

**(Incorporated under)**  
**THE COMPANIES ACT, 1956**  
**PUBLIC COMPANY LIMITED BY SHARE**

**MEMORANDUM**  
**AND**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**McNALLY BHARAT ENGINEERING COMPANY LIMITED**

Registered and Incorporated as a Private Company  
on the 10<sup>th</sup> day of July, 1961

Became a Public Company on 25<sup>th</sup> day of September, 1961  
pursuant to Section 43A of the Companies Act, 1956

And

New Articles of Association  
adopted on the 26<sup>th</sup> day of September, 2018 under the Companies Act, 2013



**Form I. R.**

**CERTIFICATE OF INCORPORATION**

**No. 25181 Of 1961**

**I hereby certify that McNALLY-BIRD ENGINEERING COMPANY PRIVATE LIMITED is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the Company is Limited**

*Given under my hand at Calcutta this Tenth day of July  
One thousand nine hundred and sixty-one*

**Seal of  
Regr. of Companies,  
West Bengal**

**Sd/-  
P.B. MENON  
Registrar of Companies**



**Copy**

**(SEAL)**

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

In the Office of the Registrar of Companies, West Bengal  
(Under the Companies Act, 1956 (1 of 1956))

IN THE MATTER OF  
M/s. McNally-Bird Engineering Company Limited

I hereby certify that M/s. McNally-Bird Engineering Company Limited which was originally incorporated on Tenth day of July 1961 under the Company's Act 1956 and under the name M/s. McNally Bird Engineering Company Limited, having duly passed the necessary resolution in terms of section 21/22 (1) (a)/22 (1) (b) of the Companies Act, 1956, and the approval of the Central Government signified in writing having, been accorded thereto in the Department of Company Affairs. Letter No. RD/T 2629 dated 13-12-1972 the Regional Director

name of the said company is this day changed to M/s. McNally Bharat Engineering Company Limited and this certificate is issued pursuant of section 23(1) of the said Act.

Given under my hand at Calcutta this day of Fifteenth December 1972 (One thousand nine hundred Seventy two).

(Seal of Registrar of Companies,  
West Bengal)

Sd/  
Asst. Registrar of Companies



**THE COMPANIES ACT, 1956**  
**(PUBLIC COMPANY LIMITED BY SHARES)**

**MEMORANDUM OF ASSOCIATION**  
**OF**  
**McNALLY BHARAT ENGINEERING COMPANY LIMITED**

1. The name of the Company is "McNALLY BHARAT ENGINEERING COMPANY LIMITED".
2. The Registered Office of the Company will be situated in the State of West Bengal.
3. The objects for which the Company is established are as follows:
  - (1) To carry on the manufacture, supply and erection of coal preparation plants, mineral preparation plants; coal handling systems, coal washeries, material handling systems, screening plants, conveyors, barge loading systems, coal and mineral breakers, crushers, driers, washers; pumps, haulages, wagon dumpers, wagon retarders, bins, feeders, valves, pulleys, collectors, sheaves; sprockets, hoppers, sewage disposal plants and all classes of machinery and supply used in or suitable for paper works, breweries, distilleries, sugar works, chemical factories; food manufacturing and processing factories, rubber works, linoleum works, waxcloth works, flour mills, steamships, lighthouses and undertakings and factories of all kinds or usually supplied by engineers, millwrights, brass-founders, iron bounders and steel founders.
  - (2) To carry on all or any of the business of constructional engineers, mechanical engineers, electrical engineers and marine engineers, public works and general contractors, iron, steel and brass founders, smelters, metal workers, boiler makers, millwrights, machinists, smiths, and tool makers, electricians, ship builders and shipwrights, tug owners and wharfingers, builders, wood workers and painters and manufacturers, importers, exporters, buyers, sellers and repairers of and dealers in engines, plant, machinery, implements, tools, utensils, appliances, apparatus all fittings of all kind.
  - (2a) To carry on the business of setting up power and steel plants, roads and highways and mining, smelting and refining and to prospect, explore, open and work claims or mines, drill and sink shafts or wells and raise, pump, dig, produce, manufacture, process, refine, blend, store, supply and distribute gas, oil, petroleum hydrocarbons, coal, lignite, earth, minerals, ores, granite, marble and other substances and to purchase or otherwise acquire the mine workings and mining grounds, land and property, mining rights, grants, interests and privileges and to carry on business of owning, chartering or hire, giving on charter, suppliers of and dealers in vehicles, vessels, barges, apparatus, machinery, equipment, materials and articles of all kinds which shall be capable of being used in the course of any such business and to act as surveyors,

consultants, advisors and engineers and provide allied and ancillary services and facilities connected with the aforesaid business.

- (3) To buy, sell take or let on hire, import, export, manufacture, manipulate, treat, prepare for market and deal in merchandise, commodities and articles of all kinds, and generally to carry on business as merchants, importers and exporters.
- (4) To take on lease, hire, purchase or otherwise acquire and maintain any lands rights over or connected with lands, buildings, works, plant, machinery, apparatus, stock-in-trade immovable or movable property of any description and any patents, inventions, rights or privileges, which may be deemed necessary or convenient for any business which the Company is authorized to carry on, or otherwise turn to account and to use, exercise, develop or grant licenses in respect of the property, rights or information so acquired.
- (5) To erect, construct, maintain or alter, or assist in the erection, construction, maintenance or alteration of any buildings, erections or works, and to pull down, alter and rebuild any buildings, erections or works acquired by the Company.
- (6) To lease, let out on hire, mortgage, pledge, sell or otherwise dispose of the whole or any part of the undertaking of the Company or any land, business, property, rights or assets of any kind of the Company, or any share or interest therein respectively, in such manner and for such consideration as the Company may think, fit, and in particular for shares, debentures or securities of any other corporation having objects altogether or in part similar to those of the Company.
- (7) To pay any premiums or salamis and 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 or other securities of the Company, and to issue any such shares either as fully paid up or with such amount credited as paid up thereon as may be agreed upon, and to charge any such bonds, debentures or other securities upon all or any part of the property of the Company.
- (8) To adopt such means of making known the business and products of the Company as may seem expedient and in particular by advertising in the press, by circular, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations.
- (9) To establish and 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, and to grant pensions and allowances, and to make payments towards insurance of such persons, and to subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object.

- (10) To enter into any arrangement with any Government, or authority supreme, municipal, local, or otherwise that may seem conducive to the Company's objects or any of them, and obtain from any such Government, or authority, all rights, concessions and privileges, which the Company may think it desirable to obtain, and to carry out, exercise and Comply with any such arrangements, rights, privileges and concessions.
- (11) To pay all or any costs, charges, and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.
- (12) To purchase or otherwise acquire and undertake all or any part of the business, property and liabilities of any person or corporation carrying on any business, which the Company is authorised to carry on, or possessed of property suitable for the purpose of the Company.
- (13) To promote any other company for the purpose of acquiring all or any of the property of this Company or advancing directly or indirectly the objects or interests thereof; and to take or otherwise acquire and hold share's in any such Company, and to guarantee the payment of any debentures or other securities issued by any such Company.
- (14) To take or otherwise acquire and hold shares in any other Company having objects altogether or in part similar to those of this Company, or carrying on any business capable of being conducted so as directly or indirectly to benefit this Company.
- (15) To enter into partnership or into any arrangement for sharing profits, union of interests, co-operation, joint venture, reciprocal concession or otherwise, with any person or company carrying on or engaged in or about to carry on or be engaged in any business or transaction which this Company is authorised to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company, and to take or otherwise acquire and hold shares or stock in any such Company.
- (16) To draw, make, accept, endorse, discount, execute and issue cheques, promissory notes, bills of exchange and other negotiable or transferable instruments.
- (17) To invest moneys of the Company, not immediately required, upon such securities as may from time to time be determined.
- (18) To lend money to such persons and on such terms as may seem, expedient; and in particular, to customers of and other persons having dealings with the Company and to guarantee the performance of contracts by members of or persons having dealings with the Company, subject to the Banking Companies Act, 1949.
- (19) To appoint agents and managers and constitute agencies of the Company in India or in any other country whatsoever.

