

MEMORANDUM AND ARTICLES OF ASSOCIATION

OF

TVS ELECTRONICS LIMITED

MEMORANDUM OF ASSOCIATION

- I. The name of the Company is TVS ELECTRONICS LIMITED.
 - II. The Registered Office of the Company will be situated in the State of Tamilnadu.
- * III THE OBJECTS FOR WHICH THE COMPANY IS ESTABLISHED ARE:**
- A) THE MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE :-**
1. To carry on the business of manufacturers and merchants of and dealers in and consultants on electronic equipment and/or sub-systems and / or components of every kind for domestic, entertainment, automotive, non-automotive, industrial and professional applications including railway, scientific, aircrafts, marine, defence, communications and other similar applications.
 2. To manufacture, produce, assemble, repair, export, import, sell, trade and deal in and generally to carry on business in the manufacture, sale and supply of all electronic equipments and / or sub-systems, and/or components for use in all types of applications, commercial, entertainment, industrial and professional and power supply equipments and/or all kinds and descriptions.
 3. To carry on in India or in any part of the world, all kinds of business relating to the manufacturing, producing assembling, fitting up, repairing, converting, overhauling, maintaining, rendering services of all and every kind of descriptions, buying, selling, exchanging, altering, hiring, letting on hire, leasing improving, repairing and dealing in all kinds of electronic devices including:
 - a. computers of all kinds and descriptions, computer components, computer peripherals, microprocessors, PCBs , relays Winchester drives, tape drives, key boards and switches, modems and multi-plexus.

* The existing Clause III has been deleted and substituted by new Clause III vide special resolution passed at the Extra Ordinary General Meeting of the company held on 15th November, 2002.

- b. switch mode power supply equipment and uninterrupted power supply equipment of all kinds, electric, electronic, mechanical, hydraulic and/or combination of any of these operations.
- c. all kinds of electronic communication, space and satellite communication apparatus and equipments and railway signaling and safety equipment and solid state relays.
- d. all kinds of electromagnetic wave equipment for radio-telegraphic or radio telephonic communications between fixed points or between fixed and mobile points, or between mobile points such as transmitters, receivers, trans-receivers, oscillators, amplifiers along with their ancillary equipment or supervisory control and regulations including micro processor based equipment.
- e. all kinds of instrumentation, microprocessor based and/or otherwise, for testing observing, maintaining electronic equipment and for recording, controlling and operational and other factors pertaining to electronic equipment and apparatus including the ancillary equipment required for installation, operation and maintenance of electronic apparatus and equipment such as masts, towers, earth systems, aerials and aerial equipment of all kinds including all types of radio equipment.
- f. all kinds of electronic and other types, including all types of control mechanism, automatic calculators, X-ray machines, analysers, surgical, medical and other appliances intended for electro and other therapy treatment, along with their ancillary equipment for supervisory control and regulation together with instrumentation for testing, observing, maintaining such equipment and recording, controlling, operational and other factors pertaining to the equipment and apparatus and other factors pertaining to the equipment noted above, either microprocessor based or otherwise.
- g. Telecommunication – both the landline and wireless communications-HF and VHF radio communication from low, low and high power transmitters for broadcasting television and communication, surface-to-air and air-to-air communication, local area communication, carbs and software, microwave associated equipment, transmission equipment, radio, navigation, telephone, telephone electronic switching systems and associated items facsimile and associated equipments, meteorological, television, transmitters, receivers, studio equipments, electronic computers, electronic desk and other electronic calculators, nuclear electronic equipments, automatic electronics, industrial and process instruments and equipment, either microprocessor based or otherwise.
- h. all kinds of microprocessor based control systems and equipment for use in machine tools, laboratory and testing equipment, analysers and office automations equipment.
- i. all kinds of software packages to be used in all kinds of electronic computers, microprocessors and the like, either listed above or not.

3. To carry on the business of manufacture and selling of electronic components of all descriptions and types including microprocessor based items, DC motor controls, microprocessor based and thyristers based controls, inverters, resistors, condensers, coils, chokes, transformers, switches, volume controls, plugs, sockets, hoses, aerial gear, batteries, accumulators, cables, metal and other cases, piezo-electroquartz, crystals of all types and those made from synthetic materials, meters of all kinds including those for domestic use, holders and covers.
4. To manufacture, sell or otherwise deal with all materials or components as are akin to the above mentioned products.

(B) THE OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS ARE :

1. To develop the resources of and turn to account the lands, buildings and rights for the time being of the Company in such manner as the Company may think fit, and in particular by acquiring, draining, fencing, planting, building, improving, farming, grazing or mining.
2. To enter into arrangements for technical collaboration and or other forms of assistance including capital participation with foreign or Indian manufacturers of all types of electric and / or electronic equipment and systems and machinery and equipment for manufacture of such electric/electronic equipment and systems using conventional or advanced technology or of any products manufactured or proposed to be manufactured or processed by the company and to pay for such technical assistance or collaboration, royalties or other fees in cash or in any other form.
3. To sell, buy, repair, alter and exchange, let on hire, export, import and deal in all kinds of articles and things which may be required for the purpose of the business of the Company or commonly supplied or dealt in by persons engaged in such business or which may seem capable of being profitably dealt with in connection with any of the business of the company.
4. To act as agents for government or public authorities or for any manufacturers, merchants and others and to carry on agency business of any description connected with the Company.
5. To acquire, provide, construct, establish, run and maintain factories, workshops, buildings, plant, machinery, warehouses and other convenions necessary for any of the purposes or business of the Company.
6. To establish, maintain and operate training schools in connection with any of the business of the company for apprentices, artisans, mechanics, technicians, engineers, supervisors or any employees or personnel employed by the company, or its dealers agents, distributors, semi-training center or representatives

7. To act as buying or selling agents or other types of agents and brokers of any company, body corporate, association, firm or persons and perform all and the several duties, services and offices which the agents and brokers can do and perform and to enter into any agreement or agreements for any of the purposes aforesaid.
8. To acquire and run any industrial concern or factory considered necessary for any of the purposes or business of the company.
9. To enter into any arrangement with any Government or authorities – municipal, local or otherwise – or any persons or company in India or abroad that may seem conducive to the objects of the Company or any of them and to obtain from any such Government, authority, persons or company any rights, privileges, charters, contracts, licences and concessions including in particular rights in respect of all types of electrical, electronic, mechanical, pneumatic or hydraulic equipment.
10. To purchase, take on lease or in exchange or under amalgamation, licence or concession or otherwise absolutely or conditionally, solely, or jointly with others and make, construct, maintain, work, hire, hold, improve, alter, pull down, remove or replace, enlarge, manage, control, let, sell, dispose of or exchange, roads, canals, water-sources, ferries, piers, aerodromes, lands, buildings, warehouses, works, offices, factories, shops, mills, workshops, railways, sidings, tramways, engines, machinery and apparatus, water rights, way leaves, trade marks, patents and designs, privileges or rights of any description or kind, which may seem calculated directly or indirectly to advance the interests of the Company.
11. To acquire the whole or any part of the undertaking and assets of any business within the objects of the Company and any lands, privileges, rights, contracts, property of effects held or used in connection therewith and upon any such purchase to undertake the liabilities of any such Company, association, partnership or person.
12. To act as agents or brokers, stockists, distributors and agents, sales agents, representatives and as trustees for any person or company and to undertake and perform subcontracts within the main objects of the Company.
13. To amalgamate, enter into partnership, or into any arrangement for sharing profits, union of interests, co-operation, joint ventures or reciprocal concessions with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which the Company is authorized to carry on.
14. To apply for, purchase, or otherwise acquire and protect and renew in any part of the world any patents, patent rights, brevets d'invention, licences, concessions and the like, conferring any exclusive or non-exclusive or limited right to their use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company, or the acquisition of which may seem calculated directly to benefit the Company, and to use, exercise, develop, or grant licence in respect of otherwise turn to account the property, rights, or information so acquired, and to expend money to experimenting upon, testing or improving any such patents, invention, information or rights.

15. To establish or promote or concur in establishing or promoting any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of 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.
16. To subsidise, assist and guarantee the payment of money or the performance of any contract, engagement or obligation by any persons or companies, and in particular, customers of the company or any persons or companies with whom the Company may have or intend to have business relations.
17. To enter into a contract or contracts of loan or guarantee with any company, firm or persons for payment or performance of any debts, contracts or obligations of and the payment of the capital and the dividends and interests on any stock, shares or securities of any company, firm or person in any case in which such loan or guarantee may be considered by the Directors likely directly or indirectly to further the objects of the Company or the interests of members.
18. Generally, to purchase, take on lease or in exchange, hire or otherwise acquire, any real and personal property and any rights or privileges which the Company may think necessary or convenient for the purpose of its business or which may enhance the value of any other property of the Company and in particular any land, buildings, easements, machinery, plant, vehicles and stock-in-trade.
19. To train or pay for the training in India or abroad of any of the Company's employees, officers, directors, technicians, consultants, or any candidate in the interest of or for furtherance of the Company's objects.
20. To invest and deal with the moneys of the Company not immediately required in any manner and in particular to accumulate funds or to acquire or take by subscriptions, purchase or otherwise howsoever or to hold shares or stock in or security of any company, association or undertaking in India or abroad.
21. 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 or by any such persons or companies and generally to give guarantees and indemnities.
22. To receive money on deposit or loan at interest within the permissible limit and borrow or raise money in such manner as the Company shall think fit and in particular by the issue of debentures, or debenture stock (perpetual or otherwise) and to secure repayment of any money borrowed, raised or owing by mortgage, charge or lien upon all or any of the property or assets of the Company (both present and future), including its uncalled capital, and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company or any other person or company of any obligation undertaken by the Company or any other

person or company, as the case may be, provided that the company shall not carry on the business of banking within the meaning of the Banking Regulation Act, 1949.

23. To insure any or all properties, godowns stocks (in godowns or in transit), machinery, Directors and employees with any insurance company or companies against all kinds of risks to the Company or to its Directors and employees.
24. To remunerate (by cash or otherwise or by other assets) any person, firm, association or company for services rendered or to be rendered or for rendering technical aid and advice, granting licences or permissions for the use of patents, trade secrets, trade marks, processes and in acting as trustees for debenture-holders or debenture stock-holders of the Company or for subscribing or agreeing to subscribe whether absolutely or conditionally or for procuring or agreeing to process subscriptions whether absolute or conditional for any shares, debentures or debenture stock, or other securities of the Company or of any company promoted by this company or for services rendered in or about the formation or promotion of the Company or any Company promoted by this company or in introducing any party or business to the company or in or about the conduct of the business of this company or for guaranteeing payment of such debenture stock or other securities and any interest thereon.
25. To pay for any business, property or rights acquired or agreed to be acquired by the Company and generally to specify any obligation of the Company by the issue or transfer of shares of this Company and any other Company credited as fully or partly paid up or of debentures or other securities of this or any other company.
26. To pay, satisfy or compromise, claims made against the Company which it may be necessary or seem expedient to pay, satisfy or compromise and also do so notwithstanding that the same may not be valid in law.
27. To open any kind of account in any Bank.
28. To draw, make, accept, endorse, discount, execute and issue and negotiate cheques, promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.
29. 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 shares or debentures or other securities of the company credited as paid up in full or in part or otherwise.
30. To pay out of funds of the Company all expenses which the Company may lawfully pay with respect to the formation and registration of the Company.
31. To sell, lease, mortgage, exchange or otherwise dispose of the property, assets or undertaking of the Company or any part thereof for such consideration as the Company may think fit, and in particular for shares, stocks, debentures or other securities of any other Company whether or not having objects altogether or in part similar to those of the Company.

32. To distribute among the members in specie any property of the Company or any proceeds of the sale or disposal of any property of the Company, in the event of its being wound up but so that no distribution amounting to a reduction of capital be made except in accordance with the provisions of the Companies Act, 1956.
33. 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.
34. To establish, join, support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the Company or the dependants or connections of such persons or the public and to make payments towards insurance and to subscribe, contribute or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general, or useful object, the support of which will in the opinion of the Company lead to the increase of its reputation or goodwill among its employees, customers, agents or the public.
35. Subject to the provisions of the Companies Act, 1956, to provide for the welfare of the directors, trustees and employees or ex-directors, ex-trustees or ex-employees of the Company and the wives, widows and families or the dependants by building or contributing to the building of houses, dwellings, by grants of money, pensions, gratuities, allowances, bonuses, or other payments, or by creating and from time to time subscribing or contributing to provident and other associations, institutions funds or trusts and by providing or subscribing or contributing towards places of instruction and recreation or hospitals and dispensaries, medical and other attendance and other assistance as the Company shall think fit and to subscribe or contribute or otherwise assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions, bodies and objects which shall have any moral or other claim to the support or aid by the Company either by reason of locality of operation or public and general utility.
36. To procure the Company to be registered or recognized in any part of the world outside India.
37. To open and keep a register or registers in any country or countries where it may be deemed advisable to do so, and to allocate any number of shares in the Company to such register or registers.
38. To create any depreciation fund, reserve fund, sinking fund and any other special fund whether for depreciation or for repairing, improving, extending, or maintaining any of the properties of the Company or for any other purpose conducive to the interest of the Company subject to the provisions of the Companies (Transfer of Profits to Reserve) Rules, 1975.
39. Subject to Section 78 of the Companies Act, 1956, to place to reserve or to distribute as bonus shares among the members, or otherwise to apply, as the Company may from time to time think fit, any moneys received by way of premium on shares or debentures issued at a premium by the Company and any moneys received in respect of dividends accrued on forfeited shares.

40. To establish, provide and conduct or otherwise subsidise research laboratories and experimental workshops for scientific and technical research and experiments; to undertake and carry on scientific and technical researches, experiments and tests of all kinds; to promote studies and researches both scientific and technical, investigations and inventions by providing, subsidizing, endowing conference and by providing or contributing to the remuneration of scientific or technical professors or teachers and by providing or contributing to the award of scholarships, prizes, 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 business which the Company is authorised to carry on.
41. Subject, to the provisions of the Companies Act, 1956, or any other enactment in force, to indemnify and keep indemnified members, officers, directors, agents and employees of the Company against proceedings, costs, damages, claims and demands in respect of anything done or ordered to be done by them for and in the interests of the Company and for any loss, damage or misfortune whatever and which shall happen in execution of the duties of their office or in relation thereto.
42. To take or concur in taking all such steps and proceedings as may be seem best calculated to uphold and support the credit of the Company and to obtain and justify public confidence and to avert or minimize financial disturbances which might affect the Company.
43. To apply for, promote and obtain any Act of Parliament, Charter, privilege, concession, licence or authorization of any Government, State or Municipality, provisional order or licence of any authority for enabling the Company to carry on any of its objects into effect or for extending any modification of the constitution of the Company and to oppose any proceedings on applications which may seem calculated directly or indirectly to prejudice the interests of the Company.
44. To agree to refer to arbitration and to refer to arbitration any disputes present or future between the Company and any other Company firm or individual and to submit the same to arbitration in India or abroad either in accordance with Indian or any foreign system of law.

(C) THE OTHER OBJECTS OF THE COMPANY NOT INCLUDED IN (A) AND (B) ARE :-

1. To carry on the business of the manufacture and selling of ceramic, metallic insulants, appliances and goods of all types.
2. To carry on the business of manufacture and selling of chemicals, resins, plastics, adhesives, precipitates or any articles or things that may be required for any of the purposes of the Company.
3. To carry on the business of manufacture and selling of all types of scientific and surgical instruments, appliances and equipment.
4. To carry on the business of manufacture and selling of commercial and domestic appliances, railway signaling and interlocking devices.

5. To carry on the business of manufacture and selling of plastic goods of all kinds.
6. To carry on in India and elsewhere the business of contractors, merchants, importers, exporters and farmers in all their respective branches.
7. To carry on the business of electricians, electrical engineers and manufacturers, sellers, suppliers and dealers of all kinds of electrical machinery and electrical apparatus and scientific instruments.
8. To carry on the business of mechanical engineers and manufacturers of machinery of all kinds, components, and spare parts and accessories of machineries of all kinds, including agricultural machinery and implements, tool-makers, metal-workers, millwrights, machinists, smiths, wood-workers, builders, painters, metallurgists, carriers and merchants.
9. To buy, sell, let on hire, take on hire, repair, alter, and deal in machinery, component parts, accessories and fittings of all kinds for motors and other vehicles and all articles and things used in or capable of being used in connection with the manufacture, maintenance and working thereof.
10. To carry on the business of general carriers, forwarding agents and warehousemen.
11. To construct, lay down, establish, fix, erect, equip and maintain generators, machinery, electrical equipment and cables, lines, accumulators, lamps, fittings and apparatus in the capacity of principals, contractors or otherwise.
12. To carry on business as technical consultants, advisers and purveyors of technical know-how, formulae, processes and applied technology and to organize and pursue research and development in areas chosen from time to time.
13. To carry on the business as iron, steel and metal foundries in all its branches.
14. To purchase, take on lease or otherwise acquire, cultivate, improve, develop and turn into account any land (agricultural or otherwise) by planting, paving, draining, farming, cultivating, letting on lease, laying out and preparing for building purposes, constructing, altering, pulling down, decorating, maintaining, furnishing and fittings up and improving any land and buildings thereon.
15. To undertake and execute any trusts the undertaking whereof may seem desirable, and also to undertake the office of executor, administrator, receiver and to keep for any company, Government, authority or body, any register relating to any stocks, funds or shares or securities, or to undertake any duties in relation to the registration of transfers, the issue of certificates or otherwise.

16. To appoint Trustees to hold securities on behalf of and to protect the interest of the Company.
17. To do all or any of the above things in any part of the world either as principals, agents, contractors, trustees or otherwise and by or through trustees, agents or otherwise either alone or in conjunction with others.
18. To carry on the business of planters and cultivators of rubber plants and any other plants producing anything of a similar character.

IV The liability of the members is limited.

- *V The Share Capital of the Company is Rs.25,00,00,000/- (Rupees Twenty Five Crores only) divided into 2,50,00,000 (Two Crores Fifty Lakhs) Equity Shares of Rs.10/- each. The company has the power from time to time to increase or reduce its capital and to issue any shares in the original or new capital and as Equity or Preference Shares or Redeemable Preference Shares and to attach to any classes of such shares, any preference, rights, privileges or priorities in payment of dividends or distribution of assets or otherwise over any other Shares or to subject the same to any restrictions, limitations or conditions and to vary the regulations of the Company as far as necessary to give effect to the same and upon the sub-division of any shares to apportion the right to participate in profits in any manner in accordance with the provisions of the Companies Act, 1956.

* The existing Clause V has been deleted and substituted vide ordinary resolution passed at the Extra Ordinary General Meeting of the company held on 28th March, 2007.

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

Sl. No.	Names, Address, Descriptions and Occupations of Subscribers	No. of Equity Shares taken by each Subscriber	Signature
1.	Sd/- V N Venkatanathan Company Executive S/o. Dr V N Seshadri Acharya 25, Nachiappan St., Mahalingapuram Madras 600034.	10 (Ten only)	Sd/- V Venkataramanan Company Executive S/o. Sri N Venkatasubramanian 426, M T H Road Krishnapuram Ambattur, Madras 600 053.
2.	Sd/- H Lakshmanan, Company Executive S/o. S Harihara Iyer 1 B, Monna Apartments 4, Bhaskarapuram, Mylapore, Madras – 600 004.	10 (Ten only)	
	Total	----- 20 (Twenty only)	

Madras, Dated this 14th day of September, 1995.

**THE COMPANIES ACT, 1956
COMPANY LIMITED BY SHARES**

ARTICLES OF ASSOCIATION

OF

TVS ELECTRONICS LIMITED

Table A not to apply but Company to be governed by these Articles

(1) No regulations contained in Table A, in the First Schedule to the Companies Act, 1956, shall apply to this Company, but the regulations for the management of the Company and for the observance of the members thereof and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of, or addition to, its regulations by Special Resolution, as prescribed by the said Companies Act, 1956, be such as are contained in these articles.

