour of SMIL, and the rights and benefits under the same, in so far as they relate to the Automobile Seating Undertaking and all quality certifications and approvals, trademarks, trade names, service marks, copy rights, domain names, designs, trade secrets, research and studies, technical knowhow and other intellectual properties

(whether owned, licensed or otherwise, and whether registered or unregistered) and all other interests relating to the goods or services being dealt with by the Automobile Seating Undertaking and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents acquired by SMIL, in relation to the Automobile Seating Undertaking shall be transferred to and vested in NACL and the concerned licensors and granters of such approvals, clearances, permissions, etc., shall endorse, where necessary, and record, in accordance with law, the name of NACL on such approvals, clearances, permissions and facilitate the approval and vesting of the same as part of the Automobile Seating Undertaking and continuation of operations pertaining to the Automobile Seating Undertaking in NACL without hindrance and that such approvals, clearances and permissions shall remain in full force and effect in favour of or against NACL, as the case may be, and may be enforced as fully and effectually as if, instead of SMIL, NACL had been a party or beneficiary or obligee thereto.

5.8. In so far as various incentives, subsidies, exemptions, special status, service tax benefits, income tax holiday/benefit/losses and other benefits or exemptions or privileges enjoyed, granted by any Government body, regulatory authority, local authority or by any other person, or availed of by SMIL are concerned, the same shall, without any further act or deed, in so far as they relate to the Automobile Seating Undertaking, vest with and be available to NACL on the same terms and conditions, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to NACL.

5.9. Any claims due to SMIL from its customers or otherwise and which have not

been received by SMIL as on the date immediately preceding the Effective Date as the case may be, in relation to or in connection with the Automobile Seating Undertaking, shall also belong to and be received by NACL.

- 5.10. All assets, estate, rights, title, interest and authorities acquired by SMIL after the Appointed Date and prior to the Effective Date for operation of the Automobile Seating Undertaking shall also stand transferred to and vested in NACL upon the coming into effect of this Scheme.
- 5.11. Upon the coming into effect of this Scheme, all debts, duties, obligations and liabilities (including contingent liabilities) of SMIL relating to the Automobile Seating Undertaking shall without any further act, instrument or deed be and stand transferred to NACL and shall thereupon become the debts, duties, obligations and liabilities of NACL, which it undertakes to meet, discharge and satisfy to the exclusion of SMIL and to keep SMIL indemnified at all times from and against all such debts, duties, obligations and liabilities and from and against all actions, demands and proceedings in respect thereto. It shall not be necessary to obtain the consent of any third party or other person, who is a party to an act or arrangement by virtue of which such debts, obligations, duties and liabilities have arisen in order to give effect to the provisions of this clause.
- 5.12. Upon the Scheme coming into effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, relating to the Automobile Seating Undertaking, whether provided for or not in the books of accounts of SMIL, including general and multipurpose borrowings, if any, dealt with in accordance with Section 2(19AA) of the IT

Act, shall become and be deemed to be, the debts, liabilities, contingent liabilities, duties and obligations of NACL, without any further act, instrument or deed required by either SMIL or NACL. NACL undertakes to meet, discharge and satisfy the same to the exclusion of SMIL. It is hereby clarified 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 have arisen in order to give effect to the provisions of this sub-clause. However, SMIL and NACL shall, if required, file appropriate forms with the ROC accompanied by the sanction order of the Court or a certified copy thereof and execute necessary deeds or documents in relation to creation/satisfaction/modification of charges to the satisfaction of the lenders, in relation to the assets being transferred to NACL as part of the Automobile Seating Undertaking and/or in relation to the assets remaining in SMIL after the demerger and vesting of Automobile Seating Undertaking in NACL pursuant to this Scheme becoming effective in accordance with the terms hereof. Where any of the loans, liabilities and obligations attributed to Automobile Seating Undertaking have been discharged by SMIL on behalf of NACL after the Appointed Date, such discharge shall be deemed to have been done by SMIL for and on behalf of NACL.

5.13. Subject to clause 5.12 above, from the Effective Date, NACL alone shall be liable to perform all obligations in respect of the liabilities of the Automobile Seating Undertaking as the borrower/issuer thereof, and SMIL shall not have any obligations in respect of the said liabilities.

5.14. Where any of the liabilities and obligations of SMIL as on the Appointed Date

deemed to be transferred to NACL, have been discharged by SMIL after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of NACL and all liabilities and obligations incurred by SMIL for the operations of the Automobile Seating Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been incurred for and on behalf of NACL and to the extent of their outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to NACL and shall become the liabilities and obligations of NACL, which shall meet, discharge and satisfy the same.

5.15. Any claims, liabilities or demands arising on account of the Automobile Seating Undertaking of SMIL which relates to the period prior to the Appointed Date but arises at any time after the Effective Date shall be entirely borne by NACL. In the event that such liability is incurred by or such claim or demand is made upon SMIL, then NACL shall indemnify SMIL for any payments made in relation to the same.

5.16. Subject to the other provisions of this Scheme, in so far as the assets of the Automobile Seating Undertaking are concerned, the security, pledge, existing charges and mortgages, over such assets, to the extent they relate to any loans or borrowings of the Remaining Business of SMIL shall, without any further act, instrument or deed be released and discharged from the same and shall no longer be available as security, pledge, charges and mortgages in relation to those liabilities of SMIL which are not transferred to NACL.

5.17. In so far as the assets of the Remaining Business of SMIL are concerned, the security, pledge, existing charges and mortgages over such assets, to the extent

they relate to any loans or borrowings of the Automobile Seating Undertaking shall, without any further act, instrument or deed be released and discharged from such security, pledge, charges and mortgages. The absence of any formal amendment which may be required by a bank and/or financial institution in order to affect such release shall not affect the operation of this clause.

5.18. In so far as the existing security in respect of the loans and other liabilities relating to the Remaining Business of SMIL are concerned, such security shall, without any further act, instrument or deed be continued with SMIL only on the assets which are remaining with SMIL.

5.19. Without any prejudice to the provisions of the foregoing clauses and upon the Scheme being effective, SMIL, and NACL shall execute any instrument(s) and/or document(s) and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, Delhi and Haryana to give formal effect to the provisions of this clause and foregoing clauses, if required.

5.20. Upon the coming into effect of this Scheme, SMIL alone shall be liable to perform all obligations in respect of all debts, liabilities, duties and obligations pertaining to the Remaining Business of SMIL and NACL shall not have any obligations in respect of the Remaining Business of SMIL.

5.21. The foregoing provisions shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security documents, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

5.22. On and from the Effective Date, and thereafter, NACL shall be entitled to operate all bank accounts of SMIL, in relation to or in connection with the Automobile Seating Undertaking, and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of SMIL, in relation to or in connection with the Automobile Seating Undertaking, in the name of NACL in so far as may be necessary until the transfer of rights and obligations of the Automobile Seating Undertaking to NACL under this Scheme have been formally given effect to under such contracts and transactions.

5.23. For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of bank accounts of SMIL, in relation to or in connection with the Automobile Seating Undertaking, have been replaced with that of NACL, NACL shall be entitled to operate the bank accounts of SMIL, in relation to or in connection with the Automobile Seating Undertaking, in the name of SMIL in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment, which are in the name of SMIL in relation to or in connection with the Automobile Seating Undertaking, after the Effective Date shall be accepted by the bankers of NACL and credited to the account of NACL, if presented by NACL. NACL shall be allowed to maintain bank accounts in the name of SMIL for such time as may be determined to be necessary by NACL for presentation and deposition of cheques and pay orders that have been issued in the name of SMIL, in relation to or in connection with the Automobile

Seating Undertaking. It is hereby expressly clarified that any legal proceedings by or against SMIL, in relation to or in connection with the Automobile Seating Undertaking, in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment, which are in the name of SMIL shall be instituted, or as the case may be, continued by or against NACL after the coming into effect of this Scheme.