- (20) To borrow or raise or secure the payment of money in such manner as the Company shall think fit, and, in particular, by the issue of debentures charged upon all or any of the, Company's property (both present and future) and to purchase, redeem or payoff any such securities, subject to the Banking Companies Act, 1949.
- (21) To pay brokerage or commission to any person or persons in consideration of his or their subscribing, or agreeing to subscribe, whether absolutely or conditionally for any shares or debentures of the Company or procuring or agreeing, to procure subscriptions whether absolute or conditional for the same, which brokerage or commission may be paid either in cash or in debentures or shares of the Company credited as fully or partly paid up.
- (22) To distribute any of the Company's property among the members in specie.
- (23) To do all or any of the above things in any part of the world, and either as principals, managing agents, agents, secretaries, contractors, trustees or otherwise, and either alone or in conjunction with others, and by or through agents, subcontractors, trustees or otherwise.
- (24) To do all such other things as are incidental or as the Company may think conducive to the attainment of the above objects or any of them.

And, it is hereby, declared that the objects specified in each paragraph of this clause shall be in no wise limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company.

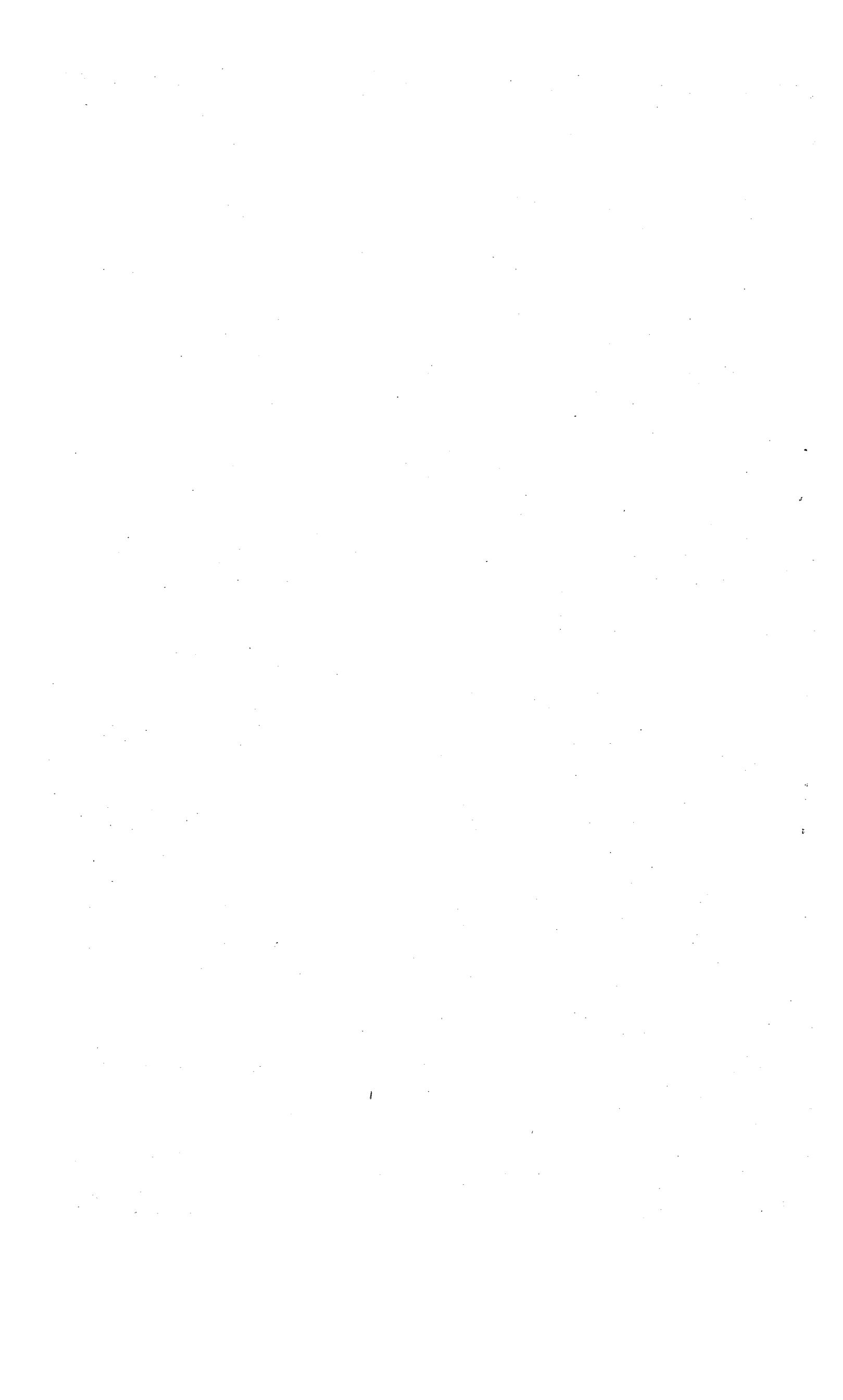
4. The liability of the members is limited.
5. The Authorised Share Capital of the Company is Rs 500,00,00,000 (Rupees Five Hundred crores only) divided into 24,00,00,000 (Twenty Four crores) equity shares of Rs. 10/- (Rupees Ten only) each, 1,20,00,000 (One crore Twenty Lakhs) Non-Convertible Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred only) each and 14,00,00,000 (Fourteen crores only) Convertible Preference Shares of Rs 10/- (Rupees Ten only) each. The Company shall have power to increase or reduce the share capital from time to time as it may think proper, and the shares forming the capital, original, increased or reduced, may be divided into such classes, and may be issued with any preferential, deferred, qualified or special rights, privileges and conditions, or with such qualifications as regards preference, dividend, return of capital, voting or other special incidents, and to be held on such terms as may be attached thereto, or as may be provided by the Company's Article of Association for the time being but so that where shares are issued with any preferential or special rights attached thereto such rights shall not be alterable otherwise than pursuant to the provisions of the Company's Articles of Association for the time being.

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

Name, Address, Descriptions and Occupation of Subscribers	Number of Shares taken by each subscribe
<p style="text-align: center;">Sd/- D. L. V. Rowe DAVID LESU VIVIAN ROWE Son of Josiah Arthur Vivian Rowe Chartered Bank Buildings, Calcutta Merchant</p>	One
<p style="text-align: center;">Sd/- P. Prashad PRAN PRASHAD Son of Bani Prashad Chartered Bank Buildings, Calcutta Merchant</p>	One
Total	Two

Dated this Twenty Sixth day of June 1961,  
Witness to the above signatures:-

Sd/-  
N. S. GILANI  
Son of Beltle Shah Gillani  
Chartered Bank Buildings, Calcutta



**THE COMPANIES ACT, 2013**  
**(PUBLIC COMPANY LIMITED BY SHARES)**

**ARTICLES OF ASSOCIATION**  
**OF**  
**McNALLY BHARAT ENGINEERING COMPANY LIMITED**

Adopted by Special Resolution passed at the Annual General Meeting of the Company held on the 26<sup>th</sup> day of September, 2018

Sl. No.	PARTICULARS	MARGINAL NOTES
1.	Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company.	Interpretation

The marginal notes hereto are inserted for convenience and shall not affect the construction hereof and in these presents, unless there be something in the subject or context inconsistent therewith:

“Act” means the Companies Act, 2013 and to the extent applicable, the Companies Act, 1956 including any statutory modifications or re-enactment thereof, for the time being in force.