INTERPRETATION

Interpretation

(2) (a) In the interpretation of these Articles, unless repugnant to the subject or context:

‘The Company’ or ‘this Company’

a. “The Company” or “this Company” means TVS ELECTRONICS LIMITED.

‘The Act’

(ii) “The Act” means the Companies Act, 1956, or any statutory modifications or re-enactment thereof for the time being in force.

‘Annual General Meeting’

(iii) ‘Annual General Meeting’ means a General Meeting of the members held in accordance with the provisions of Section 166 of the Act.

‘Auditors’

(iv) ‘Auditors’ means and includes those persons appointed as such for the time being by the Company.

‘Beneficial Owner’

(v) (a) ‘Beneficial Owner’ means the beneficial owner as defined under the provisions of the Depositories Act, 1996 and / or in accordance with any other law and regulations for the time being in force.

‘Board’ or Board of Directors’

(b) “Board’ or ‘Board of Directors’ means a meeting of the Directors duly called and constituted or as the case may be the Directors assembled at a Board or Directors of the Company collectively.

‘Capital’

(vi) ‘Capital’ means the share capital for the time being raised or authorised to be raised, for the purpose of the Company.

‘Debenture’
“Depository”

(vii) (a) ‘Debenture’ includes debenture-stock.
“Depository” shall mean a depository as defined under the provisions of the Depositories Act, 1996 and in accordance with any other law and / or regulations for the time being in force.

‘Depositories Act’

(c) ‘Depositories Act’ shall mean the Depositories Act, 1996 (22 of 1996) or any statutory modifications or re-enactment thereof.

‘Directors’

(viii) ‘Directors’ means the Directors for the time being of the Company or, as the case may be the Directors assembled at a Board.

'Dividend'	(ix)	'Dividend' includes bonus.
'Extraordinary General Meeting'	(x)	'Extraordinary General Meeting' means an extraordinary general meeting of the members duly called and constituted and any adjournment holding thereof
'Member'	(xi)	'Member' means the duly registered holder from time to time of the shares of the company and includes the subscribers to the Memorandum of the company and every person holding equity share capital of the company whose name is entered as beneficial owner in the records of a depository.
'Meeting' or 'General Meeting'	(xii)	'Meeting' or 'General Meeting' means a meeting of members.
'Month'	(xiii)	'Month' means a calendar month.
'Office'	(xiv)	'Office' means the Registered Office for the time being of the Company.
'Ordinary Resolution'	(xv)	'A Resolution' shall be a 'Ordinary Resolution' when at a General Meeting of which the notice required under the Act has been duly given, the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the resolution (including the casting vote, if any, of the Chairman) by the members, who, being entitled so to do, vote in person, or where proxies are allowed, by proxy exceeds the votes, if any, cast against the Resolution, by members so entitled and voting.
'Paid-up'	(xvi)	'Paid-up' includes credited as paid-up.
'Persons'	(xvii)	'Persons' includes corporations and firms as well as individuals.
'Register of Members'	(xviii)	'Register of Members' mean the Register of Members to be kept pursuant to the Act.
'Registrar'	(xix)	'Registrar' means the Registrar of Companies of the State in which the Office of the Company is for the time being situate.
'Secretary'	(xx)	'Secretary' means any individual possessing qualifications prescribed for the time being by any rules made under the act and appointed to perform the duties which may be performed by a Secretary under the Act, and any other ministerial or administrative duties.
'Seal'	(xxi)	'Seal' means the Common Seal for the time being of the Company.
'Share'	(xxii)	'Share' means the share capital of the Company and includes stock except where a distinction between stock and shares is expressed or implied.

‘Special Resolution’	<p>(xxiii) Resolution shall be ‘Special Resolution’ when :</p> <p>(1) the intention to propose the resolution as a special resolution has been duly specified in the notice calling the general meeting or other intimation given to the members of the resolution;</p> <p>(2) the notice required under the Act has been duly given of the general meeting; and</p> <p>(3) the votes cast in favour of the resolution (whether on a show of hands, or on a poll, as the case may be) by members, who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, are not less than three times the number of votes, if any, cast against the resolution by members so entitled and voting.</p>
‘The Promoters’	<p>(xxiv) ‘the Promoters’ means Sundaram Investment Limited [#], a company incorporated under the Companies Act, 1956, and having its Registered Office at “Jayalakshmi Estates”, No. 24, Haddows Road, Chennai – 600 006 and its subsidiaries, and their successors and assigns.</p>
‘Written’ and ‘In writing’	<p>(xxv) ‘Written’ and ‘in writing’ include printing, lithography and other modes of representing or reproducing words in a visible form.</p>
‘Year’ and ‘Financial Year’	<p>(xxvi) ‘Year’ means the calendar year and ‘Financial Year’ shall have the meaning assigned thereto by Section 2(17) of the Act.</p>
‘Singular number’	<p>(xxvii) Words importing the singular number include, where the context admits or requires, the plural number and vice versa.</p>
‘Gender’	<p>(xxviii) Words importing the masculine gender also include the feminine gender.</p>
‘Marginal Notes’	<p>(b) The marginal notes used in these Articles shall not affect the construction hereof.</p> <p>(c) Save as aforesaid, any words or expression defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.</p>

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

Authorised Share Capital	<p>(3) The authorised share capital of the company shall be such amount and of such description as is stated for the time being or at any time in the company’s Memorandum of Association with such rights, privileges and conditions provided by any statutory enactment for the time being in force and as may be provided by these articles or by a resolution passed at a General Meeting duly convened and held for the purpose.</p>
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amended as per the Special Resolution passed by the shareholders of the Company through Postal Ballot on April 11, 2014

- Increase of capital by the company and how carried into effect (4) The Company in General Meeting, may from time to time increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given, as Directors shall determine, and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company and with a right of voting at general meetings of the Company in conformity with Section 87 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.
- New capital same as existing capital (5) Except so far as otherwise provided by the conditions of issue or by these resents, any capital raised by the creation of new shares shall be considered as part of the existing capital and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
- Redeemable Preference Shares (6) Subject to the provision of Section 80 of the Act, the Company shall have the power to issue Preference Shares which are or at the option of the Company are liable to be redeemed and the Special Resolution authorizing such issue shall prescribe the manner and terms and conditions of redemption.
- Provisions to apply on issue of Redeemable Preference Shares (7) On the issue of Redeemable Preference Shares under the provisions of Article 6 hereof the following provisions shall take effect:
- (a) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of redemption.
 - (b) no such shares shall be redeemed unless they are fully paid;
 - (c) the premium, if any, payable on redemption must have been provided for out of the profits of the Company or the Company's Share Premium account before the shares are redeemed;
 - (d) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called the 'Capital Redemption Reserve Account' a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of the company shall, except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.
- Reduction of capital (8) The Company may (subject to the provisions of Section 78, 80, 100 to 105 inclusive of the Act) from time to time by Special Resolution reduce its capital and any Capital Redemption Reserve Account or Premium Account in any manner for the time being authorized by law and in particular, capital may be paid off on the footing that it may be called upon again or otherwise.

Sub-division, consolidation and cancellation of shares (9) Subject to the provisions of Section 94 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub divided may determine that, as between the holders of the shares resulting from such sub-division, one or more such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others or other, Subject as aforesaid, the Company in General Meeting may also cancel shares which 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.

Modification of rights (10) Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares all or any of the rights and privileges attached to each class may, subject to the provisions of Section 106 and 107 of the Act, be modified, commuted, affected or abrogated, or dealt with by Agreement between the company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued shares of the class or is confirmed by a Special Resolution passed at a separate General Meeting of the holders of shares of that class.

SHARES AND CERTIFICATES

Register and Index of Members (11) The Company shall cause to be kept a Register and Index of Members in accordance with Sections 150 and 151 of the Act. The Company shall be entitled to keep in any State or country outside India a branch Register of Members resident in that State or Country.

Shares to be numbered progressively and no share to be sub-divided (12) The share in the capital shall be numbered progressively according to their several denominations and except in the manner in the hereinbefore mentioned, no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

Further issue of capital (13) (A) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of un-issued share capital, or out of increased share capital, then such further shares, shall be offered to the persons who at the date of the offer are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on these shares at that date. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose them off in such manner as they think most beneficial to the Company.

(B) Notwithstanding anything contained in the preceding sub-clause, the Company may,

- (a) by a Special Resolution; or
 - (b) where no such Special Resolution is passed, if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting (including the casting vote if any, of the Chairman) by members who, being entitled to do so, vote in person or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company offer further shares to any person or persons, and such person or persons may not include the persons who at the date of offer, are the holders of the equity shares of the Company.
- (C) Notwithstanding anything contained in sub-clause (A) above, but subject, however to Section 81(3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares, or to subscribe for shares in the Company.

'Employees stock option'

- (D) In addition to but without restricting the powers conferred under Articles 13(A) and 13(C) above, the company shall by a special resolution passed by the shareholders provide for offering shares to the employees of the company, promoter companies, group companies and affiliates and shall make necessary reservations for this purpose in the proposed offer of Securities on Rights basis subject to the regulations made by SEBI in this regard from time to time.

Shares under control of Directors

- (14) Subject to the provisions of these Articles and of the Act, the shares including any shares forming part of any increased capital of the Company shall be under the control of Directors who may allot or otherwise dispose of the same to such persons in such proportion, on such terms and conditions, and at such times as the Directors think fit and subject to the sanction of the Company in General Meeting with full power, to call for or be allotted shares of any class of the Company either at a premium or at par or at a discount and such option being exercisable at such time and for such consideration as the Directors think fit. The Board shall cause to be filed the returns as to allotment provided for in the Act.

Power also to company in General Meeting to issue shares

- (15) (A) In addition to and without derogating from the powers for that purpose conferred on the Board in accordance with these Articles, the Company in General Meeting may, subject to the provisions of the Act, determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of the Act) at a premium or at par or at a discount, as such General Meeting shall determine and with full power to call for or to allot shares of any class of the Company either (subject to compliance with the provisions of the Act) at a premium or at par or at a discount, such option being exercisable at such time and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provisions whatsoever for the issue, allotment or disposal of any shares.

'Sweat Equity'	<p>(B) (1) Notwithstanding anything contained in Section 79 of the Act, the company may issue sweat equity shares of a class of shares already issued subject to the condition that the –</p> <p>(a) the issue of the sweat equity shares is authorised by a Special resolution passed by the company in the General Meeting;</p> <p>(b) the resolution shall specify the number of shares, Current Market Price, consideration, if any, the class/ classes of Directors or employees to whom such equity shares are to be issued;</p> <p>(c) not less than One year has, at the date of issue, elapsed since the date on which the company was entitled to commence business.</p> <p>(d) the Sweat equity shares of the company shall be subject to the provisions of any regulations made by SEBI and the stock exchanges in this behalf.</p> <p>For the purpose of this clause, "Sweat Equity Shares" means equity shares issued by the Company to employees or directors at a discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value addition by whatever name called.</p> <p>(2) All the limitations, restrictions and provisions relating to equity shares shall be applicable to Sweat equity Shares issued by the company.</p>
Acceptance of Shares	<p>(16) Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register shall, for the purposes of these Articles be a member.</p>
Deposit, call, etc., to be debt payable immediately	<p>(17) The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.</p>
Liability of Member	<p>(18) Every member, or his heirs, executors, or administrators, shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require or fix for the payment thereof.</p>
Share Certificate	<p>(19) (a) Every member or allottee of shares shall be entitled within one month from the date of application for registration of transfer or three months from the date of allotment (or within such other period as the conditions of issue shall provide) without any charge</p> <p>(i) to receive one certificate for all his shares; or</p>

- (ii) to receive several certificates each for one market unit of trading held by any member, specifying the name of the person in whose favour it is issued the shares to which it relates and the amount paid-up thereon.

Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letters of acceptance or of renunciation or in case of issue of bonus shares. Every such certificate shall be issued under the seal of the company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney, and the secretary or some other person appointed by the Board for the purpose, and the Directors or their attorneys and the secretary or other person shall sign the share certificate, provided that if the composition of the Board permit it, at least one of the aforesaid two Directors shall be a person other than a Managing or Whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued indicating the date of issue.

- (b) Any two or more joint allottees of a share shall, for the purpose of this Article, be treated as single member, and the certificate of any share, which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them.
- (c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.
- (d) Notwithstanding anything contained in this article, when the shares are dealt with in a depository, no certificate shall be issued and the company shall intimate the details of allotment of such shares to the depository immediately on allotment of such shares.
- (e) In respect of shares held in a Depository, the investor shall have the option to request the Company to issue share certificate in physical form at any time, subject to the provisions of the Depositories Act.
- (f) Notwithstanding anything contained in these Articles, the board shall not accept applications for sub-division or consolidation of shares into denominations of less than twenty five (25) except when such sub-division or consolidation is required to be made to comply with a statutory order or an order of a Competent Court of Law or a request from a member to convert his holding of odd lots of shares into transferable / marketable lots, subject, however, to verification by the company.

'Restriction on sub-division or consolidation'

- (20) Notwithstanding anything contained in sub-Article (a) of Article 19, the Board may not accept applications for sub-division or consolidation of shares into denominations which are less than the market unit of trading except when such a sub-division or consolidation is required to be made to comply with a statutory order or an Order of a Competent Court of Law or a request from a member to convert his holding of odd lots of shares into transferable / marketable lots, subject, however, to verification by the Company.

Renewal of share certificate

- (21) (a) No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the cages on the reverse for recording transfers have been duly utilised, unless the certificate in lieu of which it is issued is surrendered to the Company, provided that no fee should be charged for issue of such new certificate.
- (b) When a new share certificate has been issued in pursuance of clause (a) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that is issued in lieu of share certificate No. sub-divided / replaced or on consolidation of shares.
- (c) If a share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board on such terms, if any, as to evidence and indemnity as to the payment of out-of-pocket expenses incurred by the company in investigation evidence, as the Board thinks fit, and on payment of a fee of Re.1/- of each of such certificates.
- (d) When a new share certificate has been issued in pursuance of clause (c) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is duplicate issued in lieu of share certificate No. The word 'Duplicate' shall be stamped or punched in bold letters across the face of the share certificate.
- (e) Where a new share certificate has been issued in pursuance of clause (a) or clause (c) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificate indicating against the names of the persons to whom the certificate is issued the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross reference in the 'Remarks' column.
- (f) All blank forms to be issued for issue of share certificate shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may appoint for the purpose; and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
- (g) The Managing Director of the Company for the time being or if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates except the blank forms of share certificates referred to in sub-clause (f) above.
- (h) All books referred to in sub-clause (g) shall be preserved in good order permanently.

The first named of joint holders deemed sole holder

(22) If any share stands in the names of two or more persons, the person first named in the Register shall as regards receipts of dividends or bonus or service of notices and all or any other matter connected with the Company, except voting at meetings and the transfer of the shares, be deemed the sole holder thereof, but the joint holders of a share shall be severally, as well as jointly, liable for the payment of all instalments and calls due in respect of such shares and for all incidents thereof according to the Company's regulations.

Company not bound to recognize any interest in share other than that of registered holder`

(23) Except as ordered by a Court of competent jurisdiction, or as by law required, the company shall not be bound to recognize an equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, in the person from time to time registered as the holder thereof, or whose name appears as the beneficial owner of shares in the records of a Depository, but the board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

Funds of the Company may not be applied in purchase of shares of the Company

(24) (A) The company shall not give whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the company or in its holding company:

Provided that nothing in this article shall be taken to prohibit-

- (a) the provision by the company, in accordance with any scheme for the time being in force, of money for the purchase of, or subscription for, fully paid shares in the company or its holding company, being a purchase or subscription by trustees of, or for shares to be held by, or for the benefit of employees of the company, including any director holding a salaried office or employment in the company; or
- (b) the making by the company of loans, within the limit laid down under the Act, or any other regulations that may be in force, at the time of making such loan, to persons (other than directors or managers) bonafide in the employment of the company with a view to enabling those persons to purchase or subscribe for fully paid shares in the company or its holding company to be held by themselves by way of beneficial ownership.

'Buy back of shares and other specified securities'

(B) (1) Notwithstanding anything contained in the Act, but subject to the provisions of sub-section (2) of section 77A and section 77B, the company may purchase its own shares or other specified securities (hereinafter referred to as 'buy back') out of –

- (i) its free reserves; or
- (ii) the securities premium account; or
- (iii) the proceeds of any shares or other specified securities;

Provided that no buy back of any kind of shares or other specified securities shall be made out of the proceeds of an earlier issue of the same kind of shares or same kind of other specified securities.

- (2) The company shall not purchase its own shares or other specified securities under sub-clause (1) of this Article unless –
- (a) a special resolution has been passed in General Meeting of the Company authorising the buy back;
 - (b) the buy back is less than twenty five per cent of the total paid-up capital and free reserves of the company.

Provided that the buy back of equity shares in any financial year shall not exceed twenty five per cent, of its total paid-up equity capital in that financial year.

- (c) the ratio of the debt owned by the company is not more than twice the capital and its free reserves after such buy back or at such ratio as may be fixed by the Central Government from time to time in this regard;

Explanation: For the purpose of this article, the expression 'debt' includes all amounts of unsecured and secured debts.

- (d) all the shares or other specified securities for buy back shall be fully paid-up;
- (e) the buy back of shares or other specified securities shall be made in accordance with the guidelines issued by SEBI in this behalf.

UNDERWRITING AND BROKERAGE

Commission may be paid (25) Subject to the provisions of Section 76 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures in the company or procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any shares or debentures in the Company, but so that the commission shall not exceed in the case of shares five per cent of the price at which the shares are issued, and in the case of debentures, two and a half per cent of the price at which the debentures are issued.

Brokerage (26) The Company may pay a reasonable sum as brokerage.

INTEREST OUT OF CAPITAL

Interest may be paid out of Capital (27) Where any shares are issued for the purpose of raising money to defray the expenses of the Construction of any work, building or the provision of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid-up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the Cost of construction of work or building or the provision of plant.

CALLS

- Directors may make calls (28) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such calls as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable in instalments.
- Notice of Calls (29) Thirty days' notice in writing at the least of any call shall be given by the Company specifying the time and place of payment and the person or persons to whom such call shall be paid.
- Calls to date from resolution (30) A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board.
- Calls may be revoked or postponed (31) A call may be revoked or postponed at the discretion of the Board
- Liability of joint holders (32) The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- Directors may extend time (33) The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members who by reason of residence at a distance or other cause the Board may deem are fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.
- Calls to carry interest (34) If any member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.
- Sums deemed to be calls (35) Any sum, which by the terms of issue of a share become 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 purpose of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply as if such sum had become payable by virtue of a call duly made and notified.
- Proof on trial (36) On the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder, at or subsequently to the date at which the money sought to be recovered is

alleged to have become due on the shares in respect of which such money is sought to be recovered; that the resolution making the call is duly recorded in the Minute Book, and that notice of such call was duly given to the member or his representatives used in the pursuance of these Articles; and that it shall not be necessary to prove the appointment of the Directors who made such call, not that a quorum of Directors was present at the Board at which any call was made not that such Board was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Partial payment not to preclude forfeiture

(37) Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares, either by way of principal or interest, or any indulgence 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 shares as hereinafter provided.

Payment in anticipation of calls may carry interest

(38) (a) The Board may, if it thinks fit, agree to and receive from any member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums actually called upon and upon the moneys so paid in advance, or upon so much thereof from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board may pay or allow interest, at such rate as the member paying the sum in advance and Board agree upon. The Board may agree to repay at any time and amount so advanced or may at any time repay the same upon giving to the member thirty days' notice in writing provided that moneys paid in advance of calls on any shares may carry interest but shall not confer a right to dividend or to participate in profits.

(b) No member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would be but for such payment become presently payable.