- 5.24. It is clarified that in order to ensure the smooth transition and sales of products and inventory of SMIL, in relation to or in connection with the Automobile Seating Undertaking, manufactured and/or branded and/or labelled and/or packed in the name of SMIL prior to the Effective Date, NACL shall have the right to own, use, market, sell, exhaust or to in any manner deal with any such products and inventory (including packing material) pertaining to the Automobile Seating Undertaking at manufacturing locations or warehouses or retail stores or elsewhere, without making any modifications whatsoever to such products and/or their branding, packing or labelling. All invoices/payment related documents pertaining to such products and inventory (including packing material) shall be raised in the name of NACL after the Effective Date.
- 5.25. A list of assets and liabilities of the Automobile Seating Undertaking known as on the Appointed Date is annexed as Schedule II.

6. LEGAL PROCEEDINGS

- 6.1. Upon the coming into effect of this Scheme, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against SMIL, under any statute, whether pending on the Appointed Date, or

which may be instituted any time in the future and in each relating to the Automobile Seating Undertaking shall be continued and enforced by or against NACL after the Effective Date. In the event that the legal proceedings referred to herein require SMIL and NACL to be jointly treated as parties thereto, NACL shall be added as a party to such proceedings and shall prosecute and defend such proceedings in co-operation with SMIL. In the event of any difference or difficulty in determining as to whether any specific legal or other proceedings relate to the Automobile Seating Undertaking or not, a decision jointly taken by the Board of Directors of SMIL and NACL in this regard, shall be conclusive evidence of the matter.

- 6.2. If proceedings are taken against SMIL in respect of the matters referred to in clause 6.1 above, it shall defend the same in accordance with the advice of NACL and at the cost of NACL, and the latter shall reimburse and indemnify SMIL against all the liabilities and obligations incurred by SMIL in respect thereof.
- 6.3. NACL shall have all legal or other proceedings initiated by or against SMIL with respect to the Automobile Seating Undertaking, transferred into its name and to have the same continued, prosecuted and enforced by or against NACL to the exclusion of SMIL.

7. CONTRACTS, DEEDS, ETC.

- 7.1. Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Automobile

Seating Undertaking to which SMIL is a party or to the benefit of which SMIL may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall be in full force and effect by or against or in favour of NACL, as the case may be, and may be enforced as fully and effectually as if, instead of SMIL, NACL had been a party or beneficiary or obligee thereto.

7.2. Notwithstanding the fact that vesting of the Automobile Seating Undertaking occurs by virtue of this Scheme itself, NACL may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required, take such actions and execute such deeds (including deeds of adherence), confirmations or other Writings with any party to any contract or arrangement to which SMIL is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. NACL will, if necessary, also be a party to the above. NACL shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of SMIL and to carry out or perform all, such formalities or compliances referred to above on the part of SMIL to be carried out or performed.

7.3. Without prejudice to the aforesaid, it is clarified that if any assets (estate, claims, rights, title, interests in or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Automobile Seating Undertaking which SMIL own or to which SMIL is a party to, cannot be transferred to NACL for any reason whatsoever, SMIL shall hold such asset or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of NACL, in so far as

it is permissible so to do, till such time as the transfer is effected.

8. SAVING OF CONCLUDED TRANSACTIONS

8.1. The transfer and the vesting of the assets, liabilities and obligations of the Automobile Seating Undertaking under clause 5 hereof and the continuance of proceedings by or against NACL under clause 6 hereof shall not affect any transaction or proceedings already completed by SMIL on or after the Appointed Date, to the end and intent that NACL accepts all acts, deeds and things done and executed by and/or on behalf of SMIL as acts, deeds and things made, done and executed by and on behalf of NACL.

9. STAFF, EMPLOYEES & WORKMEN

9.1. Upon the coming into effect of this Scheme, all the employees relating to the Automobile Seating Undertaking that were employed by SMIL, immediately before the Effective Date, shall become the employees of NACL without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favourable than the terms and conditions as were applicable to such employees relating to the Automobile Seating Undertaking of SMIL immediately prior to the demerger of the Automobile Seating Undertaking.

9.2. NACL agrees that the service of all employees pertaining to the Automobile Seating Undertaking with SMIL up to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in SMIL up to the Effective Date. NACL further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal benefits,

such past service with SMIL, shall also be taken into account and agrees and undertakes to pay the same as and when payable.

- 9.3. Upon the coming into effect of this Scheme, NACL shall make all the necessary contributions for such transferred employees relating to the Automobile Seating Undertaking, and deposit the same in provident fund, gratuity fund or superannuation fund or any other special fund or staff welfare scheme or any other special scheme. NACL will also file relevant intimations in respect of the Automobile Seating Undertaking to the statutory authorities concerned who shall take the same on record and substitute the name of NACL for SMIL.
- 9.4. In so far as the existing provident fund, gratuity fund and pension and /or superannuation fund/trusts, retirement funds or employees state insurance schemes or pension scheme or employee deposit linked insurance scheme or any other benefits, if any, created by SMIL for employees of the Automobile Seating Undertaking are concerned, such proportion of the funds, contributions to the funds or the scheme or the investments made into the funds relatable to the employees pertaining to the Automobile Seating Undertaking as on the Effective Date, who are being transferred along with the Automobile Seating Undertaking in terms of the Scheme, upon the coming into effect of this Scheme, shall be transferred to the necessary funds, schemes or trusts of NACL and till the time such necessary funds, schemes or trusts are created by NACL, all contribution shall continue to be made to the existing funds, schemes or trusts of SMIL.

10. CONDUCT OF BUSINESS

10.1. With effect from the Appointed Date and up to and including the Effective Date:

- a) SMIL undertakes to carry on and shall be deemed to carry on all businesses and activities and stand possessed of the properties and assets of the Automobile Seating Undertaking, for and on account of and in trust for NACL.
- b) All profits accruing to SMIL and all taxes thereon or losses arising or incurred by it with respect to the Automobile Seating Undertaking shall, for all purposes, be treated as and deemed to be the profits, taxes or losses, as the case may be, of NACL.
- c) All accretions and depletions in relation to the Automobile Seating Undertaking shall be for and on account of NACL.

10.2. With effect from the date of approval to the Scheme by the Board of Directors of SMIL and NACL, and upto and including the Effective Date:

- a) SMIL shall carry on the business of the Automobile Seating Undertaking with reasonable diligence and business prudence and in the same manner as it had been doing hitherto.
- b) Except with the consent of their respective Board of Directors, SMIL and NACL shall not make any change in its respective capital structure either by any increase (by issue of equity shares, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organization, or in any

other manner effect the reorganization of capital of NACL.

- 10.3. NACL 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, wherever necessary, for such consents, approvals and sanctions which NACL 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 of Automobile Seating Undertaking.
- 10.4. From the date of filing of this Scheme with the Tribunal and upto and including the Effective Date, SMIL and NACL shall, unless expressly prohibited under this Scheme, carry on their respective business in ordinary course, including payment of any dividend and with the approval of their respective Board any other activity or business as may be deemed necessary or expedient in the opinion of the Board.