“Applicable Law” means any applicable national, provincial, local or other law, regulations, administrative orders, ordinance, constitution, decree, principles of common law, binding governmental policies, statute or treaty, and shall include notifications, guidelines, policies, directions, directive and orders of any statutory authority, board, tribunal or recognised stock exchange.

"Articles" means these Articles of Association or as from time to time altered by Special Resolution.

"Board of Directors" or "the Board" means the Board of Directors for the time being of the Company.

“Business” means the business conducted by the Company of providing turnkey solutions in the areas of power, steel, aluminum, material handling, mineral beneficiation, pyroprocessing, pneumatic handling of powdered materials including fly ash handling and high concentrate disposal, coal washing, port cranes, cement, oil & gas, civic and industrial water supply etc. and the business conducted by each of the Subsidiaries.

“Company” means McNally Bharat Engineering Company Limited.

"Directors" mean the directors for the time being of the Company.

"Dividend" includes bonus, but excludes bonus shares.

"Encumbrance" means any (a) mortgage, charge (fixed or floating), pledge, lien, hypothecation, trust, right of set off or other third party right or interest (legal or equitable) including any right of pre-emption, assignment by way of security, reservation of title or any other security interest or other encumbrance of any kind however created or arising or any other security letter, agreement or arrangement (including a sale and repurchase arrangement) having similar effect (b) purchase or option agreement or arrangement in relation to equity interest, (c) subordination agreements or arrangement, (d) any voting agreement, interest, option, right of offer, right of refusal, transfer restriction in favour of any Person, (e) restriction on (i) use (except a restriction by virtue of Applicable Law), (ii) receipt of income or (iii) exercise of any other attribute of ownership (f) any adverse claim as to title, possession or use; and (g) agreements to create or effect any of the foregoing.

"Managing Director" means a Managing Director appointed as such for the time being of the Company.

"Month" means calendar month.

"Office" means the Registered Office for the time being of the Company.

"Person" means and includes any individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his capacity as trustee, executor, administrator, or other legal representative, authority, joint venture, partnership, association or other entity (whether or not having a separate legal status).

"Proxy" includes Attorney duly constituted under a power of Attorney.

"Secretary" means the Secretary appointed as such for the time being of the Company.

"Seal" means the Common Seal of the Company.

"Whole-time Director" means a Director in the whole-time employment of the Company or a Director who has been appointed a Whole-time Director for the time being of the Company.

"In writing" or "written" includes printing, lithography and other modes of representing or reproducing words in a visible form.

Words importing the singular number only include the plural number and vice versa.

Words importing persons include corporations.

Words importing masculine gender only include the feminine gender.

2. Save as reproduced herein the regulations contained in Table "F" in Schedule I to the Act shall not apply to the Company. Table "F" not to apply
3. Save as permitted by Section 67 of the Act, the funds of the Company shall not be employed in the purchase of or lent on the security of, shares of the Company and the Company shall not give, directly or indirectly, any financial assistance, whether by way of loan, guarantee the provision of security or otherwise, for the purpose of or in connection with any purchase of or subscription for shares in the Company or any company of which it may, for the time being, be a Subsidiary. Company not to purchase its own shares.

This Article shall not be deemed to affect the power of the Company to enforce repayment of loans to members or to exercise a lien conferred by Article 31.

### SHARES

4. The Authorized Share Capital of the Company be such amounts and be divided into such shares as may, from time to time, be provided in Clause 5 of the Memorandum of Association with power to increase, reduce and / or reclassify the Authorised Share Capital in accordance with the Companies Act, rules, regulations and legislative provisions for the time being enforce in that behalf. Division of Capital
5. Subject to the provisions of these Articles, the shares shall be under the control of the Board who may allot or otherwise dispose of the same to such persons on such terms and conditions, at such times, either at par or at a premium, and for such consideration as the Board thinks fit. Provided that, where at any time it is proposed to increase the subscribed capital of the Company by the allotment of further shares, then, subject to the provisions of Section 62 of the Act, the Board shall issue such shares in the manner set out in Section 62 of the Act. Provided further that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting. Allotment of Shares
6. Subject to the provisions of these Articles, the Company shall have power to issue Preference Shares carrying a right to redemption out of profits which would otherwise be available for dividend, or out of the proceeds of a fresh issue of shares made for the purposes of such redemption, or liable to be redeemed at the option of the Company, and the Board may subject to the provisions of Section 55 of the Act, exercise such power in such manner as it thinks fit. Redeemable Preference Shares
7. If the Company shall offer any of its shares to the public for subscription:- Restriction on Allotments

- (1) no allotment thereof shall be made, unless the amount stated in the prospectus as the minimum subscription has been subscribed and the sum payable on application thereof has been paid to and received by the Company; but this provision shall no longer apply after the first allotment of shares offered to the public for subscription;
  - (2) the amount payable on application on each share shall not be less than 5 per cent of nominal amount of the shares or such other percentage or amount as may be specified by the Security And Exchange Board of India; and
  - (3) the Company shall comply with the provisions of sub-section (3) of Section 40 of the Act.
8. The Company may exercise the powers of paying commissions conferred by sub-section 6 of Section 40 of the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the said Section and the commission shall not exceed 5 per cent of the price at which any shares, in respect whereof the same is paid, are issued or 2½ per cent of the price at which any debentures are issued (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful. Commission and brokerage
  9. Except as provided in Section 54 of the Act the Company shall not issue shares at a discount. Shares at a discount
  10. If, by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by installments, every such installment shall when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the share or by his executor or administrator. Installments on shares to be duly paid
  11. The joint-holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share. Liability of joint-holders of Shares
  12. Save as herein otherwise provided, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not, except as ordered by a Court of competent jurisdiction, or as by statute required, be bound to recognise any equitable or other claim to or interest in such share on the part of any other person. Trusts not recognized
  13. Shares may be registered in the name of any person, company or other body corporate. Not more than four persons shall be registered as joint-holders of any share. Who may be registered

## CERTIFICATES

14. Subject to the provisions of Section 46 of the Companies (Share Capital and Debentures) Rules, 2014, or any statutory modification or re-enactment thereof, share certificates shall be issued as follows:

- (1) The certificates of title to shares and duplicates thereof when necessary shall be issued under the Seal of the Company which shall be affixed in the presence of (I) two Directors or a Director and a person acting on behalf of another Director under a duly registered power-of-attorney or two persons acting as attorneys for two Directors as aforesaid; and (II) the Secretary or some other person appointed by the Board for the purpose, all of whom shall sign such share certificate; provided that, if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or Wholetime Director. Certificates
- (2) Every member shall be entitled free of charge to one certificate for all the shares of each class registered in his name, or, if any, member so wishes, to several certificates each for one or more of such shares but, in respect of each additional certificate which does not comprise shares in lots of market units of trading, the Board may charge such fee as it may determine, subject to the above mentioned Rules. Unless the conditions of issue of any shares otherwise provide, the Company shall either within 2 (two) months after the date of allotment and on surrender to the Company of its letter making the allotment or of its fractional coupons of requisite value (save in the case of issue against letters of acceptance or of renunciation or in cases of issue of bonus shares) or within one month of receipt of the application for registration of the transfer, sub-division, consolidation or renewal of any of its shares, as the case may be, complete and have ready for delivery the certificates of such shares. Every certificate of shares shall specify the name of the person in whose favour the certificate is issued, the shares to which it relates and the amount paid up thereon. Particulars of every certificate issued shall be entered in the Register maintained in the form set out in the above Rules or in a form as near thereto as circumstances admit, against the name of the person to whom it has been issued, indicating the date of issue. In respect of any share held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate to one of several joint-holders shall be sufficient delivery to all such holders. Members' right to Certificate
- (3) If any certificate of any share or shares lie surrendered to the Company for sub-division or consolidation or if any certificate be defaced, torn or old, decrepit, worn-out or As is issue of new certificates