LIEN

Company to have lien on shares

(39) The Company shall have a first and paramount lien upon all the shares (other than fully paid up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (presently payable or not) called or payable at a fixed time in respect of such shares, and no equitable interest in any shares shall be created except upon the footing and upon the condition that Article 23 hereof is to have full effect. Any such lien shall extend to all dividends and bonus from time to time declared in respect of such shares. 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. The Board may, however, at any time, declare any share to be exempt, wholly or partially from the provisions of this Article.

As to enforcing lien by sale

(40) For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their number to execute a transfer thereof on behalf of and in the name of such member. No sale shall be made until such period as aforesaid shall have arrived, and until notice in writing of the intention to sell shall have been served on such member or his representatives and default shall have been

made by him or them in payment, fulfilment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.

- Application of proceeds of sale
- (41) The net proceeds of any such sale shall be received by the Company and applied in or towards payments of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares at the date of the sale.

FORFEITURE OF SHARES

- If money payable on shares is not paid, notice to be given to member
- (42) If any member fails to pay any call or instalment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter, during such time as the call or instalment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

- Form of notice
- (43) The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or instalment and such interest thereon at such rate as the Directors shall determine from the day on which such call or instalment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or instalment is payable, will be liable to be forfeited.

- In default of payment shares to be forfeited
- (44) If the requirements of any such notice as aforesaid shall not be complied with, every or any share 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 Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.

- Notice of forfeiture to a member
- (45) When any share 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 of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

- Forfeited shares to be property of the Company and may be sold etc.
- (46) Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed off, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.

- Member still liable to pay money owing at the time of forfeiture and interest
- (47) Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand, all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce the payment thereof, as it thinks fit.

- Effect of forfeiture (48) The forfeiture of a share shall involve extinction, at the time of the forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.
- Evidence of forfeiture (49) A declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive of the facts therein stated as against all persons claiming to be entitled to the share.
- Validity of sale under Articles 40 and 46 (50) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board 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 the purchaser shall not be bound to see the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
- Cancellation of share certificates in respect of forfeited shares (51) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.
- Power to annul forfeiture (52) The Board may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed off, annul the forfeiture thereof upon such conditions as it thinks fit.

TRANSFER AND TRANSMISSION OF SHARES

- Register of Transfers (53) The Company shall keep a 'Register of Transfer' and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share.
- Instrument of transfer (54) The instrument of transfer shall be in writing and all the provisions of Section 108 of the Act shall be duly complied with in respect of all transfers of shares and the registration thereof.
- Instrument of Transfer to be completed and presented to the Company (55) The Instrument of transfer duly stamped and executed by the Transferor and Transferee shall be delivered to the Company in accordance with the provisions of the Act. The Instrument of Transfer shall be accompanied by such evidence as the Board may require to prove the title of Transferor and his right to transfer the shares and every registered instrument of Transfer shall remain in the custody of the Company until destroyed by order of the Board. The Transferor shall be deemed to be the holder of such shares until the name of the Transferee shall have been entered in the Register of Member in respect thereof. Before the registration of a transfer, the certificate or certificates of the shares must be delivered to the Company.

Nothing contained in this article shall apply to transfer of shares effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of depository.

Transfer Books and Register of Members when closed (56) The Board shall have power on giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the Office of the Company is situate to close the Transfer Books, the Register of Members or Register of Debenture holders at such times and for such period or periods not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year.

Directors may refuse to register transfer (57) Subject to the provisions of Section 111 of the Act, the Board may at its own absolute and uncontrolled discretion and without assigning any reason, decline to register or acknowledge any transfer of shares whether fully paid or not (notwithstanding that the proposed transferee be already a member), but in such cases it shall, within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer.

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

Provided further that the restrictions contained in this article shall not apply to shares held in a depository.

Notice of application when to be given (58) Where, in the case of partly paid shares, an application for registration is made by the transferor, the Company shall give notice of application to the transferee in accordance with the provisions of Section 110 of the Act.

Death of one or more joint holders of shares (59) In the case of death of any one or more of the persons named in the Register of Member as the joint holders of any share, the survivor or survivors shall be the only persons recognized by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.

Title of shares of deceased member (60) The executors or administrators or holders of a Succession Certificate or the legal representatives of a deceased member (not being one or two or more joint holders) shall be the only persons recognized by the Company as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognize such executors or administrators or holders of a Succession Certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be, from a duly constituted Court in the Union of India; provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of Probate or Letters of Administration or Succession Certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and under Article 62 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member.

- No transfer to infant, etc., (61) No share shall in any circumstances be subscribed for by, or transferred to, any infant, minor, insolvent or person of unsound mind.
- Registration of persons entitled to shares otherwise than by transfer (62) Subject to the provisions of the Act and Articles 59 and 60 any person becoming entitled to shares to consequence of lunacy, bankruptcy, or insolvency of any member, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient either be registered himself as the holder of the shares or elect to have some person nominated by him and approved by the Board registered as such holder; provided nevertheless that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the shares.
- Persons entitled may receive dividend without being registered as member (63) A person entitled to a share by transmission shall, subject to the right of the Board to retain such dividends or money as hereinafter provided, be entitled to receive, and may give a discharge for, any dividends or other moneys payable in respect of the share.
- Fee on transfer or transmission (64) No fee shall be charged by the Company for the following viz:
- a) for registration of transfers of shares and debentures, or for transmission of shares and debentures;
 - b) for sub-division and consolidation of share and debenture certificate and for sub-division of letters of allotment, split, consolidation, renewal and transfer receipts into denominations corresponding to the market units of trading;
 - c) for sub-division of renounceable letters of right;
 - d) for registration of any power of attorney, probate, letters of administration or other legal representation.
- Company not liable for disregard of a notice prohibiting registration of a transfer (65) The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, if any, may have entered such notice, or referred thereto, in any book of the company and the company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or registering so to do, though it may have been entered or referred to in some book of the Company, but the company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the board shall so think fit.

- Provisions of Articles to apply to shares held in a depository (65) (A) Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in a depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act, 1996 or such other regulations for the time being in force.
- Dematerialisation of Securities (B) Notwithstanding anything contained in the Articles of Association, the company shall be entitled to dematerialize its shares including preference shares, debentures and other securities pursuant to the Depositories Act, 1996 and to offer its shares, debentures and other securities for issue in dematerialized form. The company shall further be entitled to maintain a Register of Members with the details of members holding shares both in material and dematerialized form in any media as permitted by law including any form of electronic media.
- Depositories Act to apply to share held in depositories (C) Notwithstanding anything contained herein, in the case of transfer of shares whether preference and / or equity or other marketable securities, where the company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form; the provisions of Depositories Act, 1996 shall apply.
- Index of beneficial owners deemed to be index of Members (D) A register of index of beneficial owners maintained by a depository under section 11 of the Depositories Act, 1996 shall be deemed to be an index of members and register of debenture holders, as the case may be, for the purpose of the Act.

COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS

- Copies of Memorandum and Articles of Association to be sent by the Company (66) Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 39 of the Act shall be sent by the Company to every member at his request within seven days of the request on payment of the sum of Rupee one for each copy.

BORROWING POWERS

- Power to borrow (67) Subject to the provisions of Section 58A, 292 and 293 of the Act, the Board may, from time to time, at its discretion by a resolution passed at a meeting of the Board accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company. Provided, however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such moneys without the consent of the Company in General Meeting.
- Payment or repayment of moneys borrowed (68) Subject to the provisions of Article 67 hereof, the payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution shall prescribe including by the issue of debentures or debenture-stock of the Company charged upon all or any part of the property of the company (both present and future),

including its uncalled capital for the time being; and debentures, debenture-stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

- Form of issue of debentures (69) Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawings, allotment of shares and attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures, debenture-stock, loan, loan stock with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting accorded by a Special Resolution
- Register of Mortgage etc., to be kept (70) The Board shall cause a proper Register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company and shall cause the requirements of Section 118, 123 and 127 to 144 (both inclusive) of the Act in that behalf to be duly complied with.
- Register and index of Debenture-holders (71) The Company shall, if at any time it issues debentures, keep a Register and Index of Debenture-holders in accordance with Section 152 of the Act. The company shall have the power to keep in any State or Country outside India a branch Register of Debenture holders resident in that State or Country.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

- Shares may be converted into stock (72) The Company in a General Meeting may convert any fully paid-up shares into stock; and when any shares shall, have been converted into stock, the several holders of such stock may thenceforth transfer their respective interest therein, or any part of such interest, in the same manner and subject to the same regulations as and subject to which shares from which the stock arise might have been transferred, if no such conversion had taken place, or as near thereto as circumstances will admit. The Company may at any time reconvert any stock into fully paid-up shares of any denomination.
- Rights of stockholders (73) The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets of winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

MEETINGS OF MEMBERS

- Annual General Meeting, Annual Summary (74) The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meeting other than Annual General Meeting shall be called Extraordinary General Meetings. An Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of the next. Nothing contained in the forgoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions

of Section 166(1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for a time during business hours, on a day that is not a public holiday and shall be held at the Office of the Company or at some other place within the city, town or village in which the Office of the Company is situate as the Board may determine and the Notices calling the Meeting shall specify it as the Annual General Meeting. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meetings. Every member of the Company shall be entitled to attend any General Meeting either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Directors' Report and audited Statement of Accounts, Auditors' Report (if not already incorporated in the Audited Statement of Accounts), the Proxy Register with proxies and the Register of Directors' Shareholdings. The Register of Directors' Shareholdings shall remain open and accessible during the continuance of the meeting. The Board shall cause to be prepared the Annual List of Members, Summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.

- Extraordinary General Meeting (75) The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any member or members holding in the aggregate not less than one-tenth of such of the paid-up capital as at that date carries the right of voting in regard to the matter in respect of which the requisition has been made.
- Requisition of members to state object of meeting (76) Any valid requisition so made by members must state the object or objects of the meeting proposed to be called and must be signed by the requisitionists and be deposited at the Office provided that such requisition may consist of several documents in like form, each signed by one or more requisitionists.
- On receipt of requisition, Directors to call meeting and in default requisitionists may do so (77) Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within twenty-one days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as is referred to in Section 169(4) of the Act, whichever is less, may themselves call the meeting, but in either case, any meeting so called shall be held within three months from the date of delivery of the requisition as aforesaid.
- Meeting called by requisitionists (78) Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, or as nearly as possible, as that in which meetings are to be called by the Board.
- Twenty-one days notice of meeting given (79) Twenty-one days notice at the least of every General Meeting, Annual or Extraordinary and by to be whomsoever called, specifying the day, place and hour of meeting and the general nature of the business to be transacted there at, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company. Provided that in the case of an Annual General Meeting, with the consent in writing of all the members entitled to vote direct and in the case of any other meeting, with

the consent of members holding not less than ninety-five per cent of such part of the paid-up share capital of the Company as gives a right to vote at the meeting, a meeting may be convened by a shorter notice. In the case of an Annual General Meeting, if any business other than (i) the consideration of the Accounts, Balance Sheets and Reports of the Board of Directors and Auditors, (ii) the declaration of dividend, (iii) the appointment of Directors in place of those retiring, (iv) the appointment of an fixing of the remuneration of the Auditors, is to be transacted, and in the case of any other meeting in any event, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business, including , in particular, the nature of the concern or interest, if any, therein of every Director, and the Manager (if any). Where any such item of special business relates to, or affects any other company, the extent of shareholding interest in other company of every Director and the Manager, if any, of the Company shall also be set out in the statement, if the extent of such shareholding interest is not less than twenty per cent of the paid-up share capital of that other company. Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement.

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| Omission to give notice not to invalidate a resolution passed | (80) The accidental omission to give any such notice as aforesaid to any of the members, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting. |
| Meeting not to transact business not mentioned in Notice | (81) No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transact any business, which has not been mentioned in the Notice or Notices upon which it was convened. |
| Quorum at General Meeting | (82) Five members present in person shall be quorum for a General Meeting. |
| Body corporate deemed to be personally present | (83) A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act. |
| If quorum not present meeting to be dissolved or adjourned | (84) If, at the expiration of half-an-hour from the time appointed for holding a meeting of the Company, a quorum is not present, the meeting, if convened by or upon the requisition of members, shall stand dissolved, but in any other case, the meeting shall stand adjourned to the same day in the next week or, if that day is a public holiday, until the next succeeding day which is not a public holiday, at the same time and place, or to such other day and at such other time and place in the city, town or village in which the Office of the company is for the time being situate, as the Board may determine, and if at such adjourned meeting a quorum is not present at the expiration of half-an-hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called. |
| Chairman of General Meeting | (85) The Chairman (if any) of the Board shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary. If there be no such Chairman of the Board, or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting, or if he shall be |

unable or unwilling to take the Chair, then the Managing Director shall be entitled to take the Chair and failing him the Directors present may choose one of their member to be the Chairman of the Meeting. If no Director be present or if all the Directors present decline to take the chair, then the members present shall elect one of their members to be the Chairman.

- Business confined to election of Chairman while Chair vacant (86) No business shall be discussed at any General Meeting except the election of a Chairman, while the Chair is vacant.
- Chairman with consent may adjourn meeting (87) The Chairman with the consent of the members may adjourn any meeting from time to time and from place to place in the city, town or village in which the Office of the Company is for the time being situate, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- Questions at General Meeting how decided (88) At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result on the show of hands) ordered to be taken by the Chairman on his own motion or on a demand made in that behalf by such person or persons specified in Sec.179 of the Act. Unless a poll is so ordered, a declaration by the Chairman that a resolution has on a show of hands, been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.
- Chairman's casting vote (89) In the case of an equality of votes, the Chairman shall both on a show of hands and a poll have a casting vote in addition to the vote(s) to which he may be entitled as a member.
- Poll to be taken if demanded (90) If a poll is demanded as aforesaid the same shall, subject to Article 92, be taken at such time (not later than forty-eight hours from the time when the demand was made) and place in the city or town in which the Office of the Company is for the time being situate and either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
- Scrutineers at poll (91) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinize the votes given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from such removal or from any other cause.
- In what case, poll taken without adjournment (92) Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment shall be taken at the meeting forthwith.

Demand for poll not to prevent transaction of other business (93) The demand for a poll except on the question the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

VOTE OF MEMBERS

Members in arrears not to vote (94) No member shall be entitled to vote, either personally or by proxy, at any General Meeting of a class of shareholders, either upon a show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has, and has exercised any right of lien.

Number of votes to which member entitled (95) (a) Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every member, not disqualified by the last preceding Article shall be entitled to be present and to speak and vote at such meeting and to show of hands, every member present in person shall have one vote and upon a poll the voting right of every member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company. Provided, however, if any preference shareholder be present at any meeting of the Company, save as provided in clause (b) of sub-section (2) of Section 87, he shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his preference shares.

Differential voting rights (b) Subject to the provisions of Section 86 of the Companies Act, 1956, and the rules made thereunder by the Central Government in this regard and other applicable provisions if any, for the issue of shares under the regulations, the company may issue equity share capital with such voting rights, dividend or otherwise with the approval of the shareholders in General Meeting obtained in accordance with the said rules, such shares issued with Differential Voting rights shall not exceed 25% of the total share capital issued.

Casting of votes by a member entitled to more than one vote (96) On a poll taken at a meeting of the Company a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

Votes of joint members (97) If there be joint registered holders of any shares, any one of such persons may vote at any meeting or may appoint another person (whether a member or not) as his proxy in respect of such shares, as if he were solely entitled thereto and, if more than one such joint holders be present at any meeting, that one of the said persons so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased member in whose name shares stand for the purpose of these Articles be deemed joint holders thereof.

Voting in person or by proxy (98) Subject to the provisions of these Articles, votes may be given either personally or by proxy. A Body corporate being a member may vote either by a proxy or by a representative duly authorised in accordance with Section 187 of the Act, and

such representative shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member.

- Votes in respect of shares of deceased and insolvent member (99) Any person entitled under Article 62 to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.
- Appointment of proxy (100) Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such is a corporation under the common seal of such corporation, or be signed by an officer or any attorney duly authorised by it, and any committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meetings.
- Proxy either for specified meeting or for a period (101) An instrument of proxy may appoint a proxy either for the purpose of a particular meeting specified in the instrument and any adjournments thereof or it may appoint for the purpose of every meeting of the Company, or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.
- Proxy to vote only on a poll (102) A member present by proxy shall be entitled to vote only on a poll.
- Deposit of instrument of appointment (103) 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 authority, shall be deposited at the Office not later than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument or proxy shall not be treated as valid.
- Form of Proxy (104) Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX of the Act.
- Validity of votes given by proxy notwithstanding death of member (105) A vote given in accordance with the terms of an instrument or proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of any power or attorney under which such proxy was signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the Office before the meeting.
- Time for objections of vote (106) No objection shall be made to the validity of any vote, except at any meeting or poll at which such vote shall be tendered and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.
- Chairman of the meeting to be judge of validity of any vote (107) The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

- Matters to be approved by Special Resolution
- (108) (a) Any resolution which under the provisions of these Articles or the Act or any other applicable law or regulations or the listing agreement/s executed by the company with the stock exchanges in which the shares of the company are listed, is permitted or required to be passed by the company in general meeting shall, unless the Articles or the Act or any other applicable law or regulations or the listing agreement/s expressly require such matters to be passed by a special resolution, be passed as an ordinary resolution.
- Matters to be decided by Postal Ballot
- (b) Subject to provisions of section 192A of the Act and the rules made by the Central Government under that section or under regulations, if any, made by Securities and Exchange Board of India or under the listing agreement with the stock exchanges, the company may, and in the case of regulations relating to such business, as the Central Government may notify or the Securities and Exchange Board of India or Stock exchanges specify as per the listing agreement, to be conducted only by postal ballot, shall get any such resolution passed by means of postal ballot, instead of transacting the business in general meeting of the company.
- Minutes of General Meeting and inspection thereof by members
- (109) (a) The company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.
- (b) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.
- (c) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (d) The minutes of each meeting shall contain a fair and correct summary of the proceedings there at.
- (e) All appointments of Officers made at any meeting as aforesaid shall be included in the minutes of the meeting.
- (f) Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:
- i) is or could reasonably be regarded as, defamatory of any person, or
 - ii) is irrelevant or immaterial to the proceedings, or
 - iii) is detrimental to the interests of the Company.
- The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.

- (g) Any such minutes shall be evidence of the proceedings recorded therein.
- (h) The book containing the minutes of proceedings of General Meetings shall be kept at the Office of the Company and shall be open during business hours, for such periods not being less than three hours in any day as the Directors determine, to the inspection of any member without any charge.

DIRECTORS

- Number of Directors (110) Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors (including the Managing Director and Nominated Directors but excluding the Nominee, Debenture and Alternate Directors) shall not be less than three and not more than twelve.
- Nominated Directors (111) Subject to the provisions of Sections 255, 256 and 257 of the Act and Article 110:
- (a) So long as the Promoters hold not less than twenty – six percent (26%) of the paid up equity share capital of the Company, for the time being, **Sundaram Investment Limited** will be entitled to designate not more than two persons for appointment as Directors on the Board, and the Board shall within ten (10) days of receipt of such designation appoint such person or persons as Directors. Such Directors are hereinafter called Nominated Directors and they shall not be liable to retire by rotation.
 - (b) The Nominated Directors shall hold office at the pleasure of **Sundaram Investment Limited**.
 - (c) **Sundaram Investment Limited** shall have the power to remove the Nominated Directors and to designate any other person or persons in the vacancy thereby caused or caused in any other manner.
 - (d) A Designation or removal under this Article shall be in writing under the hand of the person of duly authorised by **Sundaram Investment Limited** and addressed to the Board.
- First Directors (112) (a) The first Directors of the Company shall be:
1. Mr. H Lakshmanan
 2. Mr. V N Venkatanathan
 3. Mr. L Venkatesan
- (b) The first Directors of the Company shall retire at its First Annual General Meeting.

amended as per the Special Resolution passed by the shareholders of the Company through Postal Ballot on April 11, 2014

Power to appoint Exofficio Directors (113) Whenever Directors enter into a contract with the Government of India or any State Government or any bank or financial institution or any person or persons (hereinafter referred to as 'the appointer') for borrowing any money or for providing any guarantee or security of for technical collaboration or assistance or for underwriting or enter into any other arrangements whatsoever, the Directors shall have, subject to the provisions of Section 255 of the Act, the power to agree that such appointer shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the agreement and that such Director or Directors may not be liable to retire by rotation. The Directors may also agree that any such Director or Directors may be removed from time to time by the appointer entitled to appoint or nominate them and the appointer may appoint another or others in his or their place and also fill in any vacancy, which may occur as a result of any such Director or Directors ceasing to hold that office for any reason whatsoever. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the fights and privileges exercised and enjoyed by the Directors of the Company including payment of remuneration and traveling expenses to such Director or Directors as may be agreed by the Company with the appointer.