11. TREATMENT OF TAX

- 11.1. NACL will be the successor of SMIL vis-à-vis the Automobile Seating Undertaking. Hence, it will be deemed that the benefits of any tax credits whether central, state, or local, availed vis-a-vis the Automobile Seating Undertaking and the obligations, if any, for payment of taxes on any assets of the Automobile Seating Undertaking or their erection and/or installation, etc. shall be deemed to have been availed by NACL, or as the case may be deemed to be the obligation of NACL.

- 11.2. With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess, receivables/payables by SMIL relating to the Automobile Seating Undertaking including all or any refunds/credits/claims/tax losses/unabsorbed depreciation relating thereto shall be treated as the assets/liability or refund/credit/claims/tax losses/unabsorbed depreciation, as the case may be, of NACL.
- 11.3. SMIL and NACL are expressly permitted to revise their financial statements and returns(including income tax returns, withholding tax returns, GST returns and tax deducted at source ('TDS') certificates) along with prescribed forms, filings and annexures and under the Income Tax Act, 1961, indirect taxes including goods and services tax and other tax laws, and to claim refunds, advance tax, credits (including minimum alternate tax, tax deducted at source, wealth tax, etc.), excise and service tax credits, GST credits, set off etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme. Such returns may be revised and filed notwithstanding that the statutory period of such revision and filing may have expired.
- 11.4. Any refund, under the Income-tax Act, 1961, Goods & Service Tax, Service Tax laws, Excise Duty laws, Central Sales Tax, applicable State Value Added Tax laws or other applicable laws/ regulations dealing with taxes/ duties/ levies due to Automobile Seating Undertaking of SMIL consequent to the assessment made on SMIL and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by NACL upon this Scheme becoming effective.
- 11.5. The tax payments (including, without limitation income tax, Goods & Service

Tax, Service Tax, Excise Duty, Central Sales Tax, applicable State Value Added Tax, etc.) whether by way of tax deducted at source, advance tax, all earnest monies, security deposits provisional payments, payment under protest, or otherwise howsoever, by SMIL with respect to the Automobile Seating Undertaking after the Appointed Date, shall be deemed to be paid by NACL and shall, in all proceedings, be dealt with accordingly.

- 11.6. Further, any tax deducted at source by SMIL / NACL with respect to Automobile Seating Undertaking on transactions with SMIL/ NACL, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax paid by NACL and shall, in all proceedings, be dealt with accordingly.
- 11.7. Obligation for deduction of tax at source on any payment made by or to be made by SMIL shall be made or deemed to have been made and duly complied with by NACL.
- 11.8. Upon the Scheme becoming effective, all unavailed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax, Goods and Service Tax, Cenvat, Customs, VAT, Sales Tax, Service Tax etc. relating to the Automobile Seating Undertaking to which SMIL is entitled to shall be available to and vest in NACL, without any further act or deed.
- 11.9. The Board of Directors of SMIL shall be empowered to determine if any specific tax liability or any tax proceeding relates to the Automobile Seating Undertaking and whether the same would be transferred to NACL.

12. CONSIDERATION

12.1. Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Automobile Seating Undertaking of SMIL in NACL, NACL shall, without any further act or deed, issue and allot to the equity shareholders of SMIL, whose names appear in the Register of Members of SMIL, on a date (hereinafter referred to as "Record Date") to be fixed in that behalf by the Board of Directors of SMIL in consultation with NACL for the purpose of reckoning the names of the equity shareholders of SMIL, in consideration for the transfer of the Automobile Seating Undertaking in the following proportion namely,:

“for every 1 (One) equity share of face value of INR10/- (Rupees Ten only) each held in SMIL as on the Record Date, the equity shareholders of SMIL shall be issued 1 (One) equity share of face value INR10/- (Rupees Ten only) each credited as fully paid-up in NACL”

12.2. The new equity shares issued, pursuant to clauses 12.1 above, shall be issued and allotted in a dematerialized form to those equity shareholders who hold equity shares in SMIL in dematerialized form, into the account with the depository participant in which the equity shares of SMIL are held or such other account with the depository participant as is intimated by the equity shareholders of SMIL to NACL before the Record Date. All those equity shareholders of SMIL who hold equity shares of SMIL in physical form shall also have the option to receive the new equity shares, as the case may be, in dematerialized form, provided the details of their account with the depository participant are intimated in writing to NACL before the Record Date. In the

event that NACL has received notice from any equity shareholder of SMIL that equity shares are to be issued in physical form or if any equity shareholder has not provided the requisite details relating to his/her/its account with a depository participant or other confirmations as may be required or if the details furnished by any equity shareholder do not permit electronic credit of the shares of NACL, then NACL shall issue new equity shares of NACL in accordance with clauses 12.1above, as the case may be, in physical form to such equity shareholder.

12.3. The new equity shares of NACL to be issued to the shareholders of SMIL in terms of this scheme, shall be subject to the provisions of the Memorandum of Association and Articles of Association of NACL and shall rank pari-passu, in all respects with the then existing equity shares in NACL in all respects including dividends.

12.4. Where the new equity shares of NACL are to be allotted, pursuant to this scheme, to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of SMIL, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of NACL.

12.5. The new equity shares to be issued by NACL, pursuant to this scheme, in respect of any equity shares of SMIL, which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall, pending allotment or settlement of dispute by order of court or otherwise, be held in abeyance by NACL.

- 12.6. The approval of this Scheme shall be deemed to be due compliance of the provisions of section 62 of the Act and other relevant and the Act and applicable provisions of the Act, for the issue and allotment of new equity shares by NACL to the shareholders, as provided in this Scheme.
- 12.7. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of SMIL, the Board of Directors of SMIL shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer in SMIL as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to SMIL or NACL of equity shares in NACL issued by NACL upon the coming into effect of this Scheme.
- 12.8. NACL shall, if and to the extent required to, apply for and/or intimate and/or obtain any approvals from the concerned regulatory authorities. NACL shall comply with the relevant and applicable rules and regulations including the provisions of Foreign Exchange Management Act, 1999, if any, to enable NACL to issue and allot new equity shares to the non-residents, if any.
- 12.9. The new equity shares to be issued by NACL, in terms of this Scheme, will be listed and/or admitted to trading on the BSE and NSE, where the equity shares of SMIL are listed and/or admitted to trading in terms of the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and other applicable regulations. NACL shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the aforesaid stock exchanges. On such

formalities being fulfilled the said stock exchanges shall list and /or admit such new equity shares also for the purpose of trading. The new equity shares allotted by NACL, pursuant to this scheme, shall remain frozen in the depositories system till the listing/trading permission is given by the BSE and NSE.

12.10. There shall be no change in the shareholding pattern of NACL between the record date and the listing.

13. ACCOUNTING TREATMENT

Accounting treatment in the books of SMIL

On effectiveness of the Scheme and with effect from the Appointed Date, SMIL shall account for Demerger of the Automobile Seating Undertaking in its books of account in accordance with the Indian Accounting Standard (IND AS) prescribed under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015 and generally accepted accounting principles, as may be amended from time to time, as under:

13.1. All the Assets and the liabilities of the Automobile Seating Undertaking shall be reduced at their Book Value.

13.2. The difference between the book value of assets and book value of liabilities of the Automobile Seating Undertaking shall be adjusted first against the free reserves of SMIL.

13.3. Upon the Scheme being effective, the investment of SMIL in NACL shall

stand cancelled. Upon cancellation, SMIL shall credit its investment in NACL, the value of investment held by SMIL in NACL, which stands cancelled and the same shall be debited to the current year Profit and Loss Account of SMIL.

- 13.4. If considered appropriate for compliance with Accounting Standards, SMIL may make suitable adjustment to the accounting treatment and adjust the effect thereof in the manner determined by the Board of Directors of SMIL.