where the cages on the reverse for recording transfers have been duly utilised, then, upon surrender thereof to the Company, the Board may order the same to be cancelled and may issue a new certificate in lieu thereof; and if any certificate be lost or destroyed then, upon proof thereof to the satisfaction of the Board and on such indemnity as the Board thinks fit being given, a new certificate in lieu thereof shall be given to the party entitled to the shares to which such lost or destroyed certificate shall relate. Where a new certificate has been issued as aforesaid it shall state on the face of it and against the stub or counterfoil that it is issued in lieu of a share certificate or is a duplicate issued for the one so replaced and, in the case of a certificate issued in place of one which has been lost or destroyed, the word "duplicate" shall be stamped or punched in bold letters across the face thereof. For every certificate issued under this clause (except when issued on a sub-division or consolidation of share certificates into lots of the market unit or in replacement of those which are old, decrepit, worn-out or where the cages on the reverse for recording transfers have been fully utilised) the Board may charge such fee not exceeding Rs.50 (Rupees Fifty only) per certificate or such other as may be permitted by Applicable Law and as they be agreed by it with the Stock Exchange with which its shares may be enlisted for the time being together with such out of pocket expenses incurred by the Company in investigating evidence as it may determine.

- (3A) Notwithstanding anything contained in Article 14(3) the Board of Directors may refuse applications for sub-division or consolidation of Share Certificates into denominations of less than 25 (Twenty five) 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.
- (3B) Notwithstanding anything contained in Article 14(3) the Board of Directors shall not accept the applications for transfer of less than 25 (Twenty five) Equity Shares of the Company, provided, however, this condition shall not apply to:
- (I) a transfer of Equity Shares made in pursuance of any statutory provision or an order of a competent Court of Law;
  - (II) the transfer of the entire Equity Shares by an existing Equity Shareholder holding less than 25 Equity Shares by a single transfer to a single or joint names;
  - (III) the transfer of the entire Equity Shares of an existing Equity Shareholder holding less than 25 Equity Shares to one or more transferees whose holding in the Company will not be less than 25 Equity Shares each after the said transfer;

(IV) the transfer of not less than 25 Equity Shares in the aggregate in favour of the same transferee in two or more transfer deeds, submitted together within which one or more relate/s to the transfer of less than 25 Equity Shares.

- (4) Where a new share certificate has been issued in pursuance of the last preceding paragraphs, particulars of every such certificate shall also be entered in a Register of Renewed and Duplicate Certificates indicating against the name of the person to whom the certificate is issued, the number and date of issue of the certificate in lieu of which the new certificate is issued and the necessary changes indicated in the Register by suitable cross-references in the "Remarks" Column. All entries made in the Register or in the Register of Renewed and Duplicate Certificates shall be authenticated by the Secretary or such other person as may be appointed by the Board for purposes of sealing and signing the share certificate under Clause (1) hereof.
- Particulars of new certificate to be entered in the Register

#### CALLS

15. The Board may, from time to time, subject to the terms on which any shares may have been issued, and subject to the provisions of Section 49 of the Act, make such calls as the Board thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Board. A call may be made payable by installments and shall be deemed to have been made when the resolution of the Board authorising such call was passed.
- Calls
16. Not less than fourteen days' notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid.
- Notice of call
17. (1) If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof, the holder for the time being in respect of the share for which the call shall have been made or the installment shall be due shall pay interest for the same at the rate of 12 per cent per annum from the day appointed for the payment thereof, to the time of the actual payment or at such lower rate (if any) as the Board may determine.
- When interest on call or installment payable
- (2) The Board shall be at liberty to waive payment of any such interest either wholly or in part.
18. If by the terms of issue of any share or otherwise any amount is made payable upon allotment or at any fixed time or by installments at fixed times, whether on account of the amount of
- Amount payable at fixed times or payable by

the share or by way of premium every such amount or installment shall be payable as if it were a call duly made by the Board and of which due notice had been given, and all the provisions herein contained in respect of calls shall relate to such amount or installment accordingly.

installments as calls

19. On the trial or hearing of any action or suit brought by the Company against any shareholder or his representatives to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose on the Register as a holder, or one of the holders of the number of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Board who made any call, nor that a quorum was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted, nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
20. The Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the money due upon the shares held by him beyond the sums actually called for, and upon the money so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the share in respect of which such advance has been made, the Company may pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct 6 per cent per annum as the member paying such sum in advance and the Board agree upon. Money so paid in excess of the amount of calls shall not rank for dividends or confer a right to participate in profits. The Board may at any time repay the amount so advanced upon giving to such member not less than three months' notice in writing.
21. A call may be revoked or postponed at the discretion of the Board.

Evidence is actions by Company against shareholders

Payment of calls in advance

Revocation of call

### FORFEITURE

22. If any member fails to pay any call or installment of a call on or before the day appointed for the payment of the same the Board may, at any time thereafter during such time as the call or installment remains unpaid, serve a notice on such member 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.
23. 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 installment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the

If call or installment not paid notice may be given

Form of notice

event of non-payment at or before the time, and at the place appointed, the shares in respect of which such call was made or installment is payable will be liable to be forfeited.

- |     |  |   |
|-----|--|---|
| 24. | If the requisitions of any such notice as aforesaid be not complied with any shares in respect of which such notice has been given may, at any time thereafter, before payment of all calls or installments, 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 in respect of the forfeited shares and not actually paid before the forfeiture.   | If notice not complied with shares may be forfeited |
| 25. | When any share shall have been so forfeited notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.   | Notice after forfeiture                             |
| 26. | Any share so forfeited shall be deemed to be the property of the Company, and the Board may sell, re-allot or otherwise dispose of the same in such manner as it thinks fit.   | Forfeited shares to become property of the Company  |
| 27. | 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.  | Power to annul forfeiture                           |
| 28. | A person whose share has been forfeited shall cease. to be a member in respect of the share, but shall, notwithstanding such forfeiture remain liable to pay, and shall forthwith pay to the Company, all calls, or installments, interest and expenses, owing upon or in respect of such share, at the time of the forfeiture, together with interest thereon, from the time of forfeiture until payment, at 10 per cent, per annum and the Board may enforce the payment thereof; or any part thereof, without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so.   | Liability of forfeiture                             |
| 29. | A duly verified declaration in writing that the declarant is a Director, Managing Director, Manager or Secretary of the Company and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and such declaration and the receipt of the Company for the consideration, if any given for the shares on the sale or disposition thereof shall constitute a good title to such shares; and the person to whom any such share is sold shall be registered as the holder of such share and shall not be bound to see to the application of the purchase moneyn or stall his title to such share be affected by any irregularity for invalidity in the proceedings in reference to such forfeiture, sell or disposition. | Evidence of forfeiture                              |

30. The provisions of Articles 22 to 29 hereof shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of a share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
- Forfeiture provisions to apply to non-payment in terms of issue