Appointment of Nominee Director by IDBI, IFCI, ICICI, etc., (114) (a) Notwithstanding anything to the contrary contained in these Articles so long as any moneys remain owing by the Company to Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The Industrial Credit and Investment Corporation of India Limited (ICICI), The Industrial Reconstruction Bank of India (IRBI), Life Insurance Corporation of India (LIC), Unit Trust of India (UTI), General Insurance Corporation of India (GIC), National Insurance Company Limited (NIC), The Oriental Insurance Company Limited (OIC), The New India Assurance Company Limited (NIA), Unite India Insurance Company Limited (UI) or a State Financial Corporation or any Financial Institution owned or controlled by the Central Government or a State Government or the Reserve Bank of India or by two or more them or by the Central Government or a State Government by themselves (each of the above is hereinafter in this Article referred to as "the corporation") out of any loans/ debenture assistance granted by them to the Company or so long as the Corporation holds or continues to hold Debentures/ Shares in the Company as a result of underwriting or by direct subscription or private placement or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, whole-time or non-whole-time (which Director or Directors, is/are hereinafter referred to as "the Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s.

(b) The Board shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualifications in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

- (c) The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds or continues to hold Debentures/ shares in the Company as a result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation are paid off or on the Corporation ceasing to hold Debentures/ shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation.
- (d) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and Meetings of the Committees of which the Nominee Director/s is/are member/s as also the minutes of such meetings. The Corporation shall also be entitles to receive all such notices and minutes,
- (e) The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission moneys or remuneration in any form are payable to the Directors of the Company, the fees, commission, moneys and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or, as the case may be, to such Nominee Director/s.

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

Provided that in the event of any such Nominee Director/s being appointed as whole-time Directors, such Nominee Director/s shall exercise such powers and duties as may be approved by the Corporation and have such rights which are usually exercised or available to a whole-time Director in the management of the affairs of the Company, and shall be entitled to such remuneration, fees, commission and moneys as may be approved by the Corporation.

Debenture
Directors

- (115) If it is provided by the Trust Deed, securing or otherwise, in connection with any issue of debentures of the Company that any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of debentures, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as Debenture Director. A Debenture Director may be removed from officer at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be liable to retire by rotation.

- Appointment of Alternate Director (116) The Board may appoint an Alternate Director to a Director (hereinafter called "the Original Director") to act for him during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to that State. If the term of office of the Original Director is determined before he so returns to that State, any provisions in the Act or in these Articles for the automatic reappointment of any retiring Director, in default of another appointment shall apply to the Original Director and not to the Alternate Director.
- Director's power to add to the Board (117) Subject to the provisions of Sections 260, 264 and 274 of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be an Additional Director, but so that the total number of Directors shall not at any time exceed the maximum fixed under Article 110. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting.
- Director's power to fill casual vacancies (118) Subject to the provisions of Sections 262, 264, 274 and 284(6) of the Act, the Board shall have power at any time and from time to time appoint any other qualified person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only upto the date to which the Director in whose place he is appointed would have held office, if it had not been vacated by him.
- Qualification of Directors (119) A Director shall not be required to hold any share qualification.
- Remuneration of Directors (120) (a) Subject to the provisions of the Act, a Managing Director or Director, who is in the whole-time employment of the Company may be paid remuneration either by way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other or by any other manner not expressly prohibited by the Act.
- (b) Subject to the provisions of the Act, a Director, who is neither in the whole-time employment nor a Managing Director, may be paid remuneration either:
- (i) by way of monthly, quarterly or annual payment with the approval of the Central Government; or
- (ii) by way of commission if the Company by a Special Resolution authorized such payment.
- (c) The fee payable to a Director (including a managing or whole-time director) for attending a meeting of the Board or committee thereof shall be the maximum prescribed in this respect under the Act or by the Central Government from time to time.
- Travelling expenses incurred by Director not a bonafide resident or by Director (121) The Board may allow and pay to any director, who is not a bonafide resident of the place where the meetings of the Board are ordinarily held, and who shall come to such place for the purpose of attending any meeting, such sum as the board may consider fair compensation for traveling, boarding, lodging and other expenses in addition to his fee for attending such meeting as above specified and if any Director be called upon to go or reside put of the

going out on Company's business ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any travelling or other expenses incurred in connection with the business of the Company.

Special remuneration for services rendered by a Director (122) If any Director is called upon to perform extra services or special exertion or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra services or special exertion or efforts either by a fixed sum or otherwise as may be determined by the Board and the said remuneration may be either in addition to or in substitution for the remuneration otherwise provided.

Directors may act notwithstanding any vacancy (123) The continuing Directors may act notwithstanding any vacancy in their body; but if, and so long as their number is reduced below the minimum number fixed by Article 110 hereof, the continuing Directors not being less than two, may act for the purpose of increasing the number of Directors to that number, or for summoning a General Meeting, but for no other purpose.

When office of Director to become vacant (124) The office of a Director shall become vacant if:

- a) he is found to be of unsound mind by a court of competent jurisdiction; or
- b) he applies to be adjudicated an insolvent; or
- c) he is adjudged an insolvent; or
- d) he fails to pay any call made on him in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the date fixed for the payment of such call unless the Central Government has by notification in the Official Gazette removed the disqualifications incurred by such failure; or
- e) he absents himself from three consecutive meetings of the Directors or from all meetings of the Directors for a continuous period of three months, whichever is longer, without leave of absence from the Board; or
- f) he becomes disqualified by an order of the Court under Section 203 of the Act; or
- g) he is removed in pursuance of Section 284; or
- h) he (whether by himself, if or, by any person for his benefit or on his account) or any firm in which he is a partner or any private company of which he is a Director, accepts a loan, or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act; or
- i) he acts in contravention of Section 299 of the Act; or
- j) he is convicted by a Court of an offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months, or

- k) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company; or
- l) he resigns his office by a notice in writing addressed to the Company.

Director may contract with company

(125) (a) A Director or his relative, a firm in which such Director or relative is a partner, any other partner in such firm or a private company of which the Director is a member or director, may enter into any contract with the Company for the sale, purchase or supply of any goods, materials, or services or for underwriting the subscription of any shares in, or debentures of the Company, provided that the sanction of the Board is obtained before or within three months of the date on which the contract is entered into in accordance with Section 297 of the Act and no such contract shall be entered into except with the previous approval of the Central Government, where necessary.

(b) No sanction shall, however, be necessary for

- i) any purchase of goods and materials from the company or the sale of goods or materials to the Company, by any such Director, relative firm, partner or Private Company as aforesaid for cash at prevailing market prices; or
- ii) any contract or contracts between the Company on one side and any such Director, relative, firm partner or private company on the other for sale, purchase or supply any goods, materials and services in which either the Company or the Director, relative, firm partner or private company, as the case may be regularly trades or does business where the value of the goods and materials or the cost of such services does not exceed Rs. 5,000/- in the aggregate in any year comprised in the period of the contract or contracts.

Provided that in circumstances of urgent necessity, a Director relative, firm, partner or private company as aforesaid may without obtaining the consent of the Board enter into any such contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or the cost of such services exceeds Rs. 5,000/- in the aggregate in any year comprised in the period of the contract if the consent of the Board shall be obtained to such contract or contracts at a meeting within three months of the date on which the contract was entered into.

Disclosure of interest

(126) A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 299(2) of the Act; provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into or to be entered into with any other company where any of the Directors of the Company or two or more of them together holds or hold not more than two percent of the paid-up share capital in any such other company.

- General Notice of interest (127) A General Notice given to the Board by the Directors to the effect that he is a director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time by a fresh notice given in the last month of the financial year it would have otherwise expired. No such general notice, and no renewal thereof, shall be of effect unless it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.
- Interested Directors not to participate or vote in Board proceedings (128) No Director shall as a Director take any part in the discussion of or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void; provided however, that nothing herein contained shall apply to-
- a) any contract of indemnity against any loss which the Directors or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;
 - b) any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely;
 - i) in his being-
 - A) a director of such company, and
 - B) the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof he having been nominated as such Director by the Company, or
 - ii) in his being a member or holding not more than two percent of its paid up share capital.
- Register of Contracts in which Directors are interested (129) The Company shall keep a Register in accordance with Section 301(1) and shall within the time specified in Section 301(2) enter therein such of the particulars as may be relevant having regard to the application thereto of Section 297 or Section 299 of the Act as the case may be. The Register aforesaid shall also specify, in relation to each Director of the Company the names of the bodies corporate and firms of which notice has been given by him under Article 127. The Register shall be kept at the Office of the Company and shall be open to inspection at such office, and extracts may be taken there from and copies, thereof may be required by any member of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 163 of the Act shall apply accordingly.

Directors may be directors of companies promoted by the Company	(130) A Director may be or become a director of any company promoted by the Company or in which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as director or shareholder of such company except in so far as Section 309(6) or Section 314 of the Act may be applicable.
Retirement and rotation of Directors	(131) At every 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, the number nearest to one-third shall retire from office.
Ascertainment of Directors retiring by rotation and filling of vacancies	(132) Subject to Section 256(2) of the Act, the Directors to retire by rotation under Article 131 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 who are to retire, shall, in default of and subject to any agreement among themselves, be determined by lot.
Eligibility for re-election	(133) A retiring Director shall be eligible for re-election.
Company to appoint successors	(134) Subject to Section 258 of the Act, the Company at the General Meetings at which a Director retires in the manner aforesaid may fill up the vacated office by electing a person thereto.
Provision in default of appointment	(135) (a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned until the same day in the next week, at the same time and place. (b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless – (i) at that meeting or at the previous meeting the resolution for the re-appointment of such Director has been put to the meeting and lost; (ii) the retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so re-appointed. (iii) he is not qualified or is disqualified for appointment. (iv) a resolution, whether special or ordinary, is required for the appointment or re-appointment by virtue of any provisions of the Act; or (v) the proviso to Section 263(2) is applicable to the case;
Company may increase or reduce number of Directors	(136) Subject to Section 259 and 274 of the Act, the company may by Ordinary Resolution, from time to time increase or reduce the number of Directors, and may alter their qualifications and the Company may (subject to the provisions of Section 284 of the Act) remove any Director before the expiration of his period of office and appoint another qualified person in his stead. The person

so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

- Notice of candidature for office of Director in certain cases
- (137) (a) No person, not being a retiring Director, who is not disqualified for appointment as a director in terms of Section 274 of the Act, shall be eligible for appointment to the office of Director at any General Meeting unless he or some member intending to propose him has, not less than fourteen days before the meeting, left at the Office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office, as the case may be, along with a deposit of five hundred rupees which shall be refunded to such person or, as the case may be, to such member, if the person succeeds in getting elected as a Director.
- (b) Every person (other than a Director retiring by rotation or otherwise or a person who has left at the Office of the Company a notice under Section 257 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director, shall sign and file with the Company, his consent in writing to act as a Director, if appointed.
- (c) A person other than a Director re-appointed after retirement by rotation or immediately on the expiry of his term of office, or an Additional or Alternate Director, or a person filling a casual vacancy in the office of a Director under Section 262 of the Act, appointed as a Director or re-appointed as an Additional or Alternate Director, immediately on the expiry of his term of office, shall not act as a Director of the Company, unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.
- Register of Directors etc and Register of Director's Shareholding etc.,
- (138) (a) The Company shall keep at its Office a Register containing the particulars of Directors, Managers, Secretaries and other persons mentioned in Section 303 of the Act, and shall otherwise comply with the provisions of the said Section in all respects.
- (b) The Company shall in respect of each of its Directors also keep at its Office a Register, as required by Section 307 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.
- Disclosure by Director
- (139) (a) Every Director (including a person deemed to be a Director by virtue of the explanation to sub-section (1) of Section 303 of the Act), Managing Director, Manager, or Secretary of the Company, shall within twenty days of his appointment to any of the above officers in any other body corporate, disclose to the Company the particulars relating to his office in the other body corporate which are required to be specified under sub-section (1) of Section 303 of the Act.
- (b) Every Director and every person deemed to be a Director of the Company by virtue of sub-section (10) of Section 307 of the Act, shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the company to comply with the provisions of Section 307.

MANAGING DIRECTOR

Managing
Director

(140) Subject to the provisions of Section 267, 269, 309, 310, 311, 316 and 317 and other applicable provisions of the Act –

- a) **Sundaram Investment Limited**[#] shall be entitled by a writing signed by the person duly authorized by it, to designate for appointment one of the Nominated Directors as Managing Director of the Company and the Board shall, within ten (10) days from the date of receipt of such writing, appoint the person so designated for appointment as Managing Director of the Company. **Sundaram Investment Limited**[#] shall have the right, by a similar writing, to require the Board to remove the Managing Director who was so designated for appointment by it and appointed by the Board and the Board shall, within ten (10) days from the date of receipt of such writing, remove such person from the office of Managing Director. On a vacancy being caused in the office of the Managing Director, due to any reason whatsoever, including death, resignation or removal, **Sundaram Investment Limited**[#] shall have the right, by a similar writing, to designate another person among the Nominated Directors for appointment as Managing Director of the Company and the Board shall proceed to appoint the person so designated in the same manner as hereinabove provided.
- b) The rights conferred on **Sundaram Investment Limited**[#] under this Article shall be exercisable only so long as the Promoters hold not less than twenty – six percent (26%) of the paid - up equity share capital of the Company for the time being.
- c) Whenever there is a Managing Director holding office as such, the business of the Company shall, subject to the supervision, control and direction of the Board of Directors, be managed by the Managing Director.
- d) The Board may, from time to time, entrust to and confer upon the Managing Director for the time being such of the powers exercisable under these presents by the Board as they 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 they may think expedient and they may confer such powers either collaterally with, of to the exclusion of, and in substitution for all, or any of the powers of the Board on that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

amended as per the Special Resolution passed by the shareholders of the Company through Postal Ballot on April 11, 2014

- Restriction on Management (141) The Managing Directors shall not exercise the powers to:
- a) make calls on shareholders in respect of money unpaid on the shares of the Company;
 - b) issue of debentures; and except to the extent mentioned in the resolution passed at the Board Meeting under Section 292 of the Act, shall also not exercise the power to
 - (i) borrow moneys, otherwise than on debentures;
 - (ii) invest the funds of the Company; and
 - (iii) make loans.
- Certain persons not to be appointed as Managing Director (142) The Company shall not appoint or employ, or continue the appointment or employment of, a person as its Managing Director if he:
- a) is an undischarged insolvent, or has at any time been adjudged an insolvent;
 - b) suspends, or has at any time suspended payment to his creditors or makes, or has at any time made, a composition with them, or
 - c) is, or has at any time been convicted by a Court of an offence involving moral turpitude.

PROCEEDINGS OF THE BOARD OF DIRECTORS

- Meetings of Directors (143) The Directors may meet together as a Board for the dispatch of business from time to time, and shall so meet at least once in every three months and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit.
- Notice of meeting (144) (a) Notice of every meeting of the Board shall be given in writing to every Directors for the time being in India and at his usual address in India to every other Director, provided however that in the case of Directors resident outside India notice of every meeting of the Board shall also be given to such Directors at their addresses outside India and to their alternates, if any, in India at their usual addresses in India. Such notice where given otherwise than by telex as hereinafter provided shall be accompanied by the agenda setting out the business proposed to be transacted at the meeting of the Board.
- (b) Notice of Board Meetings to Directors resident outside India shall be given by telex to the number and answer back furnished by them.
- Quorum (145) Subject to Section 287 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength (excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher, provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time.

Adjournment of meeting for want of quorum (146) If a meeting of the Board could not be held for want of quorum then the meeting shall automatically stand adjourned to such other date and time (if any) as may be fixed by the Chairman not being later than thirty days from the date originally fixed for the meeting.

When meeting to be convened (147) A Director may, at any time, and the Secretary shall, as and when directed by the Directors to do so, convene a meeting of the Board.

CHAIRMAN

Chairman of the Board (148) (a) **Sundaram Investment Limited** # shall be entitled by a writing signed by the person duly authorized by it, to designate for appointment of any one of the Directors to be Chairman of the Board and the Board shall, within ten (10) days from the date of receipt of such writing, appoint the Director so designated for appointment as the Chairman of the Board. **Sundaram**

Investment Limited # shall have the right, by a similar writing, to require the Board to remove the Directors so appointed from the office of Chairman and the Board shall within ten (10) days from the date of receipt of such writing remove such Director from the office of Chairman. On a vacancy being caused in the office of the Chairman, due to any reason whatsoever, including death, resignation or removal, **Sundaram** **Investment Limited** # shall have the right, by a similar writing, to designate another Director for appointment as Chairman of the Board and the Board shall proceed to appoint the person so designated in the same manner as hereinabove provided. #

(b) The rights conferred on **Sundaram Investment Limited** # under this Article shall be exercisable only so long as the Promoters hold not less than twenty – six percent (26%) of the paid - up equity share capital of the Company for the time being. #

(c) The Chairman of the Board shall be entitled to take the Chair at every meeting of the Board. If no Chairman is appointed by **Sundaram** **Investment Limited** # in pursuance of this Article, or if at any meeting of the Board, he shall not be present within fifteen (15) minutes of the time appointed for holding such meeting or if he shall be unable or unwilling to take the Chair, then the Managing Director, if any, shall be entitled to take the Chair and failing him, the Directors present may choose one of their numbers to be the Chairman of that meeting. #

Questions at Board Meetings, how decided (149) Questions arising at any meeting of the Board shall be decided by a majority of votes and in the case of an equality of votes, the Chairman shall have a second or casting vote.

amended as per the Special Resolution passed by the shareholders of the Company through Postal Ballot on April 11, 2014

- Powers of Board Meeting (150) A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion which by or under the Act or the Articles of the Company are for the time being vested in or exercisable by the Board generally.
- Directors may appoint Committees (151) Subject to the restrictions contained in Section 292 of the Act, the Board may delegate any of their powers to Committees of the Board consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such Committee of the Board either wholly or in part and either as to persons or purposes, but every committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfilment of the purposes of their appointment, but not otherwise, shall have the like force and effect as if done by the Board.
- Meeting of Committee, how to be governed (152) The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.
- Resolution by circulation (153) No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or to all Members of the committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be), and to all other Directors or Members of the Committee, at their usual address in India and has been approved by such of the Directors or Members of the Committee, as are then in India, or by a majority of such of them, as are entitled to vote on the resolution.
- Acts of Board or Committee valid notwithstanding defect in appointment (154) All acts done by any meeting of the Board or by a Committee; of the Board, or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director and had not vacated his office or his appointment had not been terminated; provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been, shown to the Company to be invalid or to have been terminated.
- Minutes of proceedings of the meetings of the Board (155) (a) The Company shall cause minutes of all proceedings of every meeting of the Board and Committee thereof to be kept by making within thirty (30) days of the conclusion of every such meeting entries thereof in books kept for the purpose with their pages consecutively numbered.

- (b) Each page of every such book shall be intialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
- (c) In no case shall the minutes of proceedings of a meeting be attached to any such books as aforesaid by pasting or otherwise.
- (d) The minutes of each meeting shall contain a fair and correct summary of the proceedings there at.
- (e) All appointments of officers made at any of the meeting aforesaid shall be included in the minutes of the meeting.
- (f) The minutes shall also contain:
 - (i) The names of the Directors present at the meeting; and
 - (ii) In the case of each resolution passed at the meeting the names of the Directors, if any, dissenting from or not concurring in, the resolution.
- (g) nothing contained in sub-clause (a) to (f) shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting:
 - (i) is, or could reasonably be regarded as defamatory of any person;
 - (ii) is irrelevant or immaterial to the proceeding; or
 - (iii) is detrimental to the interest of the Company.