Accounting treatment in the books of NACL

On effectiveness of the Scheme and with effect from the Appointed Date, since the transaction involves entities which are ultimately controlled by the same party before and after the transaction, the Resulting Company shall account for Demerger of the Demerged Undertaking in its books of account in accordance with Appendix C 'Business combinations of entities under common control' of the Indian Accounting Standard (IND AS) 103 for Business Combination prescribed under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015 and generally accepted accounting principles, as may be amended from time to time, as under:

- 13.5. NACL shall record the assets and liabilities of the Automobile Seating Undertaking vested in it pursuant to this Scheme at the respective Book Values thereof.
- 13.6. NACL shall credit its share capital account with the aggregate face value of the new equity shares issued by it to the members of SMIL pursuant to Clause 12 of this Scheme.
- 13.7. In respect of cancellation of shares held by SMIL, NACL shall debit to its

Equity Share Capital Account, the aggregate face value of existing equity shares held by SMIL in NACL with a corresponding credit to Capital Reserve of NACL.

13.8. The difference between clause 13.5 and clause 13.6 above shall be recorded as Capital Reserve.

13.9. If considered appropriate for the purpose of application of uniform accounting policies and method or for compliance with the applicable Accounting Standards, NACL may make suitable adjustment and adjust the effect thereof in the manner determined by the Board of Directors of NACL.

14. REDUCTION OF SHARE CAPITAL OF NACL

14.1. With the issue and allotment of the new equity shares by NACL to the equity shareholders of SMIL in accordance with clauses 12 of the Scheme, in the books of NACL, all the equity shares issued by NACL to SMIL and held by SMIL shall stand cancelled, extinguished and annulled on and from the Effective Date.

14.2. The cancellation, as aforesaid, which amounts to reduction of share capital of NACL, shall be effected as an integral part of this Scheme itself in accordance with the provisions of section 66 of the Act and the order of the Tribunal sanctioning the Scheme shall be deemed to be also the order under Section 66 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital.

14.3. Notwithstanding the reduction as mentioned above, NACL shall not be required to add "and reduced" as suffix to its name and NACL shall continue in its existing name.

15. REMAINING BUSINESS TO CONTINUE WITH SMIL

15.1 The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by SMIL subject to the provisions of the Scheme.

15.2 All legal or other proceedings by or against SMIL under any statute, whether pending on the Appointed Date or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business(including those relating to any property, right, power, liability, obligation or duties of SMIL in respect of the Remaining Business) shall be continued and enforced by or against SMIL. NACL shall in no event be responsible or liable in relation to any such legal or other proceedings by or against SMIL.

15.3 With effect from the Appointed Date and up to and including the Effective Date:

- a) SMIL shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf;
- b) all profits and income accruing or arising to SMIL, and any cost, charges, losses and expenditure arising or incurred by it (including

taxes, if any, accruing or paid in relation to any profits or income) relating to the Remaining Business shall, for all purposes, be treated as and be deemed to be the profits income, losses or expenditure, as the case may be, of SMIL; and

- c) all employees relatable to the Remaining Business shall continue to be employed by SMIL and NACL shall not in any event be liable or responsible for any claims whatsoever regarding such employees.

PART C - GENERAL TERMS & CONDITIONS

16. APPLICATION TO TRIBUNAL

The Companies shall, with all reasonable dispatch, make necessary applications/petitions under Sections 230 to 232 of the Act read with section 66 of the Act, and other applicable provisions of the Act to the Tribunal for seeking sanction of this Scheme.

17. MODIFICATION OR AMENDMENTS TO THE SCHEME

17.1. SMIL and NACL, by their respective Boards of Directors (the “Board”, which term shall include committee thereof and/or person(s) authorized by the Board or the committee), may assent to/make and/or consent to any modifications/amendments of any kind to the Scheme or to any conditions or limitations that the Tribunal, as the case may be, as applicable and/or any other authority (including SEBI and stock exchanges) under law may deem fit to

direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events or otherwise by them (i.e. the Board).

- 17.2. SMIL and NACL by their respective Board are authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying the Scheme into effect, whether by reason of any directive or order of any other authorities or otherwise howsoever, arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

18. CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

- 18.1. The requisite consent, approval or permission from BSE and NSE and/or SEBI under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, which by law or otherwise may be necessary for the implementation of this Scheme in compliance with the provisions of SEBI Circular;
- 18.2. The approval of the Scheme by the respective requisite majorities of the shareholders and/or creditors (where applicable) of the Companies in accordance with Section 230 to 232 of the Act read with section 66 of the Act;
- 18.3. The Scheme being sanctioned by the Tribunal in terms of Sections 230 to 232 read with section 66 of the Act and other relevant provisions of the Act and the requisite orders of the Tribunal;

18.4. Such other approvals and sanctions including from government authorities or contracting party as may be required by law or contract for the Scheme; and

18.5. Certified copies of the orders of the Tribunal sanctioning this Scheme being filed with the ROC by SMIL and NACL as per the provisions of the Act.

19. EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the approvals or conditions enumerated in the Scheme not being obtained or complied with, or for any other reason, this Scheme cannot be implemented, then the Board of Directors of the Companies shall mutually waive such conditions as they may consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with this Scheme.

If any part of this Scheme is found to be unworkable or unviable for any reason whatsoever, the same shall not, subject to the decision of the Board of Directors of the Companies affect the validity or implementation of the other parts and/or provisions of this Scheme.

20. COSTS, CHARGES AND EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of SMIL and NACL arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne equally by SMIL and NACL.

SCHEDULE - I

IMMOVABLE PROPERTIES

**List of immovable property(ies) forming part of Automobile Seating business, owned
by SMIL**

Location (Address)
C-506, Block-C, Pioneer Industrial Park (Village Bhudka), Pathredi, Gurgaon, Haryana

SCHEDULE - II

LIST OF ASSETS AND LIABILITIES PROPOSED TO BE TRANSFERRED FROM SMIL TO NACL PURSUANT TO DEMERGER

		(Rs. in Lakhs)
S. No.	Particulars	Resulting Company
		As at December 31, 2018
		(Unaudited)
I.	Assets	
	Non-current assets	
	(a) Property, plant and equipment	3,988.26
	(b) Capital work in progress	6.50
	(c) Intangible assets	8.02
	(d) Financial assets	
	(i) Investments	165.50
	(ii) Other financial assets	49.85
	(e) Non-current tax asset (net)	-
	(f) Other non-current assets	-
	Total non-current assets	4,218.13
	Current assets	
	(a) Inventories	945.49
	(b) Financial assets	
	(i) Investments	1,427.33
	(ii) Trade receivables	1,739.12
	(iii) Cash and cash equivalents	1,246.11
	(iv) Bank balances other than (iii) above	6,071.56
	(v) Other financial assets	8.84
	(c) Other current assets	10.32
	(d) Asset classified as held for sale	0.08
	Total current assets	11,448.85
	Total assets	15,666.98
II	Liabilities	
	Non-current liabilities	
	(a) Financial liabilities	
	(i) Borrowings	-
	(ii) Other financial liabilities	
	(b) Provisions	14.73
	(c) Deferred tax liability (net)	-
	(d) Other non-current liabilities	183.55
	Total non-current liabilities	198.28

	Current liabilities	
	(a) Financial liabilities	
	(i) Borrowings	-
	(ii) Trade payables	
	- Total outstanding dues to micro and small enterprises	-
	- Total outstanding dues to parties other than micro and small enterprises	2,074.39
	(iii) Other financial liabilities	1.38
	(b) Other current liabilities	244.61
	(c) Provisions	29.13
	(d) Current tax Liabilities (net)	
	Total current liabilities	2,349.51
	Total liabilities	2,547.79

Details of contingent liabilities pertaining to Automobile Seating Undertaking as part of this Schedule

(Amount in Rs.)