#### LIEN

31. The Company shall have a first and paramount lien upon every share not being fully paid up registered in the name of each member (whether solely or jointly with others), and upon the proceeds of sale thereof for moneys called or payable at a fixed time in respect of such share whether the time for the payment thereof shall have actually arrived or not and no equitable interest in any share shall be created except upon the footing and condition that Article 12 hereof is to have full effect. Such lien shall extend to all dividends from time to time declared in respect of such share. Unless otherwise agreed, the registration of a transfer of a share shall operate as a waiver of the Company's lien, if any on such share.
- Company's lien on shares
32. For the purpose of enforcing such lien the Board may sell the share subject thereto in such manner as it thinks fit, but no sale shall be made until such time for payment as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member, his executor or administrator or his committee, curator bonis or other legal representative as the case may be and default shall have been made by him or them in the payment of the moneys called or payable at a fixed time in respect of such share for fourteen days after the date of such notice.
- As to enforcing lien by sale
33. The net proceeds of the sale shall be received by the Company and applied in or towards payment 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 share before the sale) be paid to the person entitled to the share at the date of the sale.
- Application of proceeds of sale
34. 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 share sold and cause the purchaser's name to be entered in the Register in respect of the share sold, and the purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money, and after his name has been entered in the Register in respect of such share 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.
- Validity of sales in exercise of lien and after forfeiture
35. Where any share under the powers in that behalf contained is
- Board may issue

sold by the Board and the certificate in respect thereof has not been delivered up to the Company by the former holder of such share, the Board may issue a new certificate for such share distinguishing it in such manner as it may think fit from the certificate not so delivered up. new certificates

### TRANSFER

36. Save as provided in Section 56 of the Act, no transfer of a share shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee has been delivered to the Company together with the certificate relating to the share or, if no such certificate is in existence, the letter of allotment of the share. The transferor shall be deemed to remain the member in respect of such share until the name of the transferee is entered in the Register in respect thereof. Execution of transfer, etc.
37. Application for the registration of the transfer of a share may be made either by the transferor or the transferee, provided that, where such application is made by the transferor, no registration shall, in the case of a partly paid share, be effected unless the Company gives notice of the application to the transferee in the manner prescribed by Section 56 of the Act, and subject to the provisions of these Articles the Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice enter in the Register the name of the transferee in the same manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee. Application by transferor
39. Subject to the provisions of Section 58 of the Act, the Board, without assigning any reason for such refusal may, within thirty days from the date on which the instrument of the transfer, or the intimation of transmission, as the case may be, was delivered to the Company refuse to register any transfer of, or the transmission by operation of law of the right to, a share upon which the Company has a lien, and in the case of a share not fully paid up, may refuse to register a transfer to a transferee of whom the Board does not approve. Provided that the 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. In what cases the Board may refuse to register transfer
40. No transfer shall be made to a minor or person of unsound mind. No transfer to minor etc.
41. Every instrument of transfer shall be left at the Office for registration, accompanied by the certificate of the share to be transferred or, if no such certificate is in existence, by the Letter of Allotment of the share and such other evidence as the Board may require to prove the title of the transferor or his right to Transfer to be left at office when to be retained

transfer the share. Every instrument of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Board may refuse to register shall be returned to the person depositing the same.

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| 42. | If the Board refuses whether in pursuance of Article 39 or otherwise to register the transfer of, or the transmission, by operation of law of the right to, any share, the Company shall within thirty days from the date on which the instrument of transfer or the intimation of such transmission, as the case may be, was lodged with the Company, send to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, notice of the refusal. | Notice of refusal to register transfer       |
| 43. | The Board may or may not charge a fee for the registration of each transfer, grant of probate, grant of letters of administration, certificate of death or marriage, power of, attorney or other instrument. Such fee, if required by the Board shall not exceed such amount as permuted under applicable Law and be paid before the registration thereof.   | Fee on registration of transfer probate etc. |

#### TRANSMISSION

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| 44. | The executor or administrator of a deceased member or the holder of other legal representation (not being one of several Joint-holders) shall be the only person 12ecognizin by the Company as having any title to the share registered in the name of such member, and in case of the death of any one or more of the joint holders of any registered share, the survivor shall be the only person 12ecognizin 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 the share held by him jointly with any other person. Before 12ecognizing any executor or administrator or other person the Board may require him to obtain a Grant of Probate or Letters of Administration or other legal representation, as the case may be from a competent Court in India and having effect in Calcutta. | Transmission of registered shares |
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Provided nevertheless that in any case where the Board in its absolute discretion thinks fit it shall be lawful for the Board to dispense with the production of Probate or Letters of Administration or such other legal representation upon such terms as to Indemnity or otherwise as the Board, in its absolute discretion, may consider adequate.

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| 45. | Any committee or guardian of a lunatic (which term shall include one who is an idiot) or any person becoming entitled to or to transfer a share in consequence of the death or bankruptcy or insolvency of any member upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title as the Board thinks sufficient, may, with the consent of the Board (which the Board shall not be bound to give), be registered as a member in respect of such | As to transfer of shares of insane, minor, deceased or bankrupt members<br><br>Transmission |
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share, or may, subject to the regulations as to transfer Article  
hereinbefore contained, transfer such share. This Article is  
hereinafter referred to as "the Transmission Article".

46. (1) If the person so becoming entitled under the Transmission Election under  
Article shall elect to be registered as holder of the share the Transmission  
himself, he shall deliver or send to the Company a notice in Article  
writing signed by him stating that he so elects.
- (2) If the person aforesaid shall elect to transfer the share, he  
shall testify his election by executing an instrument of  
transfer of the share.
- (3) All the limitations, restrictions and provisions, of these  
Articles relating to the right to transfer and the registration  
of instruments of transfer of a share shall be applicable to  
any such notice or transfer as aforesaid as if the death,  
lunacy, bankruptcy or insolvency of the member had not  
occurred and the notice of transfer were a transfer signed'  
by that member.
47. A person so becoming entitled under the Transmission Article to Rights of persons  
a share by reason of the death, lunacy, bankruptcy or insolvency entitled to share  
of the holder shall subject to the provisions of Article 78 and of under the  
Section 123 of the Act, be entitled to the same dividends and Transmission  
other advantages as he would be entitled to if he were the Article.  
registered holder of the share except that no such person (other  
than a person becoming entitled under the Transmission Article  
to a share by reason of the lunacy of the holder) shall before  
being registered as a member in respect of the share, be entitled  
to exercise in respect thereof any right conferred by membership  
in relation to meetings of the Company.

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

#### DEMATERILISATION OF SECURITIES

- 47A. (1) For the purpose of this Article : Definition
- 'Beneficial Owner' means a person or persons whose name  
is recorded as such with a Depository;
- 'Registered Owner' means a Depository whose name is  
entered as such in the register of the Issuer;
- 'SEBI' means the Securities & Exchange Board of India;
- 'Depository' means a Company formed and registered  
under the Companies Act, 1956, and which has been  
granted a certificate of registration to act as Depository

under the Securities & Exchange Board of India Act, 1992;  
and

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

- (2) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its Securities and to offer Securities in a dematerialised form pursuant to the Depositories Act, 1996. Dematerialisation of Securities
- (3) Every person subscribing to Securities offered by the Company shall have the option to receive Security Certificates or to hold the Securities with a Depository. Such a person who is the Beneficial Owner of the Securities can at any time opt out of a Depository, if permitted by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the Beneficial Owner the required Certificates of Securities. Options for Investors
- If a person opts to hold his Security with a Depository, the Company shall intimate such Depository the details of allotment of the Security, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Security.
- (4) All Securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 89 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners. Securities in Depositories to bill fungible form
- (5) Rights of Depositories and Beneficial owner
- a) Notwithstanding anything to the contrary Contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Security on behalf of the Beneficial Owner.
- b) Save as otherwise provided in (a) above, the Depository, as the Registered Owner of the Securities, shall not have any voting rights or any other rights in respect of the Securities held by it.
- c) Every person holding Securities of the Company and whose name is entered as the Beneficial Owner in the records of the Depository, shall be deemed to be a member of the Company. The Beneficial Owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a Depository.
- (6) Notwithstanding anything in the Act or these Articles to the contrary, where Securities are held in a Depository, the Service of Documents

records of the Beneficial Ownership may be served by such Depository on the Company by means of electronic motto or by delivery of floppies or discs.