The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this sub clause.
- (h) Minutes of the meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

Powers of Directors

- (156) The Board may exercise all such powers and do all such acts and things as are not, by the Act, or any other Act, or by the Memorandum, or by the Articles of the Company, required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting but no regulations made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

Provided that the Board shall not, except with the consent of the Company in General Meeting-

- (a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking;

- (b) remit; or give time for the repayment of, any debt due by a Director;
- (c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertakings as is referred to in clause (a), or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;
- (d) borrow moneys where the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose;

Provided further that the powers specified in Section 292 of the Act, shall subject to these Articles, be exercised only at meetings of the Board, unless the same be delegated to the extent therein stated; or

- (e) contribute to charitable and other funds, not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed fifty thousand rupees or five percent of its average net profits as determined in accordance with the provisions of Section 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater.

Certain powers of the Board

- (157) Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in that last preceding Article, it is hereby declared that the Directors shall have the following powers; that is to say, power-
 - (a) To pay cost, charges, and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company;
 - (b) To pay and charge to the capital account of the Company any commission or interest lawfully payable here from under the provision of Section 76 and 208 of the Act;
 - (c) Subject to Sections 292 and 297 of the Act, to purchase or otherwise acquire for the Company any property, rights or privileges which the company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;
 - (d) At their discretion and subject to the provisions of the Act, to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, mortgages, or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, mortgages or other securities may be either specially charged upon all or any part of the property of the Company and its uncalled capital or not so charged;

- (e) To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit;
- (f) To accept from any member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed;
- (g) To appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purposes; and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;
- (h) To institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due, and of any claim or demands by or against the Company and to refer any differences to arbitration and observe and perform any awards made thereon;
- (i) To act on behalf of the Company in all matters relating to bankrupts and insolvents;
- (j) To make and give receipts, releases, and other discharges for moneys payable to the Company and for the claims and demands of the Company;
- (k) Subject to the provisions of Section 292, 295, 370 and 372 of the Act, to invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such security (not being shares of this Company), or without security and in such manner as they think fit, and from time to time to vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name;
- (l) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon;
- (m) To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose;
- (n) To distribute by way of bonus amongst the staff of the Company shares or shares in the profits of the Company, and to give to any officer or other person employed by the Company, a commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company;
- (o) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families of the dependents or connections of such persons, by building of houses, dwellings or chawls, or by grants of money, pension, gratuities, allowances, bonus or other

payments, or by creating, and from time to time subscribing or contributing to provident and 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 Board 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 or objects which shall have any moral or other claim to support or aid by the Company, either by reason or locality of operation, or of public and general utility or otherwise;

- (p) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund, or to any Insurance Fund or as a Reserve Fund or Sinking Fund or any special fund to meet contingencies or to repay debentures or debenture-stock or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to on the preceding clause), as the Board may, in their absolute discretion, think conducive to the interest of the Company, and subject to Section 292 of the Act, to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose off any of them, apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in their absolute discretion think conducive to the interests of the Company, notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund into such special funds as the Board may think fit, with full power to transfer the whole or any portion of a Reserve Fund or division of a Reserve Fund to another Reserve Fund or division of a reserve Fund and with full power to employ the assets constituting all or any of the Above funds, including the Depreciation Fund, in the business of the Company or in the purchase or repayment of Debentures or debenture-stock and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper, not exceeding nine per cent per annum.
- (q) To appoint, and at their discretion remove or suspend such general managers, managers, secretaries, assistants, supervisors, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments or remuneration and to require security in such instances and to such amounts as they may think fit. Also from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit; and the provisions contained in the four next following sub-clauses shall be without prejudice to the general power conferred by this sub-clause.
- (r) To comply with the requirements of any local law which in their opinion it shall, in the interests of the Company, be necessary or expedient to comply with;
- (s) From time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere

and to appoint any person to be members of such Local Board, and to fix their remuneration;

- (t) Subject to Section 292 of the Act, from time to time, and at any time, to delegate to any person so appointed any of the powers, authorities and discretion for the time being vested in the Board, other than the power to make calls or to make loans or borrow moneys, and to authorise the members for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegation;
- (u) At any time and from time to time, by Power of Attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also, except within the limits authorised by the Board, the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of the members or any of the members of any Local Board, established as aforesaid or in favour of any company, or the shareholders, directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit and may contain powers enabling any such delegates or attorney as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them;
- (v) Subject to Sections 294 and 297 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.
- (w) From time to time to make, vary and repeal by-laws for the regulations of the business of the Company, its officers and servants;

MANAGEMENT

Prohibition of simultaneous appointment of different categories of managerial personnel

- (158) The Company shall not appoint or employ at the same time both the following categories of managerial personnel namely :
 - a. Managing Director and
 - b. Manager

THE SECRETARY

Secretary (159) The Directors shall from time to time appoint and at their discretion, remove the Secretary. The Directors may also at any time appoint some person (who need not be the Secretary) to keep the registers required to be kept by the Company.

THE SEAL

The Seal, its custody and use (160) (a) The Board shall provide a Common Seal for the purposes of the company, and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.

(b) The Company 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.

Deeds how executed (161) Every Deed or other instrument, to which the Seal of the Company is required to be affixed, shall, unless the same is executed by a duly constituted attorney, be signed by two Directors or one Director and Secretary or some other person appointed by the Board for the purpose provided that in respect of the Share Certificate, the Seal shall be affixed in accordance with Article 19(a).

DIVIDENDS

Division of profits (162) The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles, and subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of capital paid-up or credited as paid-up on the shares held by them respectively.

The Company in General Meeting may declare a dividend (163) The Company in General Meeting may declare dividends out of profits of any financial year or previous financial years to be paid to members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

Dividends to be paid only out of profits (164) (a) No dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of Section 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both provided that;

If the Company has not provided for depreciation for any previous financial year or years, it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years;

If the Company has incurred any loss in any previous financial year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is

proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at, in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act or against both.

- (b) Notwithstanding anything contained in sub-clause (a) hereof, no dividend shall be declared or paid by the Company for any financial year out of the profits of the Company for that year arrived at after providing for depreciation in accordance with the provisions of sub-clause (a) hereof except after and transfer to the reserves of the Company of atleast such minimum percentage of its profits for that year as may be prescribed by rules made by the Central Government in this behalf.

Provided that nothing in this clause shall be deemed to prohibit the voluntary transfer by the Company of a higher percentage of its profits to the reserves in accordance with such rules as may be made by the Central Government in this behalf.

- (c) Where owing to inadequacy or absence of profits in any year, the company proposes to declare dividend out of the accumulated profits earned by the Company in previous years and transferred by it to the reserves, such declaration of dividend shall not be made except in accordance with such rules as may be made by the Central Government in this behalf, and where any such declaration is not in accordance with such rules, such declaration shall not be made except with the previous approval of the Central Government.

Interim Dividend (165) Subject to the provisions of sections 295(1A), 205(1B) and 205(1C) of the Act, the Board may, from time to time, declare such interim dividend as in their judgement the financial position of the Company justifies.

Capital paid up in advance at interest not to earn dividend (166) Where capital is paid in advance of calls, capital may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits.

Dividends in proportion to amount paid up (167) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any shares is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

Retention of dividends until completion of transfer under Article 62 (168) Subject to the provisions of the Act, the Board may retain the dividends payable upon shares in respect of which any person is under Article 62 entitled to become a member or which any person under that Article is entitled to transfer, until such person shall become a member, in respect of such shares or shall duly transfer the same.

Dividend etc to jointholders (169) Any one of several persons who are registered as the joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such shares.

- No member to receive dividend while indebted to the Company and Company's right of reimbursement thereout
Transfer of shares must be registered
- (170) No member shall be entitled to receive payment of any interest or dividends in respect of his share or shares, while any money may be due or owing from him to the Company in respect of such share or shares or otherwise, howsoever, either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company.
- (171) A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
- Dividend how remitted
- (172) Unless otherwise directed, any dividend may be paid by cheque or warrant or demand draft sent through the post to the registered address of the member or person entitled or in the case of joint holders to that one of the first named in the register in respect of the joint-holdings. Every such cheque or warrant or demand draft shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or demand draft lost in transmission, or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or demand draft or the fraudulent recovery of the dividend by any other means.
- In the case of members who are desirous of getting their dividend credited to their respective bank accounts by means of electronics clearing service, under advice to members, upon such members filing with the company the requisite particulars as required by Reserve Bank of India / State Bank of India, dividend shall be credited to the respective bank accounts by means of electronic funds transfer instead of payment by cheque or warrant or demand draft.
- Unclaimed dividends, deposits, etc. to be remitted to investor education and protection fund
- (173) The Company shall not forfeit –
- (a) amounts in the unpaid dividend account of company;
 - (b) the application moneys received by companies for allotment of any securities and due for refund;
 - (c) matured deposits with companies;
 - (d) matured debentures / bonds with companies;
 - (e) the interest accrued on the amounts referred to in clause (a) to (d); and such amounts which remain unpaid / unclaimed for a period of seven years from the date they became due for payment, shall be credited to the Investors Education & Protection Fund, constituted by the Central Government under Section 205C of the Act.
- No interest on dividends
- (174) Subject to the provision of the Act, no unpaid dividend shall bear interest as against the Company.
- Dividend and call together
- (175) Any General meeting declaring a dividend may, on the recommendation of the Directors, make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend; and the dividend may, if so arranged between the Company and the members, be set off against the calls.

CAPITALISATION

- Capitalisation (176) (a) The Company in General Meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Account, or in the hands of the Company and available for dividend (or representing premium received on the issue of shares and standing to the credit of the Share Premium Account) be capitalised and distributed among such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum, provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purpose of this Article, only be applied in the paying of any unissued shares to be issued to members of the Company as fully paid bonus shares.
- (b) A General Meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company, or any investments representing the same, or any other undistributed profits of the Company not subject to charge for income tax be distributed among the members on the footing that they receive the same as capital.
- (c) For the purpose of giving effect to any resolution under the preceding paragraphs of this Article, the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient, and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any members upon the footing that the value so fixed or that fraction or value less than Rs. 10/- may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalised fund as may seem expedient to the Board.

ACCOUNTS

- (177) (a) The Company shall keep at the Office or at such other place in India as the Board thinks fit proper Books of Accounts in accordance with Section 209 of the Act with respect to –
- (i) all sums of moneys received and expended by the Company and the matters in respect of which the receipts and expenditure take place.
 - (ii) all sales and purchase of goods by the Company; and
 - (iii) the assets and liabilities of the Company.

Directors to keep true accounts	<p>(b) Where the Board decided to keep all or any of the books of Account at any place other than the Office of the Company, the Company shall within seven days of the decision file with the Registrar, a notice in writing giving the full address of that other place.</p> <p>(c) The Company shall preserve in good order the Books of Account relating to a period of not less than eight years preceding the current year together with the vouchers relevant to any entry in such Books of Account.</p> <p>(d) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article, if proper Books of Account relating to the transactions effected at the branch office are kept at the Branch office and proper summarised returns, made up to date at intervals of not more than three months, are sent by the branch office to the Company at its Office or other place in India at which the Company's Books of Accounts are kept as aforesaid.</p> <p>(e) The Books of Account shall give a true and fair view of the state of the affairs of the Company or branch office, as the case may be, and explain its transactions. The Books of Account and other books and papers shall be open to inspection by any Directors during business hours.</p>
As to inspection of accounts or books by members	(178) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open for inspection by members, not being Directors, and no member (not being a Director) shall have any right to inspect any accounts or books or documents of the Company except as conferred by law or as authorised by the Board.
Statement of Accounts to be furnished to General Meeting	(179) The Directors shall from time to time, in accordance with Sections 210, 211, 212, 215, 216 and 217 of the Act, cause to be prepared and to be laid before the Company in General Meeting such Balance Sheets, Profit and Loss Accounts and Reports as are required by these Sections.
Copies of Balance Sheet or statement in prescribed form to be sent	<p>(180) A copy of every Balance Sheet (including the Profit and Loss Account, the Auditors Report and every other document required by law to be annexed or attached to the Balance Sheet), shall, as provided in Section 219 of the Act, not less than twenty one (21) days before the meeting at which the same are to be laid before the members, be sent to every member of the Company and to such other persons to whom the same is required to be sent by the said Section.</p> <p>Provided that the Company may, instead of sending copies of documents as aforesaid, keep copies of such documents available for inspection at the registered office of the Company during the working hours for a period of 21 days before the date of the meeting and send a statement containing the salient features of such documents in the prescribed form to every member of the company and such other persons to whom the same is required to be sent by this section, not less than 21 days before the date of the meeting.</p>

AUDIT

- When accounts to be deemed finally settled (181) Every Balance Sheet and Profit & Loss Account of the Company when audited and adopted by the Company at an Annual General Meeting shall be conclusive except as regards any mistake or error discovered therein. Whenever any such mistake or error is discovered, the Balance Sheet and profit & Loss Account shall be corrected by the Board at a meeting of the Board and shall henceforth be conclusive.

DOCUMENTS AND NOTICES

- Service of documents or notices (182) (a) A document or notice may be served on or given by the Company to any member either personally or by sending it by post to the member to his or its registered address or (if the member has no registered address in India) to the address, if any, in India supplied by him to the Company for serving documents or notices to him or it.
- (b) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a member has intimated to the Company in advance that documents or notices should be sent to him under certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and, such service shall be deemed to have been effected in the case of a Notice of a meeting, at the expiration of forty eight hours after the letter containing the document or notice is posted and in any other case, at the time at which the letter would be delivered in the ordinary course of post.
- Advertisement (183) A document or notice advertised in a newspaper circulating in the neighbourhood of the Office shall be deemed to be duly served or sent on the day on which the advertisement appears, on or to every member who has no registered address in India and has not supplied to the Company an address within India for the serving of documents or the sending of notices to him.
- On joint holders (184) A document or notice may be served or given by the Company on or to the joint holders of a share by serving or giving the document or notice on or to the joint holder named first in the Register of Members in respect of the share.
- On personal representatives etc. (185) A document or notice may be served or given by the Company on or to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in prepaid letter addressed to them by name, or by the title of the representatives of the deceased, or assignees of the insolvent, or by any like description, at the address (if any) in India supplied for the purpose by the persons claiming to be entitled, or (until such an address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred.
- To whom documents or notices to be served or given (186) Documents or notices of every General Meeting shall be served or given in the same manner hereinbefore authorised on or to (a) every member, (b) every person entitled to a share in consequence of the death or insolvency of a member, and (c) the Auditor or Auditors for the time being of the Company.

- Members bound by documents given, to be served on or given to previous holders (187) Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every document or notice in respect of such share which, previously to his name and address being entered on the Register of Members, shall have been duly served on or given to the person from whom he derives his title to such share.
- Document or notice by Company and signature thereto (188) Any document or notice to be served or given by the Company may be signed by a Director or some person duly authorised by the Board of Directors for such purpose and the signature thereto may be written, printed or lithographed.
- Service of documents or notice by members (189) All documents or notices to be or given by members on or to the Company or to any officer thereof shall be served or given by sending it to the company or officer at the office by post or leaving it at the office. Provided that where the securities are held in a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic mode or by delivery of floppies or discs.

WINDING UP

- Liquidator may divide assets in specie (190) The Liquidator on any winding-up (whether voluntary, under supervision or compulsory) may, with the sanction of a Special Resolution, but subject to the rights attached to any Preference Share Capital, divide among the contributories in specie any part of the assets of the Company and may with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the Liquidator, with the like sanction shall think fit.

INDEMNITY AND RESPONSIBILITY

- Directors and others right of indemnity (191) Subject to Section 201 of the Act, every officer or Agent for the time being of the Company shall be indemnified out of the assets of the Company against all liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is granted to him by the court.

SECRECY CLAUSE

- Secrecy Clause (192) (a) Every Director, Manager, Auditor, treasurer, Trustee, member of a Committee, officer, servant, agent, accountant or other person employed or engaged in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customs and the state of the accounts with the individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

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

E-Governance

(193) The regulations contained herein shall always be construed as facilitating and promoting e-governance and other socio-economic initiatives envisaged through statutes, policy pronouncements or in any other manner and accordingly:

- (a) Notices convening meetings of the Board of directors or any committee thereof and notices for passing resolutions by circulation amongst the Directors/ Committee members, together with the agenda papers and other relevant annexures/ enclosures, may be sent to the directors/ committee members and other persons entitled thereto, through e-mail to the e-mail address furnished by them for the purpose or through such other electronic means as may be statutorily permissible or recognised.
- (b) Meetings of the Board of directors or a committee thereof may be held with participation of one or more directors through video-conferencing or through such other electronic means as may be statutorily permissible or recognised. The Director(s)/ Committee member(s) so participating in a Board or committee meeting validly held shall have the right to vote and will count for the purpose of quorum.
- (c) Notices convening General meetings, including Annual General Meetings, together with the required annexures/ enclosures/ attachments (*including the Annual report*) may be sent to the members and other persons entitled thereto through e-mail to the e-mail address registered by them with the company/ depositories for the purpose or through such other electronic means as may be statutorily permissible or recognised.
- (d) The company may permit and provide facilities for participation of shareholders in General meetings through video-conferencing or through such other electronic means as may be statutorily permissible or recognised. The shareholders so participating in a general meeting shall have the right to discuss and vote on the business transacted thereat; but they shall not count for the purpose of minimum quorum required for a general meeting, unless statutorily permitted.

- (e) The company may, for the purpose of voting by the members at a General meeting either by show of hands or on a poll and also for voting in a postal ballot process, provide for voting on an electronic platform or through e-mail or other electronic means in such manner as may be permitted or recognized under any statute.
- (f) The company may keep and maintain statutory registers, documents and information as electronic records, to be authenticated wherever required by a duly authorised officer. Where any document is required to be sent to any person, service may be effected through e-mail to the e-mail address intimated or registered by those persons for the purpose.
- (g) References in these regulations to electronic means, electronic records, electronic platform, video-conferencing and other relevant terms, either generally or specifically, and the legal validity thereof shall be construed with reference to the Information Technology Act, 2000, notifications / circulars issued by the Ministry of Corporate Affairs, Government of India and other applicable statutory provisions, as may be prevailing from time to time.

Sl No.	Names, Addresses Description and Occupation of the Subscribers	Names, Addresses, Description and Occupation of Witness
1.	Sd/- V N Venkatanathan Company Executive S/o Dr. V N Seshadri Acharya 25, Nachiappan Street, Mahalingapuram, Chennai - 600 034	Sd/- V Venkataramanan Company Executive S/o Sri N Venkatasubramanian 426, M.T.H Road, Krishnapuram Ambattur Chennai – 600 053
2	Sd/- H Lakshmanan Company Executive S/o Sri Harihara Iyer 1B, Monna Apartments 4, Bhaskarapuram, Mylapore Chennai - 600 004	

Chennai, Dated this 14th day of September, 1995.

(Special resolution passed at the extra-ordinary general meeting of the shareholders of the company held on 10th January, 2003 as per the directions of the Hon'ble High Court of Madras, for approving the Scheme of Amalgamation)

RESOLVED THAT subject to such approvals as may be necessary from the Hon'ble High Court of Madras under section 391 and other applicable provisions of the Companies Act, 1956 and such other statutory or other authorities, the scheme of amalgamation of ICL Foundries Limited, Sundram Telematics Limited, Auctionindia.com Limited and Niraj Interior Decorators Limited with TVS eTechnology Limited (a copy of which is placed before the meeting and for the purpose of identification initialed by the Chairman of the meeting) be and is hereby agreed and approved.