Details of Contingent Liabilities of Sitting Business	
As on 31 st Dec 2018	
	31.12.18
Excise Matter	2,95,893
Service Tax Matter	-
Labour Court Matter	23,28,073
	26,23,966
Other show cause Notices (Not part of Contingent Liabilities)	
Excise Matter	4,39,416
Service Tax Matter (Surajpur)	26,44,481
	30,83,897
Other Civil Case (Not part of Contingent Liabilities)	
Civil - case (Pathredi)	3,58,742

- A) Special resolution was passed in the Annual General Meeting held on 24th December, 1987 for commencement of business activity given in Clause No. 6 of OTHER OBJECTS of Memorandum of Association as under:
6. To carry on the business as manufacturers and dealers in boots, shoes, clogs, all kind: of footwear and leather and plastic goods, lasts, boots, trees, laces, buckles, leggings boot polishes and accessories and fittings.
- B) Clause No. III (A) I of Memorandum of Association has been deleted by special resolution passed on 5th March, 1987, which was confirmed by CLB's order dated 16th May, 1988.
- C) Special resolution was passed in the Annual General Meeting held on 24th December. 1988 for alteration of existing article 82 of Articles of Association by substituting the following Clause:-
82. Each Director shall be entitled to be paid out of the funds of the Company by way of remuneration for his services not exceeding the sum of Rs. 500/- (Rupees five hundred) as may be fixed by the Directors from time to time for every meeting of the Board of Directors attended by him/her. Subject to the provisions of the Companies Act, the Directors shall also be entitled to receive in each year a commission @ 1% (One per cent) of the net profits of the Company in all, such commission to be calculated on the net profits of the Company to be computed in accordance with the provision of the Companies Act, 1956 and such commission shall be divided among the Directors in such proportion and manner as may be determined by them. The Directors may allow and pay to any Director who for the time being is resident out of the place at which any Meeting of the Directors may be held and who shall come to that place for the purpose of attending such meeting such sum as the Directors may consider fair and reasonable for his expenses in connection with his attending at the meeting in addition to his remuneration as above specified. If any Director being willing is appointed to an executive office either whole time or part time or be called upon to perform extra services or to make by special exertions for any of the purposes of the Company then subject to Section 198, 309, 310 and 314 of the Act the Board may remunerate such Director either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to.
- D) Special resolution was passed in the Extra Ordinary General Meeting held on 14th February, 1994 for commencement of business activity given in Clause No. V of Memorandum of Association and Article No. 3 of Articles of Association.
- (E) Special resolution was passed in the Extra Ordinary General Meeting held on 12th February, 1996 for alteration of existing article 82 of Articles of Association by substituting the following Clause :-

- 82.(1) Each Director shall be entitled to be paid out of the funds of the Company by way of sitting fee for attending the Board Meeting or Sub-Committee thereof, as may be determined by the Board of Directors, subject to the ceiling, if any, as may be specified by the Central Government in this regard, from time to time.
- (2) Subject to the provisions of the Companies Act, 1956, the Directors shall also be entitled to receive in each year a commission at the rate one per cent (1%) of the net profit of the Company in all, such commission to be calculated on the net profits of the Company to be computed in accordance with the provisions of the Companies Act, 1956, and such commission shall be divided among the Directors in such proportion and manner as may be determined by them. The Directors may allow and pay to any Director who for the time being is resident out of the place at which any Meeting of the Directors may be held and who shall come to that place for the purpose of attending such meeting such sum as the Directors may consider fair and reasonable for his/her expenses in connection with his/her attending at the meeting in addition to his/her remuneration as above specified. If any Director being willing is appointed to an executive office either whole time or part time or be called upon to perform extra services or to make any special exertions for any of the purposes of the Company then subject to section 198, 309, 310 and 314 of the Companies Act, 1956 and relevant provisions or notifications or guidelines, if any, issued by the Central Government in this regard, the Board may remunerate such Director either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he/she may be entitled to.
- (F) Special resolution was passed in the Annual General Meeting held on 30th August, 2000 for alteration/modification of existing clause No. 3 of MAIN OBJECTS of Memorandum of Association by substituting the following clause:
3. To acquire and hold by way of investment, shares, stocks, debentures, debenture stock, bonds, obligations or securities, by original subscription, participation in syndicates, tender, purchase, exchange or otherwise and to subscribe for the same or to guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by or incidental to the ownership thereof and to carry on business of money lending and to carry on the business of dealers in shares, stocks, debentures, debenture stock, bonds, obligations, units securities and other investments.

- (G)** Special resolution was passed by Shareholders of the Company through Postal Ballot and result of the same was declared by Chairman of the Company on 30th September, 2003 for modification and amendment of Memorandum of Association by inserting the following new sub clause 85 & 86 after existing sub clause 84 of OTHER OBJECTS of Memorandum of Association and also commencing and carrying on all or any of the new business and activities covered under the newly inserted sub clause 85 and 86 as under:-
85. To manufacture, produce, fabricate, design, assemble, fit, repair, buy, sell, export, import and deal in all kinds of white goods, electrical & electronic devices and other home appliances and bellos, tubes, tube bending parts, suspension parts, exhaust systems, seat parts, covers, pipe, hose pipe, pressing parts & other parts/components of sheet metals, plastic, rubber and other materials for white goods, home appliances, devices, automobiles and other applications.
 86. To manufacture, produce, fabricate, design, assemble, fit, repair, improve, buy, sell, export, import and deal in all kinds of audio, video and music systems, devices, equipments apparatus, instruments, appliances, attachments, speakers and allied appliances, sub-systems, parts and components.
- (H)** Special resolution was passed in the Annual General Meeting held on 22nd July, 2004 for alteration/modification of existing Clause No. V of Memorandum of Association and Article No. 3 of Articles of Association by substituting the following Clause and Article respectively:
- V. The Authorised Share Capital of the Company is Rs.10,00,00,000/- (Rupees Ten Crores) divided into 1,00,00,000 (One Crore) equity shares of Rs. 10/- (Rupees Ten) each.
 3. The Authorised Share Capital of the Company is Rs. 10,00,00,000/- (Rupees Ten Crores) divided into 1,00,00,000 (One Crore) equity shares of Rs. 10/- (Rupees Ten) each with power to sub-divide, consolidate and increase or decrease and with power from time to time issue any share of the original capital with and subject to any preference qualified or special rights, privileges or conditions as may be fit, and upon the sub division of shares to a proportion the right to participate in profits, in any manner as between the shares resulting from sub-division.
- (I)** Special Resolution was passed by Shareholders of the Company through voting by Postal Ballot pursuant to Section 192A of the Companies Act, 1956 and the result of the same was declared by Chairman of the Company on 2nd June, 2006 for alteration in the Object Clause of Memorandum of Association of the Company in the following manner:
- (a)** Existing sub-clauses Nos. 1, 5, 6, 7, 12, 13, 19, 25 & 30 of Clause III (B) of the Objects incidental or ancillary to the attainment of the Main

Objects in the Memorandum of Association of the Company altered by substituting the following new sub-clauses in their place:

1. Subject to Section 58A, 292 and 293 of the Companies Act, 1956, and the Rules and Regulations made thereunder and the directions issued by Reserve Bank of India, to borrow, raise or secure the payment of money or to receive money on deposit at interest or otherwise and on such terms and with such powers, rights and privileges as may be deemed expedient for any of the purposes of the Company and at such time or times as may be thought fit by promissory notes, bills of exchange or other obligations by taking credits in or opening current accounts with any person, firm, bank, company or financial institutions and whether with or without any security or by such other means as the directors may in their absolute discretion deem expedient and in particular by the issue of debentures or debenture-stock bonds or perpetual or otherwise and as security for any such money so borrowed, raised, received and of any such debentures or debenture-stock or bonds so issued, to mortgage, pledge or charge the whole or any part of the property and the assets of the Company both present and future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may seem expedient and to purchase, redeem or pay off any such securities, provided that the Company shall not carry on banking business as defined in Banking Regulation Act, 1949.
5. To apply for, purchase or otherwise obtain, acquire and protect prolong and renew whether in India or elsewhere, any patents, patent rights, brevets, invention, trade marks, designs, licenses, protections, concessions, and the like conferring any exclusive or non-exclusive or limited right to use any secret or other information as to any invention, process or privilege which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem calculated directly or indirectly to benefit the Company and to use, exercise, develop, manufacture under or grant licenses or privileges in respect of, or otherwise turn to account, the property, rights, and information so acquired and to carry on any business in any way connected therewith and to expend money in experimenting on and testing and in improving or seeking to improve any patents, rights, inventions, discoveries, processes or information of the company or which the company may acquire or propose to acquire.
6. To acquire and undertake the whole or any part of the business, property or any liability of any person or Company carrying on or proposing to carry on any business which this Company is authorised to carry on or possessed of property suitable for the purposes of the Company or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company.

7. Subject to Sec. 391 to 394 of the Companies Act, 1956, to amalgamate, enter into partnership or into any arrangement for sharing profits, union of interests, Co-operation joint venture or reciprocal concession or for limiting competition with any person or Company carrying on or engaged in, or about to carry on or engage in or being authorized to carry on or engage in, any business or transaction which the Company is authorised to carry on or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company.
12. To apply for and obtain order under any Act of legislature, charter, privilege, concession, quota licence or authorization of any government, state or other authority for enabling the Company to carry any of its objects into effect or for extending any of the powers of the company or for effecting any modification of the constitution of the company or for any other purpose which may seem expedient and to make representations against any proceedings or applications which may seem calculated directly or indirectly to prejudice the interests of the Company.
13. To enter into any arrangement with Governments or with other authorities supreme, national local, municipal or otherwise of any place in which the company may have interests and to carry on any negotiations or operations and to take all necessary or proper steps for the purpose of directly or indirectly carrying out the objects of the company or effecting any modification in the constitution of the company or furthering the interests of its members and to oppose any such steps taken by any other company, firm or person which may be considered likely directly or indirectly to prejudice the interests of the company or its members and to promote or assist the promotion, whether directly or indirectly of any legislation which may appear to be in the interests of the company and to oppose and resist, whether directly or indirectly, any legislation which may seem disadvantageous to the company and to obtain from any such Government, authority or any company any charters, contracts, decrees, rights, licenses, quota, loans, privileges or concessions which the company may think it desirable to obtain and carry out, exercise and comply with any such arrangements, charters, contracts, decrees, rights, privileges or concessions.
19. To sell, demerge, transfer, make gift, lease, mortgage, hypothecate, encumber, let on royalty or tribute, surrender, exchange, grant licenses, easements, options and other rights over, improve, manage, develop and turn to account and in any other manner deal with or dispose of the whole of the undertaking, investments, property, assets, rights, articles, goods and effects of the company or any part thereof for such consideration as may be thought fit and in particular any shares, stocks, debentures or other securities, whether fully or partly paid up of any other company whether or not having objects altogether or in part similar to those of the company.

25. To subscribe, contribute, gift or donate or guarantee any money, rights or assets for any national, political, education, religious, charitable, scientific, public, general or useful objects or to make gifts or donations of money or other assets to any institutions, clubs, societies, associations, trusts, scientific research associations, funds, universities, colleges or any individual or body of individuals or body corporate whether or not relating to the objects stated in the Memorandum.
30. To invest, buy, sell, transfer, hypothecate, deal in and dispose of any shares, stocks, debentures, whether perpetual or redeemable debenture, debenture stock, securities, properties of any other company including securities, of any Government, Local Authority, bonds certificates etc. even if such investment results in creation of subsidiaries doing altogether different business and authorizes doing indirectly that which will not be intra vires if done directly.
- (b)** Clause III (B) of the Objects incidental or ancillary to the attainment of the Main Objects in the Memorandum of Association of the Company further modified and amended by inserting the following new sub-clauses after existing sub-clause no. 31:
 32. To repair, alter, remodel, clean, renovate, convert, manipulate and prepare for resale and resell and let out on hire all or any of the properties or goods, articles and effects of the company from time to time belonging to the company, or dealt with by the company.
 33. To manufacture, buy, sell, exchange, improve, manipulate, export, import, market, alter, prepare for market, sell, purchase and/or otherwise deal in any kind of plant and machinery, engines, machines, apparatus and appliances, tools, components, and accessories, gadgets, utensils, materials and other necessary things or articles which are convenient for carrying out of any of the objects of the Company.
 34. To refer or agree to refer any claim, demands, disputes or any other question by or against the company or in which the company is interested or concerned and whether between the company and a member or members or his or their representatives or between the company and third party, to arbitration in India or at any place outside India; and to observe and perform and to do all acts, deeds, matters and things to carry out or enforce the awards.
 35. To undertake financial and commercial obligations, transactions and operations of all kinds and of all nature and to enter into, make and perform contracts, agreements and arrangement.
 36. To guarantee the performance of the obligations of and the payment of dividends and interest on any stock, shares or securities of any company, corporation, firm or person in any case in which such guarantee may be

considered likely directly or indirectly to further the objects of the company or the interests of its share holders.

37. To guarantee the payment of money unsecured or secured by or payable under or in respect of promissory notes, bonds, debentures, debenture-stock, contracts, mortgages, charges, obligations, instruments and securities of any company or of any authority, supreme, municipal, local, or otherwise or any persons whomsoever, whether incorporated or not, and generally to guarantee or become sureties for the performance of any contracts or obligations and/or to grant all indemnities.
38. To lend and advance money or give credit to such persons or companies and on such terms as may seem expedient and in particular to customers and others having dealings with the company and to guarantee the performance of any contract or obligation and the payment of money by any of such persons or companies and generally to give guarantee and indemnities.
39. To apply for and acquire permits, licences and quota rights from the Government of India or from State Government or from Foreign Government or any other person.
40. To act in conjunction with, unite or amalgamate with establish or promote or concur or assist in establishing or promoting any company or companies or association in India or anywhere else in the world for the purpose of acquiring all or any of the properties rights and liabilities of the company or for any other purpose which may seem directly or indirectly calculated to benefit the Company and to place or guarantee the placing of, underwrite, subscribe for or otherwise, acquire all or any part of the shares, debentures or other securities of any such other Company.
41. To establish, provide, maintain, carry out and conduct or otherwise subsidise, research laboratories and experimental workshops for scientific and technical research and experiments and to undertake and carry on with all scientific and technical researches, developments, experiments and tests of all kinds and to promote studies and research, both scientific and technical, investigations or inventions by providing, subsidizing, endowing or assisting laboratories, workshops, libraries, lectures, meeting and conferences and by providing for the remuneration of scientific or technical professors or teachers and by providing for the award of exhibitions, scholarships, prizes and grants to students or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any of the business which the Company is authorized to carry on.