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| (7)  | Nothing contained in Section 56 of the Act or these Articles shall, apply to a transfer of Securities affected by a transferor and transferee, both, whom are entered as owners in the records of a Depository.           | Transfer of Securities                              |
| (8)  | Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such Securities.     | Allotment of Securities dealt with in a Depository  |
| (9)  | Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company, shall apply to Securities held with a Depository.                              | Distinctive Number of Securities held is Depository |
| (10) | The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles. | Register and index of beneficial owner              |

#### INCREASE AND REDUCTION OF CAPITAL

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| 48. | The Company in general meeting may from time to time increase its capital by the creation of new shares of such amount as may be deemed expedient.  | Power to increase capital                       |
| 49. | Subject to any special rights or privileges for the time being attached to any shares in the capital of the Company then issued, the new shares may be issued upon such terms and conditions, and with such rights and privileges attached thereto as the general meeting resolving upon the creation thereof, shall direct, and, if no direction be given, as the Board 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. | On what conditions new shares may be issued     |
| 50. | Before the issue of any new shares, the Company in general meeting may make provisions as to the allotment and issue of the new shares, and in particular may determine to whom the same shall be offered in the first instance and whether at par or at a premium in default of any such provisions, or so far as the same shall not extend, the new shares may be issued in conformity with the provision of Article 5.   | Provisions relating to the issue                |
| 51. | Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered part of the then existing capital of the Company and shall be subject to the provisions herein contained with reference to the payment of dividends, calls and installments, transfer and transmission, forfeiture, lien, surrender and otherwise.  | How far new shares to rank with relating shares |

- 51A. Notwithstanding anything contained in this Article to issue Shares without voting rights attached to them, the Board of Directors may issue such Shares upon such terms and Conditions and with such rights and privileges annexed thereto as thought fit and may be permitted by law. Issue of Share without voting rights
52. If, owing to any inequality in the number of new shares to be issued, and the number of shares held by members entitled to have the offer of such new shares, any difficulty shall arise the apportionment of such new shares or any of them amongst the members, such difficulty shall, in the absence of any direction in the resolution creating the shares or by the Company in general meeting, be determined by the Board. Inequality in number of new shares
53. The Company, may from time to time by Special Resolution, reduce its capital and any Capital Redemption Reserve Account or Share Premium Account in any manner and with and subject to any incident authorised and consent required by law. Reduction of capital etc.

#### **ALTERATION OF CAPITAL**

54. Subject to the provisions of Section 61 of the Act, the Company in general meeting may from time to time:- Power of sub-divide and consolidate shares
- (a) increase its authorized share capital by such amount as it thinks expedient;
  - (b) consolidate and divide all or any of its share capital, into shares of larger amount than its existing shares;
  - (c) convert all or any of its fully paid up shares into stock, and reconvert that stock into fully paid up shares of any denomination;
  - (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum so however, that is the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
  - (e) cancel any shares which at the date of the pasting of the resolution, 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**

57. If at any time the share capital is divided into different classes of shares the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than three fourths of the issued shares of that class, or with the sanction of Power to modify rights

a Special Resolution passed at a Separate Meeting of the holders of the shares of that class. To every such Separate Meeting the provisions of these Articles relating to general meetings shall apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-fifth of the issued shares of that class and that if at any adjourned meeting of such holder a quorum as above defined is not present those members who are present shall be a quorum and that any holder of shares of that class present in person or by proxy may demand a poll and, on a poll, shall have one vote for each shares of that class of which he is the holder. The Company shall comply with the provisions of Section 117 of the Act as to forwarding a copy of any such agreement or resolution to the Registrar.

### **BORROWING POWERS**

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| 58. | The Board may, from time to time, at its discretion, subject to the provisions of Sections 73, 74, 179 and 180 of the Act, raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purposes of the Company.  | Power to borrow                                   |
| 59. | The Board may raise of secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and, in particular by the issue of bonds, perpetual or redeemable, debentures or debenture-stock, or any mortgage or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.  | Conditions on which money may be borrowed         |
| 60. | Any debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise, and with any special privileges as to redemption, surrender, drawings, allotment of shares, appointment of Directors and otherwise, Debentures, debenture-stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued. Provided that debentures with a right to allotment of or conversion into shares shall not be issued except in conformity with the provisions of Section 62(3) & 62(4) of the Act. | Issue at discount etc. or with special privileges |
| 61. | Save as provided in Section 56 of the Act no transfer of debentures shall be registered unless a proper instrument of transfer duly stamped and executed, by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the debentures.  | Instrument of transfer                            |
| 62. | If the Board refuses to register the transfer of any debentures the company shall, within, two months from the date on which the instrument of transfer was lodged with the Company, send to the transferee and to the transferor notice of the refusal.   | Notice of refusal to register transfer            |

### **GENERAL MEETINGS**

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| 63. | In addition to any other meetings, general meetings of the | When Annual |
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- Company shall be held within such intervals as are specified in Section 96(1) of the Act, and subject to the provisions of Section 96(2) of the Act, at such times and places as may be determined by the Board. Each such general meeting shall be called an "annual general meeting" and shall be specified as such in the notice convening the meeting. Any other meeting of the Company shall, except in the case where an Extraordinary General Meeting is convened under the provisions of the next following Article, be called a "general meeting".
64. The Board may, wherever it thinks fit, call a general meeting, and it shall, on the requisition of such number of called members as hold, at the date of the deposit of the requisition, not less than one-tenth of such of the paid up capital of the Company as at that date carried the right of voting; in regard to the matter to be considered at the meeting, forthwith proceed to call an Extra-Ordinary General Meeting, and in the case of such requisition the provisions of Section 100 of the Act shall apply.
65. The Company shall comply with the provisions of Section 111 of the Act as to giving notice of resolutions and circulating statements on the requisition of members.
66. (1) Save as provided in sub-section (1) of Section 101 of the Act, not less than twenty-one days' notice shall be given of every general meeting of the Company. Every notice of a meeting shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that proxy need not be a member of the Company. Where any such business consists of "special business" as hereinafter defined there shall be annexed to the notice a statement complying with Section 102 of the Act.
- (2) Notice of every meeting of the Company shall be given to every member of the Company, to the Auditors of the Company and to any persons entitled to a share in consequence of the death or insolvency of a member in any manner hereinafter authorised for the giving of notices to such persons. Provided that where the notice of a general meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the Office, the statement of material facts referred to in Section 102 of the Act need not be annexed to the notice as required by that Section but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.
- (3) The accidental omission to give any such notice to or its non-receipt by any member or other person to whom it
- General Meetings to be held
- When other general meetings to be called
- Circulation of members' resolution
- Notice of meetings

should be given shall not invalidate the proceedings of the meeting.