RESOLVED FURTHER THAT the board of directors of the company and any person authorised by the board of directors, be and are hereby severally authorised to take all such steps as may be necessary or desirable and do all such acts, deeds, things and matters, as may be considered necessary to give effect to the aforesaid scheme of amalgamation and this resolution and to accept such alteration, modification and/or conditions, if any, which may be proposed, required or imposed by the Hon'ble High Court of Judicature at Madras while sanctioning the said scheme.

IN THE HIGH COURT OF JUDICATURE AT MADRAS

(ORIGINAL JURISDICTION)

Tuesday, the Fourth day of March, 2003

The Honourable Mr. Justice A RAMAMURTHI

Comp. Petition Nos. 32 to 36/2003

And

(Connected Comp.Appln.Nos.1757 to 1761/2002)

In the matter of Companies Act, 1956

And

In the matter of Scheme of Amalgamation of
ICL Foundries Limited,
Sundram Telematics Limited,
Auctionindia.com Limited and
Harita Technical Services Limited
(Formerly Niraj Interior Decorators Limited)
with
TVS eTechnology Limited.

C.P.32/2003:

M/s. ICL Foundries Limited
Represented by its Director
Mr. S. Shreenivasa Rao
and having its Registered office
at No.24, Haddows Road,
Chennai – 600 006.

... Petitioner / Transferor 1.

C.P.33/2003:

M/s. Sundram Telematics Limited
Represented by its Director
Mr. S. Swaminathan
and having its Registered office
at No.24, Haddows Road,
Chennai – 600 006.

... Petitioner / Transferor 2.

C.P.34/2003:

M/s. Auctionindia.com Limited
Represented by its Director
Mr. S. Shreenivasa Rao
and having its Registered office
at No.24, Haddows Road,
Chennai – 600 006.

... Petitioner / Transferor 3.

C.P.34/2003:

M/s. Auctionindia.com Limited
Represented by its Director
Mr. S. Shreenivasa Rao
and having its Registered office
at No.24, Haddows Road,
Chennai – 600 006.

... Petitioner / Transferor 4.

C.P.Nos.32 to 35/2003:

These Company Petitions praying this court to pass an order (1) that the Scheme of Amalgamation annexed herein and marked as Annexure --- as unanimously approved by the equity shareholders of the petitioner companies at their meeting held on 10th January, 2003, may be sanctioned by the court, so as to be binding upon all the equity shareholders of the petitioner companies and on the petitioner companies with effect from 1st November, 2002 or such other date as this Hon'ble Court directs; (2) that the petitioner companies be dissolved without the process of winding up; and

C.P. No36/2003:

M/s. TVS eTechnology Limited,
Represented by its Director
Mr. L . Venkatesan and having its
Registered Office at
No.25, Haddows Road,
Chennai – 600 006.

... Petitioner / Transferee

This Company petition praying this Court to pass an order that the Scheme of amalgamation annexed herewith and marked as Annexure, as unanimously approved by the equity shareholders of the petitioner company at their meeting held on 10th January, 2003 may be sanctioned by the court, so as to be binding upon all the equity shareholders of the Petitioner company and on the petitioner company with effect from 1st November, 2002 or such other date as this Hon'ble Court may direct.

These Company Petitions coming on this day, before this court for hearing in the presence of Mr. S.K. Srinivasan, Advocate for the petitioners in all the Company Petition Nos. 32 to 36/2003 and Mrs. Rajalakshmi for Mr. M.T.Arunan, Addl. Central Government Standing Counsel appearing for the Regional Director, Southern Region, Department of Company Affairs, Chennai and upon reading the common order dated 11.12.2002 and made in company Application Nos. 1757 to 1761/2002 whereby the said Company viz., M/s. ICL Foundries Limited, the Petitioner/Transferor Company-1 in C.P.No.32/2003 herein was directed to convene a meeting of the shareholders of the above named company for the purpose of considering and if thought fit approving with or without modification the proposed scheme of amalgamation of Petitioner Company with M/s. TVS eTechnology Limited, the Petitioner in Company Petition No.36/2003 and the advertisement having been made in one issue of 'News Today' and another issue of Tamil Daily 'Makkal Kural' dated 17.12.2002 each containing the advertisement of the said meeting and the report of the Chairman of the said meeting as to the result of the meeting and it is appearing from the said report that the scheme of Amalgamation has been approved unanimously and the common order dated 11.12.2002 and made in Company Application Nos. 1757 to 1761/2002 whereby the said Company viz., M/s Sundram Telematics Limited the Petitioner / Transferor Company-II in C.P.No.33/2003 herein was directed to convene a meeting of the shareholders of the above named Company for the purpose of considering and if thought fit approving with or without modification the proposed scheme of amalgamation of the petitioner company with M/s. TVS eTechnology Limited the petitioner in company petition No.36/2003 and the advertisement having been made in one issue of 'News Today' and another issue of Tamil Daily 'Makkal Kural' dated 17.12.2002 each containing the advertisement of the said meeting and the report of the Chairman of the said meeting as to the result of the meeting and it is appearing from the said report that the scheme of Amalgamation has been approved unanimously and the common order dated 11.12.2002 and made in Company Application No.1757 to 1761/2002 whereby the said company viz., M/s Auctionindia.com Limited, the Petitioner/Transferor Company-III in C.P.No.34/2003 herein was directed to convene a meeting of the shareholders of the above named company for the purpose of considering and if thought fit approving with or without modification the proposed scheme of amalgamation of the petitioner company with M/s. TVS eTechnology Limited, the petitioner in company petition No.36/2003 and the advertisement having been made in one issue of 'News Today' and another issue of Tamil Daily 'Makkal Kural' dated 17.12.2002 each containing the advertisement of the said meeting and the report of the Chairman of the said meeting as to the result of the meeting and it is appearing from the said report that the scheme of Amalgamation has

been approved unanimously and the common order dated 11.12.2002 and made in company Application Nos.1757 to 1761/2002 whereby the said company viz., m/s. Harita Technical Services Limited, the Petitioner / Transferor Company-IV in C.P.No.35/2003 herein was directed to convene a meeting of the shareholders of the above named company for the purpose of considering and if thought fit approving with or without modification the proposed scheme of amalgamation of the petitioner company with M/s.TVS eTechnology Limited, the petitioner in Company Petition No.36/2003 and the advertisement having been made in one issue of 'News Today' and another issue of Tamil Daily 'Makkal Kural' dated 17.12.2002 each containing the advertisement of the said meeting and the report of the Chairman of the said meeting as to the result of the meeting and it is appearing from the said report that the scheme of Amalgamation has been approved unanimously, and the common order dated 11.12.2002 and made in company Application No.s1757 to 1761/2002 whereby the said company viz., M/s.TVS eTechnology Limited the petitioner/Transferee Company in C.P.No.36/2003 herein was directed to convene a meeting of the shareholders of the above named company for the purpose of considering and if thought fit approving with or without modification the proposed scheme of Amalgamation of M/s. ICL Foundries Limited, M/s. Sundram Telematics Limited, M/s. Auctionindia.com Limited and M/s. Harita Technical Services Limited, the petitioner companies viz, the transferor companies inC.P.Nos.32 to 35 /2003 with M/s. TVS eTechnology Limited the petitioner / transferee company in C.P. No.36/2003 and the advertisement having been made in one issue of English Daily "News Today" and another issue of Tamil Daily "Makkal Kural" dated 17.12.2002 each containing the advertisement of the said meeting and the report of the Chairman of the said meeting as to the result of the meeting and it is appearing from the said report that the Scheme of Amalgamation has been approved unanimously and upon reading the Company petition Nos. 32 to 36/2003 and the advertisement of these company petitions having been made in one issue of English Daily 'News Today' dated 28.1.2003 and also in another issue of Tamil Daily 'Makkal Kural' dated 28.1.2003 filed herein, and the affidavit, dated 28.1.2003 filed by the Regional Director, Southern Region, Department of Company affairs, Chennai in court on 4.3.2003 raising no serious objection to the scheme of amalgamation no objection having been filed by any party; and the court having observed that the scheme does not appear to be contrary to any public policy; and the scheme is just fair and reasonable and the scheme is also not violative of any provisions; and doth hereby sanction the Scheme of Amalgamation as setout in the Schedule hereunder with effect from 1.11.2002 and declare the same to be binding on the shareholders of the said companies and on the said companies and this court doth further order as follows:-

1. That, the petitioner companies herein do file with the Registrar of Companies, Chennai, a certified copy of the order within 30 days from this date.
2. That, the parties to the Scheme of amalgamation or other person interested shall be at liberty to apply to this Court for any directions

that may be necessary in regard to carrying out of this Scheme hereunder;

3. That, the transferor Companies viz., (1) M/s.ICL Foundries Limited (2) M/s.Sundram Telematics Limited (3) M/s. Auctionindia.com Limited, (4) M/s. Harita Technical Services Limited; shall be dissolved without winding up, on the filing of the report by the Official Liquidator, High Court, Madras, pursuant to Second proviso to Section 394(1) of the Companies Act, 1956;
4. That, the transferee company be and is hereby directed to hand over the books of accounts of the transferor companies to the Official Liquidator, High Court, Madras to submit his report; and
5. That Mr. M.T. Arunan, Addl. Central Government Standing Counsel be and is hereby entitled to a fee of Rs.2500/- (Rupees Two thousand five hundred only) in each of the Company Petitions.

SCHEME OF AMALGAMATION

- (1) ICL FOUNDRIES LIMITED
- (2) SUNDRAM TELEMATICS LIMITED
- (3) AUCTIONINDIA.COM LIMITED and
- (4) HARITA TECHNICAL SERVICES LIMITED

WITH

TVS eTECHNOLOGY LIMITED

PREAMBLE

- (1) The Companies (1) to (4) herein are closely held and unlisted public limited companies, belonging to the same Group of Companies. As part of restructuring programme to enable these companies to benefit out of the fast changing and highly competitive business environment, the board of directors of these companies have decided to merge with a company called "TVS eTECHNOLOGY LIMITED", belonging to the same group so that they could respond to competitive pressures and to reorient their business strategies by harmonization, rationalization and consolidation of operations.
- (2) It is, in this context, the group has decided to merge certain companies. The benefits that are to be achieved by this merger are that the combined operations will have the advantage of large scale economies, bring about considerable reduction in the cost of overheads besides reducing strain on maintaining statutory records and complying with plethora of procedures under various statues by different entities engaged for a common purpose. Keeping these benefits in view, the companies (1) to (4) listed in this 'Scheme of Amalgamation' are proposed to amalgamate with "TVS eTECHNOLOGY LIMITED" in a Scheme of amalgamation under the order of Hon'ble High Court of Madras in pursuance of the provisions of Section 391-394 of the Companies Act, 1956

PART I

Definitions

(1) Transferor Companies

- 1.1 "THE TRANSFEROR COMPANY (1)" means ICL Foundries Limited a company originally registered under the Companies Act, 1956 on 1st November, 1988 and having its registered office at No.24 (Old No.8) Haddows Road, Chennai 600 006, (hereinafter called "TRANSFEROR COMPANY 1"). The authorized capital of the TRANSFEROR COMPANY (1) is Rs.24,00,00,000/- divided into 2,40,00,000 equity shares of Rs.10/- each. The issued, subscribed and paid up capital, as on 6th December, 2002 is Rs.23,36,76,750/- divided into 2,33,67,675 equity shares of Rs.10/- each. The entire paid up capital of the TRANSFEROR COMPANY (1) is presently held by the TRANSFEREE COMPANY and its nominees.
- 1.2 "THE TRANSFEROR COMPANY (2)" means SUNDRAM TELEMATICS LIMITED, a company registered under the Companies Act, 1956, as a 'private limited company' on 5th July, 1994 and later became a deemed public company effective 15th December, 1994 and subsequently became a full-fledged public limited company on 8th June, 2002 and having its registered office at No.24 (Old No.8) Haddows Road, Chennai 600 006 (hereinafter called "TRANSFEROR COMPANY (2)") The authorized capital of the TRANSFEROR COMPANY 2 is Rs.1,00,00,000/- divided into 10,00,000 equity shares of Rs.10/- each. The issued, subscribed and paid up capital, as on 6th December, 2002, is Rs.49,99,930/- divided into 4,99,993 equity shares of Rs.10/- each. The entire paid up capital of the TRANSFEROR COMPANY (2) is presently held by the TRANSFEREE COMPANY and its nominees.
- 1.3 "THE TRANSFEROR COMPANY (3)" means AuctionIndia. Com Limited, a company registered under the Companies Act, 1956, as a private limited company on 31st March, 2000 and later became a public limited company effective 17th June, 2002 having its registered office at No.24 (Old No.8) Haddows Road, Chennai 600 006 (hereinafter called "TRANSFEROR COMPANY 3"). The authorized capital of the TRANSFEROR COMPANY 3 is Rs.1,00,00,000/- divided into 10,00,000 equity shares of Rs.10/- each. The issued, subscribed and paid up capital, as on 6th December, 2002, is Rs.1,00,00,000 divided into 10,00,000 equity shares of Rs.10/- each. The entire paid up capital of the TRANSFEROR COMPANY (3) is presently held by the TRANSFEREE COMPANY and its nominees.
- 1.4 "THE TRANSFEROR COMPANY (4)" means HARITA TECHNICAL SERVICES LIMITED (FORMERLY NIRAJ INTERIOR DECORATORS LIMITED), a company registered under the Companies Act, 1956 as a 'private limited company' on 17TH April, 1996 and later became a public limited company effective 27th September, 2002, having its registered office at No.24 (Old No.8) Haddows Road, Chennai 600 006 (hereinafter called "TRANSFEROR COMPANY (4)"). The authorized capital of the TRANSFEROR COMPANY (4) is Rs.5,00,000/- divided into 50,000

equity shares of Rs.10/- each. The issued, subscribed and paid up capital, as on 6th December, 2002, is Rs.5,00,000/- divided into 50,000 equity shares of Rs.10/- each. The entire paid up capital of the TRANSFEROR COMPANY (4) is presently held by a body corporate, namely Harita Infoserve Limited and its nominees.

(2) Transferee Company

"The TRANSFEE COMPANY" means TVS eTECHNOLOGY LIMITED, a company registered under the Companies Act, 1956, as a 'private limited company' on 15th September, 1995 as Indmark Infocom Private Limited and later became a deemed public limited company effective 1st March, 1996 and having its registered office at No.24 (Old No.8) Haddows Road, Chennai 600 006. The name of the TRANSFEE COMPANY was later changed to TVS eTECHNOLOGY Limited effective 24th January, 2001. The authorized capital of the TRANSFEE COMPANY is Rs.20,00,00,000/- divided into 2,00,00,000 equity shares of Rs.10/- each. The issued, subscribed and paid up capital, as on 6th December, 2002, is Rs.58,00,000 divided into 5,80,000 equity shares of Rs.10/- each. The paid up capital to the extent of 77.6% is held by TVS Investments Limited and its nominees, belonging to the same group and 22.4% is held by another body corporate, Harita Infoserve Limited.

(3) Act

'The Act' means the Companies Act, 1956 (1 of 1956) including any statutory modification, reenactment or amendment thereof.

(4) Appointed Date

'The Appointed date' means the commencement of business on 1st November, 2002 or such other date as the Hon'ble High Court of Madras may direct.

(5) Effective Date

'The Effective date' means the date on which certified copies of the Court's orders vesting the assets, liabilities, rights, duties, obligations etc of each of the TRANSFEROR COMPANIES (1) to (4) in the TRANSFEE COMPANY are filed with the Registrar of Companies, after obtaining the consents, approvals, permissions, resolutions, agreements, sanction and orders necessary thereto. The Scheme, although operative from the 'Appointed date', shall take effect finally and from the date on which any of the aforesaid sanctions or approvals or orders, shall be last obtained which shall be the 'Effective date' for the purpose of this Scheme.

(6) "The Scheme" or "This Scheme" means this Scheme of amalgamation of the TRANSFEROR COMPANIES (1) to (4) with the TRANSFEE COMPANY in the present form or with any modification(s) approved or imposed or directed by the Hon'ble High Court of Madras.

PART II

The Scheme

(1) Transfer of Assets

- 1.1 With effect from the "Appointed date" and subject to the provisions of the Scheme in relation to the mode of transfer and vesting, all the undertakings, businesses, properties, investments, shares, stocks, rights, powers and assets of whatever nature, including movable/immovable properties, benefits of all contracts, deeds, instruments, licences, leases, trade marks, tenancy rights, intellectual property rights and other licences, permits, quota rights, patents and patent rights and other industrial properties, power lines, communication lines and agreements and all other interests, rights, licences and powers and authorities of every kind, nature and description whatsoever and wheresoever situate belonging to or in the ownership, power or possession and in the control of or in favour or hitherto individually enjoyed by each of the TRANSFEROR COMPANIES (all of which are hereinafter collectively referred to as "the said assets") of each of the TRANSFEROR COMPANIES (1) to (4) shall without further act or instrument or deed be transferred to and vested in and/or be deemed to be transferred and vested in the "TRANSFEREE COMPANY" pursuant to sections 391 and 394 of the Act.
- 1.2 The transfer/vesting, as aforesaid, shall be, subject to existing charges/hypothecation/mortgage (if any, as may be subsisting) over or in respect of the said assets or any part thereof, provided however that any reference in any such document evidencing the creation of charge/hypothecation/mortgage to which each of the TRANSFEROR COMPANIES (1) to (4) are party to the secured creditors, shall be construed as reference only to the assets pertaining to the undertaking of the concerned TRANSFEROR COMPANIES (1) to (4) as are vested in the TRANSFEREE COMPANY.
- 1.3 It is expressly provided that in respect of such of the said assets as are movable in nature or are otherwise capable of transfer by manual or constructive delivery and/or by endorsement and delivery, the same shall be so transferred by the TRANSFEROR COMPANIES (1) TO (4), and shall become the property of the TRANSFEREE COMPANY in pursuance of the provisions of sections 391 and 394 of the Act, such transfer, being deemed to have taken place at the location of the Registered Office of the TRANSFEREE COMPANY, i.e in the State of Tamil Nadu.
- 1.4 In respect of the said assets other than those referred to in such-clauses 1.2 and 1.3 above, the same shall as more particularly provided in sub clause 1.1 hereof, without any further act, instrument or deed, be transferred to and vested in and/or deemed to be transferred and vested in the TRANSFEREE COMPANY on the Appointed date, pursuant to the provisions of section 391 and 394 of the Act. The vesting of all such assets, shall by virtue of the provisions of this Scheme, be deemed to have taken place at the location of the Registered Office of the TRANSFEREE COMPANY, i.e in the State of Tamil Nadu.

(2) Transfer of Debts and Liabilities

- 2.1 With effect from the Appointed date, all debts, liabilities, duties and obligations of each of the TRANSFEROR COMPANIES (1) to (4) (hereinafter referred to as "the said liabilities") shall also stand transferred or be deemed to be transferred without any further act or instrument or deed to the TRANSFEREE COMPANY so as to become as and from the "Appointed date", the debts, liabilities, duties and obligations of the TRANSFEREE COMPANY and provided that it shall not be necessary to obtain the consent of any third party or any other person who is a party to any contract or agreement by virtue of which such debts, liabilities, duties and obligations, have arisen, in order to give effect to the provisions of this clause. PROVIDED ALWAYS that nothing in this clause shall or is intended to enlarge the security for any loan, deposit or other indebtedness, created by each of the TRANSFEROR COMPANIES (1) to (4) prior to the 'Appointed date', which shall be transferred to and vested in the TRANSFEREE COMPANY by virtue of the amalgamation and the TRANSFEREE COMPANY shall not be required or obliged in any manner to create any further or additional security therefor after the 'Appointed date' or otherwise
- 2.2 The TRANSFEREE COMPANY, at any time, after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the secured creditors of the TRANSFEROR COMPANIES (1) to (4) and in favour of any other party to any contract or arrangement to which any of the TRANSFEROR COMPANIES (1) to (4) is a party or any writings, as may be necessary, to be executed in order to give formal effect to the above provisions. The TRANSFEREE COMPANY shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the TRANSFEROR COMPANIES (1) to (4) and to implement or carry out all such formalities of compliances, referred to above, on the part of the TRANSFEROR COMPANIES (1) to (4) to be carried out or performed.