42. To enter into negotiations and/or agreements with any firm, company, body corporate, Government authority, association or any other person in India or anywhere else in the world for collaboration financial, technical, commercial or of any other terms, formulate other rights and benefits and to obtain technical information, know-how and expert advice or financial accommodation for the production, manufacture or marketing of any product herein before mentioned and to pay to or the order of such firm, company, body corporate, Government authority or person, any fee, royalty, shares, bonus remuneration and otherwise to compensate them in any other manner for the services rendered by them.
43. To undertake and execute any trusts, undertaking of which may seem to the company desirable and either gratuitous or otherwise.
44. To insure the whole or any part of the property of the Company either fully or partly to protect and indemnify the Company from liabilities or loss in any respect either fully or partially and also to insure and to protect and indemnify any part of or portion thereof.
45. To promote protection of environment including air, land, forest, water and for this purpose to undertake all activities independently or in conjunction with other agencies engaged for the same purpose.
- (c) Clause III (C) specifying the Other Objects of the Memorandum of Association of the Company modified and amended by inserting the following new sub-clauses after existing sub-clause 86:-
 87. To design, supply, erect and commission plants for manufacture of automobile parts in India and/or abroad, based on company's own know-how and by the purchase or otherwise of know-how from the Companies in India and/or abroad on turnkey basis or otherwise and to offer and/or give, and/or supply Consultancy and/or Engineering Services and/or Managerial and other services and/or supply Technical know-how and/or Technical services in India and/or abroad and to offer and/or provide Plant and Equipments, Services, Civil Works and such other things as may be necessary for putting up plants for manufacture of automobile parts in India and/or abroad.
 88. To carry on business as insurance broker and agents in respect of all classes of life and general insurance including marine, fire, life, accident, burglary, workmen's compensation, indemnity, mediclaim and motor insurance.
 89. To carry on whether in India or anywhere else in the world any business or branch of business which the Company is authorised to carry on by means, of or through the agency or any subsidiary company or companies and to enter into any arrangement with such subsidiary

company for sharing the profits and bearing the losses of any business or branch so carried on, or for financing any such subsidiary company or guaranteeing its liabilities or to make any other arrangement which may seem desirable with reference to any business or branch so carried on including power at any time and either temporarily or permanently to close any such branch or business.

90. To install, operate, maintain any services relating to information technology including manufacturing and selling of any hardware and development of software and telecommunications services in any form including video conferencing, data services, mobile communication services and to install, operate and maintain any telecom or other networks.
91. To plan, design, manufacture, develop, remodel, repair, research, improve, run, market, distribute, provide, facilitate, sell, license, lease, install, maintain, transact, carry out, alter, import, export, solve, train, place, render services & consultancy or otherwise deal in all kinds of software, software professionals, internet facilities, e-commerce, data processing, online customer care, E-mail support, IT helpdesk, back office operations, data warehousing, customer services, technical support, data entry and processing, medical transcription, electronic publishing and other information technology related activities.
92. To carry on the activities in the field of bio-technology by undertaking manufacture, production or providing services as may be necessary.
93. To buy, sell, dig, prospect for, distribute, generate or otherwise deal in oil, gas, electricity or other motive powers from conventional and non-conventional, man made and natural resources and methods including wind mills.

Declaration

- (i) the objects incidental or ancillary to the attainment of the main objects of the Company as aforesaid shall also be incidental or ancillary to the attainment of the other objects of the Company herein mentioned.
- (ii) the word 'company' (save when used with reference to this Company) in this Memorandum shall be deemed to include any partnership or other body or association of persons whether incorporated or not and wherever domiciled.
- (iii) the objects set forth in each of the several clauses of paragraph III hereof shall have the widest possible construction and shall extend to any part of the world.

- (iv) subject to the provisions of the Companies Act, 1956 the objects set forth in any clause of sub-paragraph (C) above shall be independent and shall be in no way limited or restricted by reference to or inference from the terms of any of the clause of sub-paragraph (A) or by the name of the Company. None of the clauses in sub-paragraph (C) or the objects therein specified or the powers thereby conferred shall be deemed subsidiary merely to the objects mentioned in any of the clauses of sub-paragraph.

(J) Special Resolution was passed in the Annual General Meeting held on 25th August, 2006 for alteration in the Articles of Association of the Company, in the manner and to the extent as set out below:

- i) In Article No. 1, the following definitions were added as detailed hereunder between existing definition of 'The Register' and 'Dividend':

"Depository" means a Company formed and registered under the Act, which has been granted a certificate of Registration by SEBI under the Securities And Exchange Board of India Act, 1992.

"Beneficial Owner" means a person or persons whose name(s) is/are recorded as such by a Depository under the Depository Act, 1996.

"SEBI" means the Securities and Exchange Board of India.

"Security" means such security as may be specified by SEBI from time to time.

"Member" in respect of Dematerialized shares means the beneficial owner thereof i.e. the person or person holding equity share capital of company whose names(s) is/are recorded as beneficial owner(s) in the records of the Depository under the Depositories Act, 1996 and in respect of other shares, the person or persons whose name(s) is/are duly registered as a holder(s) of a share in the Company, from time to time, and includes the subscribers to the Memorandum of Association.

- ii) After Article No. 5, the following new Article No. 5A was inserted:

5A(a) Subject to provisions of Section 86 of the Act, Companies (Issue of Share Capital with differential voting rights) Rules 2001 and applicable stock exchange requirements, if any, issued and amended from time to time, the Company shall have the power to issue equity shares with differential rights as to dividend, voting or otherwise and the resolution authorizing such issue shall prescribe the manner, terms and conditions of such issue.

Issue of Shares
with differential
voting rights

- (b) All the provisions of Memorandum and Articles of Association shall be applicable to the Equity Share Capital with Differential Rights with such

modifications and variations wherever necessary as to differential rights to dividend, voting or otherwise as the case may be and further subject to the terms and conditions of the issue of such Equity Share Capital with differential rights.

iii) After Article No. 6, the following new Article No. 6A was inserted:

6A Notwithstanding anything contained in these articles, the Company is hereby authorized to buy-back such of its own shares or other securities as it may consider necessary, subject to such limits, upon such terms and conditions, and in accordance with the provisions of the Section 77A, 77AA and 77B of the Act or any statutory modification thereto and such other regulations and guidelines as applicable in this regard.

Buy-back of
Own Shares
or Other Securities

iv) Existing Article No. 7 was substituted by the following New Article: -

7 Subject to the provisions of Section 76 of the Act the Company may at any time pay such commission as may be lawful to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditional) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any shares or debentures of the Company. Such commission may be satisfied by payment of cash or by allotment of the fully or partly paid shares or debentures as the case may be or partly in one way or partly in the other.

Commission for
placing shares

v) After Article No. 12, the following new Article No. 12A was inserted under the heading:-

DEMATERIALIZATION

12A(i) Notwithstanding anything contained in these articles, the Company shall be entitled to dematerialize its existing securities, rematerialize its securities held in the Depositories and /or offer its fresh securities in dematerialized form pursuant to the provisions of the Depositories Act, 1956 and the rules framed thereunder, if any.

Dematerialization
of Securities

Dematerialization of Securities

(ii) Every person subscribing to or holding securities of the Company shall have the option to receive security(ies), certificate(s) or to hold the securities with Depository. Such a person who is the beneficial owner of the securities can at any time opt out of the Depository if permitted by the law, in respect of any security in the manner provided by the Depository Act and the Company shall within the time prescribed, issue to the beneficial owner of the securities, the required certificate of the securities. If a person opts to hold his securities with a depository, the Company shall intimate such Depository, the details of allotment of the Security and on

Option for Investors

receipt of the information, the Depository shall enter in its records the name of the allottees as the beneficial owner.