#### PROCEEDINGS AT GENERAL MEETINGS

67. The ordinary, business of an Annual General Meeting shall be to receive and consider the Profit and Loss Account, the Balance Sheet and the Reports of the Directors and of the Auditors, to elect Directors in the place of those retiring by rotation; to appoint Auditors and fix their remuneration and to declare dividends. All other business transacted at an Annual General Meeting and all business transacted at any other general meeting shall be deemed special business. Business of meetings
68. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as herein otherwise provided the quorum for the general meeting shall be as provided in Section 103 of the Act. Quorum to be present when business commenced
69. Subject to the provisions of Section 103(2), If within half an hour from the time appointed for the meeting a quorum be not present the meeting, if convened upon such requisition as aforesaid, shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such time and place as the Board may be notice appoint and if at such adjourned, meeting a quorum be not present within half an hour from the time appointed for holding the meeting 'those members who are present and not being less than two shall be a quorum and may transact the business for which the meeting was called. When, if quorum not present meeting to be dissolved and when to be adjourned
70. Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in general meeting shall be sufficiently so done or passed if effected by an Ordinary Resolution as defined in Section 114(1) of the Act unless either the Act or these Articles specifically require such not to be done or resolution passed by a Special Resolution as defined in Section 114(2) of the Act. Resolution to be passed by Company in general meeting
71. The Chairman of the Board shall be entitled to take the chair at every general meeting. If there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting, or is unwilling to act, the members present shall choose another Director, as Chairman, and if no Director be present, or if all the Directors present decline to take the Chair, they the members present shall, on a show of hands or on a poll if properly demanded, elect one of their number, being a member entitled to vote, to be Chairman. Chairman of General Meeting.
72. Every question submitted to a meeting shall be decided, in the How questions to

- first instance by a show of hands, and in the case of an equality of votes, both on a show of hands and on a poll, the Chairman of the meeting shall have a casting vote in addition to the Vote to which he may be entitled as a member.
- be decided at meetings
- Casting vote
73. At any general meeting, unless, a poll is (before or on the declaration of the result of voting, on any resolution on a show of hands) ordered by the Chairman either of his own motion or upon demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company conferring a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than five Lakh rupees has been paid up, a declaration by the Chairman that the resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the book containing the Minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against the resolution.
- What is to be evidence of the passing of a resolution where poll not demanded
74. (1) If a poll be demanded as, aforesaid it shall be taken forthwith on a question of adjournment or election of a Chairman and in any other case in such manner and at such time not being later than forty-eight hours from the time when the demand was made, and at such place as the Chairman of the meeting directs and subject as aforesaid, either at once or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was demanded.
- Poll
- (2) The demand of a poll may be withdrawn at any time.
- (3) Where a poll is to be taken the Chairman of the meeting shall appoint two scrutineers, one at least of whom shall 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, to scrutinise the votes given on the poll and to report to him thereon.
- (4) On a poll a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.
- (5) The Demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.
75. (1) The Chairman of a general meeting may adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the
- Power to adjourn general meeting

business left unfinished at the meeting from which the adjournment took place.

- (2) When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given in the same manner as in the case of an original meeting, but otherwise it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

### VOTES OF MEMBERS

76. (1) Save as hereinafter provided, on a show of hands every member present in person and being a holder of Equity Shares shall have one vote and every person present as a duly authorised representatives of a body corporate, being a holder of Equity Shares, if he is not entitled to vote in his own right, shall have one vote. Votes of members
  - (2) Save as hereinafter provided, on a poll the voting rights of a holder of Equity Shares shall be its specified In Section 108 of the Act. And a member shall vote only once.
  - (3) Save a hereinafter provided, on a poll the voting rights of a holder of Equity Shares shall be its specified in Section 109 of the Act.
  - (4) No company or body corporate shall vote by proxy so long as a resolution, of its board of directors under the provisions of Section 113 of the Act is in force and the representative named in such resolution is present at the general meeting at which the vote by proxy is tendered.
77. (1) Where a company or body corporate (hereinafter called "company") Is a member of the, Company, a person, duly appointed by resolution in accordance with the provisions of Section 113 of the Act to represent such member company at a meeting of the Company, shall not, by reason of such appointment, be deemed to be a proxy and the lodging with the Company at the office or production at the meeting of a copy of such resolution duly signed by one director of such member company and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the validity of his appointment. Such a person shall be entitled to exercise the same rights and powers, including the Tight to vote by proxy on behalf of the member company which he represents, as that member company could exercise if it were an individual member. Procedure where a company or body corporate is a member of the Company
  - (2) Where the President of India or the Governor of a State is a member of the Company then his representative at meetings shall be in accordance with Section 112 of the Act.

78. If any member be a lunatic or idiot he may vote whether on a Vote in respect of

- show of hands or at a poll by his committee or other legal insane members  
curator and such last mentioned persons may give their votes by  
proxy provided that forty eight hours at least before the time of  
holding the meeting or adjourned meetings, as the case may be  
at which any such person proposes to vote he shall satisfy the  
Board of his right under the Transmission Article to the share in  
respect of which he proposes to exercise his right under this  
Article, unless the Board shall have previously admitted his  
right to vote it such meeting in respect thereof.
79. Where there are joint registered holders of any share any one of Joint-holders  
such person may vote at any meeting either personally or by  
proxy in respect of such shares as if he were solely entitled  
thereto and if more than one of such joint-holders be present at  
any meeting either personally or by proxy, then one of the said  
persons so present whose name stands first on the Register in  
respect of such share alone shall be entitled to vote in respect  
thereof. Several executors or administrators of a deceased  
member in whose name any share, is registered shall for the  
purposes of this Article be deemed joint holders thereof.
80. On a poll votes may be given either personally or by proxy, and Proxies permitted  
a person entitled to more than one vote need not use all his votes  
or cast all the votes he uses in the same way.
81. The instrument appointing a proxy shall be in writing under the Instrument  
hand of the appointer or of his Attorney duly authorised in  
writing or if such appointer is a body corporate be under its  
common seal or the hand of its officer or Attorney duly  
authorised. A proxy who is appointed for a specified meeting  
only shall be called a Special Proxy. Any other proxy shall be  
called a General Proxy. to be in writing
82. The instrument appointing a proxy and the Power-of-Attorney Instrument  
or other authority (if any) under which it is signed or a notarially  
certified copy of that power or authority, shall be deposited at  
the office not less than forty-eight hours before the time for  
holding the meeting at which the person named in the  
instrument purports to vote in respect thereof and in default the  
instrument of proxy shall not be treated as valid. to be deposited at  
the office
83. A vote given in accordance with the terms of an instrument When vote by  
appointing a proxy shall be valid notwithstanding the previous proxy valid  
death or insanity of the principal, or revocation of the though authority  
instrument, or transfer of the share in respect of which the vote revoked.  
is given, provided no intimation in writing of the death,  
insanity, revocation or transfer of share shall have been received  
by the Company at the Office before the vote is given. Provided  
nevertheless that the Chairman of any meeting shall be entitled  
to require such evidence as he may in his discretion think fit of  
the due execution of an instrument of proxy and that the same  
has not been revoked.

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| 84. Every instrument appointing a Special Proxy shall be retained by the Company and shall, as nearly as circumstances will admit, be in any of the forms set out in the rules prescribed under Section 105 of the Act or as near thereto as possible or in any other form which the Board may accept.                              | Form of instrument appointing a Special Proxy |
| 85. No member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company in respect of any shares registered in his name 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. | Restrictions on voting                        |
| 86. (1) Any objection as to the admission or rejection of a vote, either on a show of hands or on a poll made in due time, shall be referred to the Chairman who shall forthwith determine same, and such determination made in good faith shall be final and conclusive.   | Admission or rejection of votes               |
| (2) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes.   |   |

#### DIRECTORS

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| 87. Until otherwise determined by Special Resolution the number of Directors of the Company shall not be less than three nor more than fifteen.                          | Number of Directors               |
| 88. The following 8 (eight) persons are the First Directors of the Company:  | First Directors in office         |
| Mr. Pran Prashad   |                                   |
| Mr. Krishan Lal Dua  |                                   |
| Mr. Edward Thomas McNally  |                                   |
| Mr. Michael Irby Wadsley   |                                   |
| Mr. Aukhil Chandra Bose  |                                   |
| Mr. Chintaman Sadashiv Divekar   |                                   |
| Mr. Peston Padamjl Ginwala   |                                   |
| Mr. Prakash Chandra Jain.  |                                   |
| 89. Until otherwise determined by the Company in General Meeting a Director shall not be required to hold any shares in the capital of the Company as his qualification. | Share qualification of Directors  |
| 90. (1) Until otherwise determined by the Company in General Meeting each director (other than a Managing Director and   | Directors' fees, remuneration and |