(3) Legal Proceedings

Upon this Scheme coming into effect, all legal or other proceedings by or against the TRANSFEROR COMPANIES (1) to (4), pending on the Effective Date, shall not abate, be discontinued or be in any way prejudicially affected by reason of transfer of the said assets and liabilities of the TRANSFEROR COMPANIES (1) to (4) or of anything contained in the Scheme; but, the said proceedings shall be continued, prosecuted and enforced by or against the TRANSFEREE COMPANY, in the same manner and to the same extent as they would or might have been continued, prosecuted or enforced by or against the TRANSFEROR COMPANIES (1) to (4), if the Scheme had not been made.

(4) Contracts, deeds, bonds and other instruments

- 4.1 Subject to the other provisions contained in the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatever nature to which each of the TRANSFEROR COMPANIES (1) to (4) is a party, subsisting or having effect immediately before the amalgamation, shall

be in force and effect, against or in favour of the TRANSFEREE COMPANY and may be enforced as fully and as effectively as if instead of the TRANSFEROR COMPANIES (1) to (4), the TRANSFEREE COMPANY has been a party thereto.

- 4.2 For the removal of doubts, it is expressly made clear that the dissolution of the TRANSFEROR COMPANIES (1) to (4), without the process of winding up as contemplated hereinafter, shall not affect the previous operation of any contract, agreement deed or any instrument or beneficial interest to which the TRANSFEROR COMPANIES (1) to (4) is a party and shall not affect any right, privilege, obligation or liability, acquired, vested or deemed to be vested or incurred under any such contracts, agreements, deeds or any instrument and all such references in such agreements, contracts and instruments to the TRANSFEROR COMPANIES (1) to (4) shall be construed as reference to the TRANSFEREE COMPANY with effect from the 'Effective date'.

(5) Accounting Treatment

5.1 Adjustment of loans between companies

To the extent that there are inter-company loans, deposits and other balances, if any, as between and among the TRANSFEROR COMPANIES (1) to (4) and the TRANSFEREE COMPANY, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf among the TRANSFEROR COMPANIES (1) to (4) and the TRANSFEREE COMPANY and corresponding effect shall be given in the books of account and records of the TRANSFEREE COMPANY for the reduction / enhancement of any assets or liabilities, as the case may be. For the removal of doubt, it is clarified that, in view of the above, there would be no accrual of interest or other charges in respect of any such inter-company loans, deposits or balances, with effect from the Appointed date.

5.2 Recording of Assets and Liabilities

Upon the coming into effect of the Scheme and with effect from the Appointed date, all assets both tangible and intangible and liabilities of the TRANSFEROR COMPANIES (1) to (4) shall be recorded and reflected in the books of the TRANSFEREE COMPANY at their fair values, as determined on the Appointed date to the satisfaction of the TRANSFEREE COMPANY.

5.3 Recording of Reserves

- (a) Upon the Scheme coming into effect, the balances in the Profit and Loss account (whether debit or credit) of the respective TRANSFEROR COMPANIES (1) to (4) shall lose their respective identities with the exception of the Statutory Reserves, if any, and the same shall be reflected in the books of the TRANSFEREE COMPANY as per the prescribed Accounting Standards.

- (b) Upon the Scheme coming into effect, the difference, if any, between the amount recorded as fresh share capital issued by the TRANSFEREE COMPANY on amalgamation and the fair value of the net assets of the TRANSFEROR COMPANIES (1) to (4) shall reflect either as Capital reserve or Goodwill, as the case may be, in the books of the TRANSFEREE COMPANY.

(6) Conduct of business till effective date

- 6.1 Each of the TRANSFEROR COMPANIES (1) to (4) hereby undertakes jointly and severally from the "Appointed date" upto and including the "Effective date". that
 - 6.1.1 they shall carry on and be deemed to have carried on all its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all the said assets for and on account of and in trust for the TRANSFEREE COMPANY.
 - 6.1.2 all the profits or incomes accruing or arising to each of the TRANSFEROR COMPANIES (1) to (4) or expenditure or losses arising or incurred by each of them, should for all purposes, be treated as the profits or incomes or expenditure or losses of the TRANSFEREE COMPANY, as the case may be.
 - 6.1.3 they shall carry on their business activities with proper prudence and diligence and shall not, without prior 'written consent of the TRANSFEREE COMPANY', alienate, charge or otherwise deal with or dispose off the said undertakings or any part thereof (except in the ordinary course of business or pursuant to any pre-existing obligation undertaken by each of the TRANSFEROR COMPANIES (1) to (4) prior to the "Appointed Date") nor to undertake any new business or a substantial expansion of their existing business.
 - 6.1.4 they shall not declare any dividend for the period commencing from the 'Appointed date' upto and including the 'Effective date' without the prior written consent of the TRANSFEREE COMPANY.
 - 6.1.5 they shall not issue or allot any right shares or bonus shares out of their authorized or un-issued share capital and reserves for the time being, except with the consent of the board of directors of the TRANSFEREE COMPANY.
 - 6.1.6 they shall not vary the terms and conditions of the employment of its employees, except in the ordinary course of business, without the consent of the board of directors of the TRANSFEREE COMPANY.

(7) Employees

- 7.1 All the employees of each of the TRANSFEROR COMPANIES (1) to (4), wherever applicable, in service on the date immediately preceding the date on which this Scheme finally takes effect, i.e 'Appointed date' shall become the employees of the TRANSFEREE COMPANY on such date, without any break or interruption in service and on the terms and conditions not less favourable than those subsisting with reference to the respective TRANSFEROR COMPANIES (1) to (4), as the case may be, on the said date. The position, rank and designation of the employees of the TRANSFEROR COMPANIES (1) to (4) would be decided by the TRANSFEREE COMPANY.
- 7.2 It is expressly provided that, as far as the Provident Fund, gratuity fund, superannuation fund or any other fund, created or existing for the benefit of the employees of each of the TRANSFEROR COMPANIES (1) to (4) are concerned, whether managed by themselves or by any outsiders, upon the Scheme becoming finally operative, the TRANSFEREE COMPANY shall stand substituted for the respective TRANSFEROR COMPANIES (1) to (4) for all purposes, whatsoever related to the administration or operation of such Schemes or funds or in relation to the obligation to make contributions to the said funds in accordance with the provisions of such Scheme. It is the end and intent that all the rights, duties, powers and obligations of each of the TRANSFEROR COMPANIES (1) to (4) in relation to such funds shall become those of the TRANSFEREE COMPANY, and that the services of the employees of the TRANSFEROR COMPANIES (1) to (4) in the respective TRANSFEROR COMPANIES also be reckoned for the purpose of the aforesaid funds or provisions.

(8) Issue of shares by the Transferee company

- 8.1 TRANSFEROR COMPANIES (1) to (3) are wholly owned subsidiaries of the TRANSFEREE COMPANY. Share capital of the TRANSFEROR COMPANY (4) is held by Harita Infoserve Limited and its nominees. Upon the Scheme coming into effect and in consideration of the transfer and vesting of the undertakings and assets and liabilities of the TRANSFEROR COMPANY (1) to (3) in the TRANSFEREE COMPANY, consequent to the amalgamation of the TRANSFEROR COMPANIES (1) to (3) with the TRANSFEREE COMPANY in terms of this Scheme, the entire share capital of the TRANSFEROR COMPANY (1) to (3), being held by the TRANSFEREE COMPANY, shall stand cancelled automatically and the share certificates in respect of such share capital shall also stand cancelled.
- 8.2 Upon coming into effect of this Scheme and in consideration of the transfer and vesting of the undertaking and assets and liabilities of the TRANSFEROR COMPANY (4) in the TRANSFEREE COMPANY, consequent to the amalgamation of the TRANSFEROR COMPANY (4) with the TRANSFEREE COMPANY in terms of this Scheme, the TRANSFEREE COMPANY, shall, subject to the provisions of the Scheme and without any further application or deed, issue and allot to every equity shareholder of the TRANSFEROR COMPANY (4), whose names are recorded in the Register of members of the TRANSFEROR COMPANY (4), on a date (Record date) to be fixed by the Board of

directors of the TRANSFEREE COMPANY, 27 equity shares of Rs.10/- each credited as fully paid up, for every 20 Equity shares of Rs.10/- held by such shareholders in the TRANSFEROR COMPANY (4).

- 8.3 Upon the new equity shares being allotted by the TRANSFEREE COMPANY to the shareholders of the TRANSFEROR COMPANY (4), in terms of the Scheme, the share certificates in respect of those shares held by them in the TRANSFEROR COMPANY (4) shall stand cancelled.
- 8.4 The new equity shares of the TRANSFEREE COMPANY to be issued in accordance with clause 8.2 of this Scheme, shall be subject to all the terms and conditions of the Memorandum and Articles of Association of the TRANSFEREE COMPANY and shall rank *pari passu* in all respects with the then existing equity shares of the TRANSFEREE COMPANY for dividend, bonus, rights, shares, voting rights and other corporate benefits.
- 8.5 On the approval of the Scheme by the members of the TRANSFEREE COMPANY, pursuant to the provisions of Section 391 of the Act, it shall be deemed that the said members have also accorded all the relevant consents under section 81(A) of the Act or any other provisions of the Act to the extent the same may be considered applicable.
- 8.6 The TRANSFEROR COMPANIES (1) to (4) and the TRANSFEREE COMPANY shall also obtain, if required, such other consents or approvals, as may be required, under any statute or contract not specifically, referred to, in the Scheme.

(9) Dissolution of the Transferor Companies (1) to (4)

- 9.1 With effect from the 'Effective date', each of the TRANSFEROR COMPANIES (1) to (4) shall stand dissolved without winding up subject to the necessary reports to be made by the Official Liquidator and order of the High Court of Madras in terms of proviso to sub-section (1) of section 394 of the Companies Act, 1956.
- 9.2 For the removal of any doubts, it is expressly recorded that the dissolution of TRANSFEROR COMPANIES (1) to (4) without the process of winding up shall be in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.

(10) Application to the High Court of Madras

Each of the TRANSFEROR COMPANIES (1) to (4) and the TRANSFEREE COMPANY shall, with reasonable despatch, apply to the High Court of Judicature at Madras for necessary orders or directions under section 391 and 394 and any other provisions of the Act and for sanctioning this Scheme under section 391 of the Act and for orders under section 394 for carrying out this Scheme into effect and for dissolution of the TRANSFEROR COMPANIES (1) to (4) without winding up.

PART III

Conditionalities

(11) Modification/Amendments to the Scheme

- 11.1 The Scheme is subject to such modifications, as the Hon'ble High Court of Madras, may impose on each of the TRANSFEROR COMPANIES (1) to (4) or on the TRANSFEREE COMPANY or as the TRANSFEREE COMPANY may prefer, which the Hon'ble High Court of Madras may approve and the Board of Directors of the TRANSFEROR COMPANIES (1) to (4) and the TRANSFEREE COMPANY may consent on behalf of all concerned to the modifications/additions to this Scheme and agree to any condition, which the Hon'ble High Court of Madras may think fit to impose. In the construction herein, the word "Scheme" shall also mean the Scheme so modified.
- 11.2 After the dissolution of the TRANSFEROR COMPANIES (1) to (4), the TRANSFEREE COMPANY, by its board of directors or other persons, duly authorized by its board in this regard, shall be authorized, to take such steps, as may be necessary, desirable or proper to resolve any doubt, difficulty or question, whether, by reasons of any order of the High Court of Judicature at Madras, or of any directive or order of any other authorities or otherwise, however, arising out of, under or by virtue of this Scheme and/or matters concerning or connected therewith.

(12) Scheme condition on approvals/sanctions

The Scheme is conditional on and subject to –

- 12.1 the requisite sanction or approval, if necessary, of any appropriate authority concerned being obtained and granted in the matter in respect of which such sanctions and approvals are required and such other sanctions or approvals, as may be required by law in respect of the Scheme being obtained.
- 12.2 the approval of and agreement to the Scheme by the requisite majority of the members, of each of the TRANSFEROR COMPANIES (1) to (4) and the members of the TRANSFEREE COMPANY, as required by section 391 of the Companies Act, 1956 and the sanction by the High Court of Judicature at Madras under section 391 of the Companies Act, 1956 and to the necessary order or orders under section 394 of the Companies Act, 1956 being obtained.
- 12.3 in the event of any such consent, approval, permission, resolution, agreement, sanction or order not being duly so obtained or passed, on or before 31st December, 2003 or within such further period or periods, as may be agreed upon between the TRANSFEROR COMPANIES (1) to (4) and the TRANSFEREE COMPANY through their respective boards of directors. This Scheme shall become 'null and void' and shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed prior thereto as is contemplated hereunder or as to any right, liability, which shall be governed and be preserved or worked out, as may otherwise arise in law, and each party shall bear their respective costs, charges and expenses in connection with the Scheme.

(13) Expenses connected with the Scheme

All costs, charges and expenses of the TRANSFEROR COMPANIES (1) to (4) and the TRANSFEREE COMPANY respectively in relation to or in connection with negotiations leading up to the Scheme and of carrying out and completing the terms and provisions of this Scheme and of and incidental to the completion of the amalgamation of the TRANSFEROR COMPANIES (1) to (4) with the TRANSFEREE COMPANY in pursuance of this Scheme, shall be borne and paid by the TRANSFEREE COMPANY.

(Special resolution passed at the extra-ordinary general meeting of the shareholders of the company held on 9th April, 2003 as per the directions of the Hon'ble High Court of Madras, for approving the Scheme of Amalgamation)

RESOLVED THAT subject to such approvals as may be necessary from the Hon'ble High Court of Madras under Section 391 and other applicable provisions of the Companies Act, 1956 and such other statutory or other authorities, the scheme of amalgamation of TVS Electronics Limited with TVS eTechnology Limited (a copy of which is placed before the meeting and for the purpose of identification initialed by the Chairman of the meeting) be and is hereby agreed and approved.

RESOLVED FURTHER THAT the Board of directors of the company and any person authorized by the Board of directors, be and are hereby severally authorized to take all such steps as may be necessary and/or desirable and do all such acts, deeds, things and matters as may be considered necessary to give effect to the aforesaid scheme of amalgamation and this resolution and to accept such alterations, modifications and/or conditions if any, which may be proposed, required or imposed by the Hon'ble High Court of Judicature at Madras while sanctioning the said scheme.

IN THE HIGH COURT OF JUDICATURE AT MADRAS

(ORIGINAL JURISDICTION)

Tuesday, the Fifth day of August, 2003
The Honourable Mr. Justice R. Balasubramanian
Comp. Pettn. Nos. 188 & 189 / 2003
Comp. Appln. No.1200/2003

(Connected Comp.Appln.Nos.406 & 407/2003)

In the matter of Companies Act, 1956

And

In the matter of Scheme of Amalgamation of
TVS Electronics Limited with TVS eTechnology Limited

M/s. TVS Electronics Ltd.,
Rep. by its Director
Mr. S. Shreenivasa Rao
and having its Registered
Office at "Jayalakshmi Estates"
No.24, (Old No.8) Haddows Road,
Chennai – 600 006.

... Petitioner / Transferor

This Company Petition praying this court to pass an order, (a) that the Scheme of Amalgamation annexed herewith, as approved by the equity shareholders of the Petitioner Company, with more than the requisite majority of their meeting held on 9th April, 2003, be sanctioned by this court so as to be binding on all the equity shareholders of the Petitioner Company and on the Petitioner Company with effect from 9th December, 2002 and (b) that the Petitioner Company be dissolved without the process of winding up; and

C.P. No189/2003:

M/s. TVS eTechnology Limited,
Represented by its Director
Mr. L. Venkatesan and having its
Registered Office at
No.24 (Old No.8), Haddows Road,
Chennai – 600 006.

... Petitioner / Transferee

This Company petition praying this Court to pass an order (a) that the Scheme of amalgamation annexed herewith as unanimously approved by the equity shareholders of the petitioner company of their meeting held on 9th day of April, 2003 be sanctioned by this Hon'ble Court, so as to be binding on all the equity shareholders of the Petitioner company and on the petitioner company with effect from 9th December, 2002; and (b) that the transferor company be dissolved without the process of winding up; and

C.A. No.1200/2003:

The Official Liquidator,
High Court, Madras
Vs

Applicant

M/s. TVS Electronics Limited,
No.24, (Old No.8), Haddows Road,
Chennai – 600 006.

Respondent/Transferor

This Company Application praying this Court to pass an order as to the dissolution of the Respondent Company i.e., M/s. TVS Electronics Limited, without the process of winding up;

These Company Petitions along with C.A. coming on this day, before this court for hearing in the presence of Mr. T.V. Ramanujam, Senior Advocate for Mr. R. Vijayaraghavan, counsel for the petitioners in both the Company Petition Nos. 188 and 189/2003 and Mr. M.T. Arunan, Addl. Central Government Standing Counsel appearing for the Regional Director, Southern Region, Department of Company Affairs, Chennai and Mrs. Latha Parimala Vadhana, Assistant Official Liquidator for Official Liquidator, High Court, Madras the applicant in C.A. No.1200/2003, and upon reading the common order dated 6.3.2003 and made in company Application Nos. 406 & 407/2003 whereby the said Company viz., M/s. TVS Electronics Limited, the Petitioner Company in C.P.No.188/2003 herein was directed to convene a meeting of the shareholders of the above named company for the purpose of considering and if thought fit approving with or without modification the proposed scheme of amalgamation of Petitioner Company with M/s. TVS eTechnology Limited,

the Petitioner in Company Petition No.189/2003 and the advertisement having been made in one issue of 'The New Indian Express' and another issue of Tamil Daily 'Dinamani' dated 13.3.2003 each containing the advertisement of the said meeting and the report of the Chairman of the said meeting as to the result of the meeting and it is appearing from the said report that the Scheme of Amalgamation has been approved by overwhelming majority and the common order dated 6.3.2003 and made in Company Application Nos.406 & 407/2003 whereby the said Company viz., M/s TVS eTechnology Limited the Petitioner Company in C.P.No.189/2003 herein was directed to convene a meeting of the shareholders of the above named Company for the purpose of considering and if thought fit approving with or without modification the proposed scheme of M/s. TVS Electronics Limited the transferor company in C.P. No.188/2003 with M/s. TVS eTechnology Limited the petitioner / transferee company in C.P. No.189/2003 and the advertisement having been made in one issue of English Daily "The new Indian Express" and also in another issue of Tamil Daily 'Dinamani' dated 13.3.2003 each containing the advertisement of the said meeting and the report of the Chairman of the said meeting as to the result of the meeting and it is appearing from the said report that the scheme of Amalgamation has been approved unanimously and upon reading the Company petition Nos. 188 & 189/2003 and the advertisement of these company petitions having been made in one issue of English Daily 'The New Indian Express' dated 1.5.2003 and also in another issue of Tamil Daily 'Dinamani' dated 1.5.2003 order of this court dated 19.6.2003 in CA No.962/2003 in C.P. Nos.188&189/2003, and the affidavit of the Regional Director, Southern Region, Department of Company affairs, Chennai filed in court on 23.7.2003, stating that the transferor company has both secured and unsecured creditors and the petition is silent about their consent, for which the court having observed that the creditors had appeared in court and objected to the Scheme of amalgamation, and the court having further observed that the scheme appears to be fair, reasonable and just, and the scheme is not violative of any provisions of law, and this court having further observed from the report filed by the Official Liquidator, High Court, Madras in C.A. No.1200/2003, that the auditor appointed by this court to go into the books of accounts and other records of the transferor company had filed a report which shows that such examination did not reveal any misfeasance on the part of the transferor company and this court while holding that there is no legal bar for ordering dissolution of the transferor company without winding up, this court doth hereby sanction the Scheme of amalgamation as setout in the Schedule hereunder with effect from 9.12.2002 declaring the same to be binding on the shareholders of the said companies and on the said companies and this court doth further order as follows:-

1. That, the petitioner companies herein do file with the Registrar of Companies, Chennai, a certified copy of the order within 30 days from this date.
2. That, the transferor Company viz., M/s. TVS Electronics Limited shall be dissolved without winding up.
3. That Mr. M.T. Arunan, Addl. Central Government Standing Counsel be and is hereby entitled to a fee of Rs.2500/- (Rupees Two thousand five hundred only) in each of the Company Petitions.