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| (iii) All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Section 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial owners. | Securities held by Depository be in Fungible form |
| (iv) (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owners.
(b) Save as otherwise provided in (a) above, the Depository as the Registered owner of the securities shall not have any voting rights or any other rights in respect of the Securities held by it.
(c) Every person holding securities of the company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member of the company. The beneficial owner of the securities shall be entitled to all rights and benefits and be subject to all the liabilities in respect of his securities, which are held by the Depository. | Rights and Liabilities of the Beneficial Owner |
| (v) Notwithstanding anything to the contrary contained in the Act or Articles, where securities are held in a Depository, the records of the beneficial ownership may be served by Depository on the Company by means of electronic mode or by delivery of floppies or disks. | Service of Documents |
| (vi) Nothing contained in Section 108 of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a Depository. Provisions of Articles not to apply to transfer of shares held in Depository | Provisions of Articles not to apply to transfer of shares held in Depository |
| (vii) Notwithstanding anything to the contrary contained in the Act or Articles, where securities are dealt with by the Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities. | Allotment of Securities dealt within a Depository |
| (viii) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers on securities issued by the Company shall apply to securities held with a Depository. | Distinctive Number of Securities held in the Depository mode |
| (ix) The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles. | Register and Index of Beneficial Owners |

vi) After Article No. 23, the following new Article No. 23A was inserted:

23A The provisions contained in these Articles as to forfeiture and lien of shares shall also apply mutatis mutandis to the Bonds, Debentures, etc.'

Forfeiture and lien of Bonds, Debentures, etc

vii) After the end of Article No. 44, the following Article was inserted as Article 44A:

44A Notwithstanding anything contained hereinabove, where nomination had already been made in compliance with the provisions of Section 109A and such nominee elects to be registered as a member pursuant to Section 109B of the Act, the Board may transfer the shares and/or debentures or other securities issued by the company, in the name of the nominee(s) on death of the holder or joint holder, as the case may be to the exclusion of all other persons unless the nomination is varied or cancelled in the prescribed manner.

Transmission of shares under nomination

viii) After Article No. 50, the following new Article No. 50A was inserted :

50A The Company shall have power to pay interest out of its capital on so much of the shares, which were issued for the purpose of raising money to defray expenses of the construction of any work or building or the provisions of any plant for the Company in accordance with the provisions of Section 208 of the Act.

Power to pay interest out of Capital

ix) After Article No. 64, the following new Article No. 64A was inserted:

64A Subject to the provisions of Section 192A of the Act and rules made thereunder as may be applicable with such variations and modifications as may be made from time to time, the company may pass such resolutions through Postal Ballot as are deemed to be necessary by the Board.

Passing of resolution by Postal Ballot

x) Existing Article No. 73 was substituted by the following New Article:

73 The instrument appointing a proxy and the Power of Attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney 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 case of poll, not less than 24 hours before the time appointed for the taking of the poll.

Instrument appointing proxy to be deposited at the office

xi) After the end of Article No. 87, the following paragraph was inserted :

If it is provided by any trust deed securing or otherwise in connection with

any issue of Debentures of the Company that any person or persons shall have powers to nominate a Director of the Company then in the case of any and every such issue of Debentures, the persons having such power may exercise such power, from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as a Debenture Director. A Debenture Director may be removed from office at any time by the person or persons in whom the power to nominate has been vested.

- xii) After Article No. 88, the following new Article No. 88A was inserted under the heading:-

DESIGNATED EMPLOYEES

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| 88A | The Board may from time appoint/designate, at its discretion, one or more officers/employees of the Company, subject to the provisions of the Act, if any, and these Articles, as Executive Directors, Associate Directors, Special Directors, Assistant Director, Technical Director or such other similar title, as the Board may from time to time think fit. However, such officer shall not be a member of the Board of Directors of the Company and shall not hold themselves out in public as Director of the Company. Provided that the aforesaid employment shall be subject to the provisions of the contract that the company may enter into with the said employees(s) /office(s) of the Company in any specified locality in India or elsewhere in such manner as may be decided by the Board. Such officers/employees shall be entitled to such rights and privileges as may delegated to them by Board for the purpose of performance of their duties in such position. | Designation of Officers / Employees |
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- xiii) After Article No. 107, the following new Article No. 107A was inserted:

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| 107A | A Director may at any time give notice in writing of his wish to resign by delivering such notice to the Secretary or leaving the same at the registered office of the Company and there upon his office shall be vacated. | Provisions as to resignation of Directors |
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- xiv) Existing Article No. 113 was substituted by the following new Article:

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| 113 (1) | The Directors shall provide for the safe custody of common seal and shall have power, from time to time, to vary or cancel the same and substitute a new seal in lieu thereof. | Common Seal |
| (2) | Subject to any statutory requirements as to Share Certificates or otherwise, the seal of the Company shall not be affixed to any instrument except by 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 and of the Secretary or of two Directors who shall sign every instrument to which the seal of the | |

Company is so affixed in their presence. This is however, subject to Rule 6 of the Companies (Issue of Share Certificates) Rules, 1960.

- (3) The Board shall also be at liberty to have an official seal in accordance with Section 50 of the Act, for use in any territory, district or place outside India.

xv) After the end of Article No. 126, the following paragraph was inserted :

And any dividend declared may be paid by Electronic Clearing System through any Sponsor Bank after getting registration with Reserve Bank of India for using this facility and collecting from the members necessary Bank mandate in the prescribed format.

- (K) Special Resolution was passed by the Shareholders of the Company through voting by Postal Ballot pursuant to Section 192A of the Companies Act, 1956 and the result of the same was declared by the Chairman of the Company on 16th December' 2006 for alteration/ modification of existing Clause No. V of the Memorandum of Association and Article No. 3 of Articles of Association of the Company by substituting the following Clause and Article respectively:

V. The Authorised Share Capital of the Company is Rs. 25,00,00,000/- (Rupees Twenty Five Crores) divided into 2,50,00,000 (Two Crores and Fifty Lacs) equity shares of Rs.10/- (Rupees Ten) each."

3. The Authorised Share Capital of the Company is Rs. 25,00,00,000/- (Rupees Twenty Five Crores) divided into 2,50,00,000 (Two Crores and Fifty Lacs) equity shares of Rs.10/- (Rupees Ten) each with power to sub-divide, consolidate and increase or decrease and with power from time to time issue any share of the original capital with and subject to any preference qualified or special rights, privileges or conditions as may be fit, and upon the sub division of shares to a proportion the right to participate in profits, in any manner as between the shares resulting from sub-division."

- (L) Pursuant to Scheme of arrangement of "Scheme of Arrangement of Sharda Sejong Auto Components (India) Limited with Sharda Motor Industries Limited" approved by the High Court of Delhi vide order dated 25th July, 2012, The erstwhile clause V of Memorandum of Association and clause 3 of Article of Association read as under:

V. The Authorised Share Capital of the Company is Rs. 50,00,00,000/- (Rupees Fifty Crores) divided into 5,00,00,000 (Five Crores) equity shares of Rs.10/- (Rupees Ten) each."

3. The Authorised Share Capital of the Company is Rs. 50,00,00,000/- (Rupees Fifty Crores) divided into 5,00,00,000 (Five Crores) equity shares of Rs.10/- (Rupees Ten) each with power to sub-divide, consolidate and increase or decrease and with power from time to time issue any share of the original capital with and subject to any preference qualified or special

rights, privileges or conditions as may be fit, and upon the sub
division of shares to a proportion the right to participate in profits,
in any manner as between the shares resulting from sub-
division."