SCHEME OF AMALGAMATION
OF
TVS ELECTRONICS LIMITED WITH TVS eTECHNOLOGY LIMITED

PART I

Definitions

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

1. TRANSFEROR COMPANY

'The Transferor Company' means TVS Electronics Limited, a company registered under the Companies Act, 1956, having its registered office at No.24 (Old No.8) Haddows Road, Chennai 600 006 (hereinafter called "Transferor Company").

2. TRANSFEREE COMPANY

'The Transferee Company' means TVS eTechnology Limited, a company registered under the Companies Act, 1956, having its registered office at No.24 (Old No.8) Haddows Road, Chennai 600 006 (hereinafter called "Transferee Company").

3. ACT

'The Act' means the Companies Act, 1956 (1 of 1956) (including any statutory modification or re-enactment thereof for the time being in force).

4. APPOINTED DATE

'The Appointed date' means the commencement of business on 9th December, 2002.

5. EFFECTIVE DATE

'The Effective date' means the date on which a certified copy of the order of the Hon'ble High Court of Madras, under section 391 of the Act is filed with the Registrar of Companies

6. SCHEME

"The Scheme" means this Scheme of Amalgamation in its present form or with any modification(s) approved, imposed or directed by the Hon'ble High Court of Madras.

PART II

The Scheme

1. TRANSFER OF ASSETS

- 1.1 With effect from the 'Appointed Date' and subject to the provisions of this Scheme in relation to the mode of transfer and vesting of all the undertakings and the entire businesses and all the movable and immovable properties, real or personal, corporeal or incorporeal, including fixed assets, capital work-in-progress, current assets, investments, lending contracts, benefits of any security arrangements, reversions, powers, authorities, allotments, approvals, import entitlements, consents, licences including factory/industrial registrations, import licences, royalty contracts, engagements, arrangements, rights, title, interest, quotas, benefits and advantages of whatsoever nature and wheresoever situated, belonging to or in the ownership, power or possession and/or in the control of or vested in or granted in favour of or enjoyed by the Transferor Company including but without being limited to all patents, trademarks, copy rights, trade names and other industrial or intellectual property rights of any nature whatsoever and licences in respect thereof, privileges, liberties, easements, advantages, exemptions, benefits, leases, leasehold rights, tenancy rights, ownership flats, quota rights, permits, approvals, authorisations, right to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, power lines, communication lines and other services, reserves, deposits, provisions, funds, benefit of all agreements, subsidies, grants, tax credits, sales-tax, turnover tax, excise and all other interests arising to the Transferor Company and any accretions or additions thereto after the Appointed Date (hereinafter collectively referred to as 'the said assets') shall be transferred to and vested in and/or deemed to be transferred to and vested in the Transferee Company, without any further act or deed or instrument, pursuant to the sections 391-394 of the Act for all the estate, right, title and interest of the Transferor Company therein, so as to become as and from the 'Appointed Date', the estate, assets, rights, title and interests of the Transferee Company.
- 1.2 The transfer/vesting, as aforesaid, shall be, subject to existing charges/hypothecation/mortgage (if any as may be subsisting) over or in respect of the said assets or any part thereof. Provided, however, that any reference in any security documents or arrangements to which the Transferor company is a party, to such assets of the Transferor Company, offered or agreed to be offered as security for any financial assistance both availed and to be availed upto any limit for which sanctions have already been obtained by the Transferor Company or obligations, to the secured creditors of the Transferor Company, shall be construed as references only to the assets pertaining to the Transferor Company as are vested in the Transferee Company by virtue of the sub-clause (1.1) hereof, to the end and intent that such security, mortgage and/or charge shall not extend or be deemed to extend, to any of the assets or to any of the other units

or divisions of the Transferee Company, unless specifically agreed to by the Transferee Company with such secured creditors and subject to the consents and approvals of the existing secured creditors of the Transferee Company.

- 1.3 It is expressly provided that in respect of such of the said assets as are movable in nature or are otherwise capable of transfer by manual or constructive delivery and/or by endorsement and delivery, the same shall be so transferred by the Transferor Company, and shall become the property of the Transferee Company in pursuance of the sections 391-394 of the Act, such transfer being deemed to have taken place at the location of the Registered Office of the Transferee Company, i.e. in the State of Tamil Nadu.
- 1.4 In respect of the assets other than those referred to in sub-clauses 1.2 and 1.3 above, the same shall as more particularly provided in sub-clause 1.1 hereof, without any further act, instrument or deed, be transferred to and vested in and/or deemed to be transferred and vested in the Transferee Company on the Appointed date, pursuant to the sections 391-394 of the Act. The vesting of all such assets, shall by virtue of the provisions of this Scheme, and the effect of the provisions of this Scheme, and the effect of the sections 391-394 of the Act, be deemed to have taken place at the location of the Registered Office of the Transferee Company, i.e. in the state of Tamil Nadu.

2. TRANSFER OF DEBTS AND LIABILITIES

- 2.1 With effect from the Appointed date, all debts, liabilities, duties and obligations of the Transferor Company, including debentures and contingent liabilities not provided in its books (hereinafter referred to as "the said liabilities") and any accretions and additions or decrections thereto after the Appointed Date shall also, pursuant to the sections 391-394 of the Act, stand transferred or be deemed to be transferred without any further act or instrument or deed to the Transferee Company so as to become as and from that date, the debts, liabilities, duties and obligations of the Transferee Company. 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 the said liabilities have arisen, in order to give effect to the provisions of this clause. PROVIDED ALWAYS that nothing in this clause shall or is intended to enlarge the security for any loan, deposit or other indebtedness created by the Transferor Company prior to the 'Appointed Date' which shall be transferred to and vested in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be required or obliged in any manner to create any further or additional security therefor after the 'Appointed Date' or otherwise.

2.2 The Transferee company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the secured creditors of the Transferor Company or in favour of any other party to any contract or arrangement to which the Transferor Company is a party or any writings, as may be necessary, to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to implement or carry out all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.

3. LEGAL PROCEEDINGS

Upon this Scheme coming into effect, all legal or other proceedings by or against the Transferor Company pending on the 'Effective date', shall not abate, be discontinued or be in any way prejudicially affected by reason of transfer of the said assets and liabilities of the Transferor Company or of anything contained in the Scheme; but, the said proceedings shall be continued, prosecuted and be enforced by or against the Transferee Company, in the same manner and to the same extent as they would or might have been continued, prosecuted or enforced by or against the Transferor company if the Scheme had not been made.

4. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

With effect from the 'Appointed Date' and up to and including the 'Effective date',

4.1 the Transferor Company shall carry on and be deemed to have been carrying on all business activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the said assets, for and on behalf of and on account of and in trust for the Transferee Company.

4.2 all profits or income accruing or arising to the Transferor Company or losses arising or expenditure incurred by it shall for all purposes be treated as and be deemed to be the profits or income or losses or expenditure, as the case may be, of the Transferee Company.

4.3 the Transferor Company shall carry on its business activities with proper prudence and diligence and shall not, without prior written consent of the Transferee Company, alienate, charge or otherwise deal with or dispose of any of the said assets (except in the ordinary course of business or pursuant to any pre-existing obligation undertaken by the Transferor Company prior to the "Appointed Date")

4.4 the Transferee Company shall also be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government, and all other agencies, departments and statutory authorities concerned, as are necessary, for such consents, approvals and sanctions which the Transferee Company may require.

- 4.5 the Transferor Company shall continue to comply with the provisions of the Act including those relating to preparation, presentation, circulation and filing of accounts as and when they become due for compliance.
- 4.6 the Transferor Company shall not declare or pay any dividend for the period commencing from the 'Appointed Date' upto and including the 'Effective Date' without the prior written consent of the Transferee Company.
- 4.6 the Transferor Company shall not make any modification to its capital structure either by an increase (by issue of rights shares, bonus shares, convertible debentures or otherwise other than the existing obligations under the ESOP Scheme in respect of "Options" granted to the employees), decrease, reclassification, sub-division or re-organisation or in any other manner, whatsoever, except by mutual consent of the Board of Directors of the Transferor Company and the Transferee Company.
- 4.8 the Transferor Company shall not vary except in the ordinary course of business the terms and conditions of the employment of its employees without the consent of the Board of Directors of the Transferee Company.

5. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 5.1 Subject to the other provisions contained in the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which the Transferor Company is a party subsisting or having effect immediately before the amalgamation, shall be, in full force and effect, against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and as effectively as if instead of the Transferor Company, the Transferee Company had been a party thereto. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmation or enter into any tripartite arrangement, confirmations or novations to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this clause, if so required or becomes necessary.
- 5.2 For the removal of doubts, it is expressly made clear that the dissolution of the Transferor company, without the process of winding up as contemplated hereinafter, shall not affect the previous operation of any contract, agreement, deed or any instrument or beneficial interest to which the Transferor company is a party and shall not affect any right, privilege, obligation or liability, acquired, deemed to be vested or incurred under any such contracts, agreements, deeds or any instrument and all such references in such agreements, contracts and instruments to the Transferor company shall be construed as reference to the Transferee company with effect from the 'Effective Date'.

6. AUTHORISED, ISSUED, SUBSCRIBED AND PAID UP CAPITAL

- 6.1 The share capital of the Transferor company as of 9th December, 2002 is as follows:

Authorised

2,00,00,000 equity shares of Rs.10/- each Rs.20,00,00,000

Issued, Subscribed and Paid-up

1,70,25,318 equity shares of Rs.10/- each Rs.17,02,53,180

- 6.2 The share capital of the Transferee company as of 9th December, 2002 is as follows:

Authorised

2,00,00,000 equity shares of Rs.10/- each Rs.20,00,00,000

Issued, Subscribed and Paid-up

5,80,000 equity shares of Rs.10/- each Rs.58,00,000

A Scheme of amalgamation under sections 391-394 of the Act of ICL Foundries Limited, Sundram Telematics Limited, Auctionindia.Com Limited and Harita Technical Services Limited, transferor companies with TVS eTechnology Limited, the transferee company, duly approved by the shareholders of both the transferor and the transferee companies, is to take effect from 1st November, 2002, subject to necessary approval of the Hon'ble High Court of Madras and other relevant approvals. On the said scheme (hereinafter called the "Original Scheme") becoming effective, the issued, subscribed and the paid up capital of the transferee company shall stand enhanced to Rs.64,75,000 comprising of 6,47,500 equity shares of Rs.10/- each as on 9th December, 2002, subject to any modification directed by the Hon'ble High Court of Madras.

7. ISSUE OF SHARES BY THE TRANSFEE COMPANY

- 7.1 Upon the Scheme being sanctioned and finally effective, in consideration of the transfer and vesting of all the said assets, liabilities and rights, duties and obligations etc of the undertaking of the Transferor Company in the Transferee Company, in terms of the Scheme, the Transferee Company shall subject to the provisions of the Scheme and without any application or deed, issue and allot one equity share of Rs.10/- each credited as fully paid up in the capital of the Transferee Company (hereinafter referred to as "New equity shares") to the shareholders of Transferor Company, whose names are recorded in its Register of Members, on a date (Record Date) to be fixed by the Board of Directors of the Transferee Company or any Committee thereof, for every one equity share of the face value of Rs.10/-each held by the said shareholders in the Transferor Company, PROVIDED THAT in respect of shares held in depository (i.e.), the depository (i.e.) shall be advised by the TRANSFEE COMPANY to credit the new equity shares in the same ratio as above upon allotment to the shareholders of the Transferor company, who hold their shares in depository(i.e.)The fair value of the shares for the purpose of this Scheme has been considered after giving effect to the Original scheme.

- 7.2 For the purpose as aforesaid, the Transferee Company shall, if and to the extent required, apply for and obtain the requisite consent or approval of the Reserve Bank of India, Securities and Exchange Board of India, concerned Stock Exchanges and other authorities for listing of the equity shares of the Transferee company including the new equity shares issued to the shareholders of the Transferor Company by the Transferee Company in terms of paragraph 7.1 herein above.
- 7.3 The equity shares of the Transferee Company, including the new equity shares issued in terms of this Scheme shall, without any further act or deed, subject to applicable regulations, be listed and/or admitted to trading on the relevant stock exchange/s where the equity shares of the Transferor Company are already listed and/or admitted to trading.
- 7.4 Upon this Scheme becoming finally effective, all shareholders of the Transferor Company, shall surrender their share certificates for cancellation thereof to the Transferee Company. Notwithstanding anything to the contrary, upon new shares in the Transferee Company being issued and allotted by it to the shareholders of the Transferor Company, whose names appear on the Register of members of the Transferor Company on such Record date to be fixed as aforesaid, the share certificates in relation to the shares held by them in the Transferor Company shall be cancelled and deemed to have been cancelled and to be of no effect on and from such Record Date.
- 7.5 The new equity shares to be issued by the Transferee Company to the shareholders of the Transferor Company shall be subject to the memorandum and articles of association of the Transferee Company and shall rank for dividend, for voting rights and in all other respects pair passé with the existing equity shares of the Transferee company.
- 7.6 Subject to an order being made by the Hon'ble High Court of Madras under section 394 of the Act, the Transferor Company shall be dissolved without the process of winding up in accordance with the provisions of the Act and the rules made thereunder.
- 7.7 The Transferor Company and the Transferee Company shall also obtain, if required, such other consents or approvals, as may be required under any statute or contract not specifically referred to in this Scheme.

8. EMPLOYEES

- 8.1 All the employees in service of the Transferor Company, on the date immediately preceding the date on which this Scheme finally takes effect i.e. the 'Effective date' shall become the employees of the Transferee Company on such date, without any break or interruption in service and on the terms and conditions not less favorable than those subsisting with reference to the Transferor Company, as the case may be, on the said date. PROVIDED THAT the position, rank and designation of the employees of the Transferor Company would be decided by the Transferee Company.

- 8.2 It is expressly provided that, as far as the provident fund, gratuity fund, superannuation fund, pension fund or any other special Scheme(s)/fund(s) created or existing for the benefit of the employees of the Transferor Company are concerned, whether managed by themselves or by any outsiders, upon the Scheme becoming finally effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes, whatsoever related to the administration or operation of such Schemes or funds or in relation to the obligation to make contributions to the said funds in accordance with the provisions of such Scheme. It is the aim and intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such funds shall become those of the Transferee Company, and that the past services of the employees of the Transferor Company be reckoned for the purpose of the aforesaid funds or provisions.
- 8.3 The Transferee Company shall fulfill the obligations of the Transferor Company in respect of stock options granted by the Transferor Company to its employees under the ESOP Scheme made by the Transferor Company as and when the options are vested and exercised by the employees of Transferor Company in terms of such ESOP Scheme.

9 CHANGE OF NAME OF THE TRANSFEE COMPANY

Upon the Scheme coming into effect, the name of the Transferee Company shall without any further act or deed on the part of the Transferee company be changed from its existing name of 'TVS eTechnology Limited' to 'TVS Electronics Limited', subject to such compliances as may be required under the Act.

10 TREATMENT OF VARIOUS ASSETS, LIABILITIES AND RESERVES

10.1 Adjustment of loans between companies

To the extent that there are inter-company loans, deposits and other balances, if any, as between the TRANSFEROR COMPANY and the TRANSFEE COMPANY, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf between the TRANSFEROR COMPANY and the TRANSFEE COMPANY and corresponding effect shall be given in the books of account and records of the TRANSFEE COMPANY for the reduction of any assets or liabilities, as the case may be. For the removal of doubt, it is clarified that, in view of the above, there would be no accrual of interest or other charges in respect of any such inter-company loans, deposits or balances, with effect from the Appointed date.

10.2 Recording of Assets and Liabilities

Upon the coming into effect of the Scheme and with effect from the Appointed date, all assets both tangible and intangible and the liabilities of the TRANSFEROR COMPANY shall be recorded and reflected in the books of the TRANSFEE COMPANY at their book values, as determined on the Appointed date.

10.3 Treatment of miscellaneous expenditure and reserves

- (a) It is further provided and upon the Scheme coming into effect, the respective balance/s appearing under the head "Miscellaneous Expenditure" (to the extent not written off or adjusted") in the books of the Transferor company shall be debited by the Transferee company in its books of account to "Miscellaneous Expenditure (to the extent not written off or adjusted) Account" and the same shall thereafter be dealt with in the same manner as it would have been dealt with had it been incurred by the Transferee company.
- (b) Subject to the provisions of clause (a) above, the reserves and surplus of the Transferor Company, whether capital or revenue, shall be recorded in the books of the Transferee Company at their existing carrying amounts and in the same form, as they appear in the books of the Transferor Company at the Appointed date.

11 APPLICATION TO THE HON'BLE HIGH COURT OF MADRAS

The Transferor Company and the Transferee Company shall, with reasonable despatch, apply under sections 391, 392 and 394 of the Act to the Hon'ble High Court of Judicature at Madras for sanctioning this 'Scheme of Amalgamation' and for dissolution of the Transferor Company without the process of winding up under the provisions of law, as also any order or orders, as may be necessary and appropriate under the Act.

12 MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 12.1 The Transferor Company and the Transferee Company, through their respective board of directors or other persons, duly authorised by the respective boards in this regard, may make or assent to any alteration or modification to this Scheme or to any conditions or limitations, which the Hon'ble High Court of Madras or any other Competent Authority may deem fit to direct, approve or impose and may give such directions, as they may consider necessary, to settle any doubt, question or difficulty, arising under the Scheme or in regard to its implementation or in any manner connected therewith and to do all such acts, deeds, matters and things necessary for putting this Scheme into effect.
- 12.2 After dissolution of the Transferor Company, the Transferee Company by its board of directors or other persons, duly authorised by its board in this regard, shall be authorised, to take such steps, as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, whether by reasons of any order of the Hon'ble High Court of Judicature at Madras or of any directive or order of any other authorities or otherwise, however, arising out of, under or by virtue of this Scheme and/or matters concerning or connected therewith.

13 SCHEME CONDITIONAL ON APPROVALS/SANCTIONS

This Scheme is conditional on and subject to –

- 13.1 the sanction or approval under any law of the Central Government, State Government, or any other agency, department or authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required,
- 13.2 the approval of and agreement to the Scheme by the requisite majority of such classes of persons of the Transferor Company and the Transferee Company, as may be directed by the Hon'ble High Court of Judicature at Madras on the applications made for directions under section 391 of the Act for calling meetings and necessary resolutions being passed under the Act for the purpose.
- 13.3 the sanction by the Hon'ble High Court of Judicature at Madras under sections 391 and other applicable provisions of the Act being obtained by the Transferor company and the Transferee Company.
- 13.4 the requisite approval of the Reserve Bank of India being obtained under the provisions of Foreign Exchange Regulation Act, 1973, for the issue of shares in the Transferee Company to the non-resident shareholders of the Transferor Company in accordance with the provisions of the Scheme
- 13.5 In the event of any of the said sanctions and approvals referred to in the preceding clause 13.1 to 13.4 above not being obtained and/or the Scheme not being sanctioned by the Hon'ble High Court before 31st March, 2004 or within such further period or periods as may be agreed upon between the Transferor Company by its Board of Directors and the Transferee Company by its Board of Directors (and which the Board of Directors of both the companies are hereby empowered and authorised to agree to and extend from time to time without any limitations), the Scheme of amalgamation shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as may otherwise arise in law.

14 EXPENSES CONNECTED WITH THE SCHEME

All costs, charges and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with negotiations leading up to the Scheme and of carrying out and completing the terms and provisions of this Scheme and in relation to or in connection with the Scheme and incidental to the completion of the amalgamation of the Transferor Company in pursuance of this Scheme shall be borne and paid by the respective companies.