- a Whole time Director) shall be entitled to receive out of the funds of the Company for each meeting of the Board or a committee thereof attended by him such fee as may from time to time determined by the Board but not exceeding such sum as may from time to time be prescribed by or Under the Act and applicable to the Company. expenses
- (2) The Directors (other than a Managing Director, and a Whole-time Director) shall also be entitled subject to the provisions of Sections 197 of the Act to receive a commission (to be divided between them in such manner as they may from time to time determine and in default of such determination; equally) of one per cent of the net, profits of the Company computed in the manner referred to In subsection (1) of Section 198 of the Act.
- (3) All other remuneration If any, payable by the Company to each Director, whether in respect of his services as a Managing Director or a Director in the whole or part time employment of the Company shall be determined in accordance with and subject to the provisions of these Articles and of the Act.
- (4) The Directors shall also be entitled to be paid their reasonable travelling and hotel and other expenses incurred in attending and returning from Board and Committee meetings or otherwise incurred in the execution of their duties as Directors.
91. Without prejudice to the generality of the foregoing Article, if any Director being willing be called upon to perform extra services or to make any special exertions for any of the purposes of the Company or in giving special attention to the business of the Company or as a member of a Committee of the Board then, subject to Sections 197 and 198 of the Act, the Board may remunerate the Director so doing by a fixed sum or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled. Remuneration for extra services
92. The continuing Directors may act notwithstanding any vacancy in their body but so that if the number falls below the minimum above fixed the Board shall not, except for the purpose of filling vacancies, act so long as the number is below the minimum. Board may act notwithstanding vacancy
93. The office of a Director shall ipso facto become vacant upon the happening of any of the events enumerated in Section 167 of the Act. Vacation of office of Director
94. Any Director or other person referred to in of Sub-section (76) of Section 2 of the Act may be appointed to or hold any office or place of profit under the Company or under any subsidiary of Holding of office or place of profit under the

- the Company in accordance with the provisions of section 188 of the Act. Company or its subsidiary
95. A Director of this Company may be or become a director of any other company promoted by this Company or in which it may be interested as a vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as a Director or member of such company except in so far as Section 188 of the Act may be applicable. When Director of this Company appointed director of a company in which the company is interested either as a member or otherwise
96. Subject to the provisions of Section 188 of the Act neither shall a Director be disqualified from contracting with the Company either as vendor, purchaser or otherwise for goods, materials or services or for underwriting the subscription of any shares in or debentures of the Company nor shall any such contract or arrangement entered into by or on behalf of the Company with a relative of such Director, or a firm which such Director or relative is a partner or with any other partner in such firm or with a private company of which such Director is a member or director, be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by such contract or arrangement by reason of such Director holding office or of the fiduciary relation thereby established. Conditions under which Directors may contract with Company
97. Every Director who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement, entered into or to be entered into by or on behalf of the Company not being a contract or arrangement entered into or to be entered into between the Company and 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 the other company shall disclose the nature of his concern or interest at a meeting of the Board as required by Section 184 of the Act Subject to the provisions of the Act. A general notice, renewable in the last month of each financial year of the Company, that a Director is a director or a member of any specified body corporate or is a member of any specified firm and is to be regarded as concerned or interested in any subsequent contract or arrangement with that body corporate or firm shall be sufficient disclosure of concern or interest in relation to any contract or arrangement so made and after such general notice, it shall not be necessary to give special notice relating to any particular contract or arrangement with such body corporate or firm, provided such general notice 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. Every Director shall be bound to give and from time to time renew a general notice as aforesaid in respect of all bodies corporate of which he is a Director or member and of firms of which he is a member. Disclosure of a Director's interest
98. No Director shall, as a Director, take any part in the discussion of, or vote on any contractor arrangement in which he is in any way, whether directly or indirectly concerned or interested; nor shall his Discussion and voting by

presence count for the purpose of forming a quorum at the time of such discussion or vote. This prohibition shall not apply to (a) any contract of indemnity against any loss which the Directors or any of them may suffer by reason of becoming or being sureties or a surety for the Company; or, (b) any contract or arrangement entered into or to be entered into by the Company with a public company, or with a private company which is a subsidiary of a public company, in which the interest of the Director consists solely in his being a director of such company and the holder of shares not exceeding in number or value the amount requisite to qualify him for appointment as a director thereof, he having been nominated as such director by the Company or in his being a member of the Company holding at more than two percent of the paid up share capital of The Company.

Director  
interested

#### APPOINTMENT AND RETIREMENT OF DIRECTORS

99. Subject to the provisions of Sub Section (13) of Section 149 of the Act, not less than two-thirds of the total number of Directors shall be persons whose period of office is liable to determination by retirement of Directors by rotation. Proportion of Directors to retire by rotation
100. At each Annual General Meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office. Rotation and retirement of Directors
- 100A. Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to Banks, Financial Institutions, Financial Corporation or Credit Corporation or any other Financing Company or Body (hereinafter in this Article referred to as "the Corporation") the Corporation hold debentures in the Company by direct subscription or private placement, or so long as the Corporation holds shares, in the Company as a result of under-writing or direct subscription or so long as any, liability of the Company arising out of any guarantee furnished by the corporation on behalf of the Company remain outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, wholetime or Non-wholetime, (which Director or Director's is / are hereinafter referred to as "Nominee Directors") 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.

The Board of Directors of the Company 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 qualification 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.

The Nominee Director/s so appointed shall hold the said office only so long as any monies remain owing by the Company to the Corporation or so long as the Corporation holds Debentures In the Company as a result of Direct subscription or private placement or so long as the Corporation holds share in the Company as a result of underwriting of direct subscription or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Directors/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the monies owing by the Company to the Corporation is 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 any Guarantee furnished by the Corporation.

The Nominee Director/s appointed under this article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which the Nominee Director/s is/are member/s as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and Minutes.

The Company shall pay to the Nominee Director/s sitting fees and expenses which the other Directors of the Company are entitled, but if any other fees, commission, monies and remuneration in any form is payable to the Directors of the Company, the fees, commission monies and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expensed that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment or Directorship shall be also 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 also that in the event of the Nominee Director/s being appointed as Whole time Director/s such Nominee Director/s shall exercise such powers and duties as may be approved by the Corporation and have such rights as are usually exercised or available to a Whole time Director, in the management of the affairs of the Company. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and monies as may be approved by the Corporation.

101. The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day those to retire shall, in default of and
- Which Directors to retire

subject to any agreement among themselves, be determined by lot.

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| 102. | The eligibility and appointment of a person other than a retiring Director to the office of Director shall be governed by the provisions of Section 160 of the Act.   | When the Company and candidate for office of Director must give notice |
| 103. | The Board shall have power, at any time and from time to time, to appoint any person as a Director as an addition to the Board but so that the total number of directors shall not at any time exceed the maximum number fixed by these Articles. Any director so appointed shall hold office only until the next Annual General Meeting of the Company and shall then be eligible for re-election. | Power of Board to add to its number                                    |
| 104. | Any casual vacancy occurring among the Directors may be filled up by the Board, but any person so appointed shall retain his office so long only as the vacating director would have retained the same if no vacancy had occurred. Provided that the Board may not fill such a vacancy by appointing, thereto any person who has been removed from the office of Director under Article 106.        | Board may fill up casual vacancies                                     |
| 105. | The Board may in accordance with and subject to the provisions of Section 161 of the Act appoint any person to act as Alternate Director for a Director during the latter's absence for a period of not less than three months from the State in which meetings of the Board are ordinarily hold.   | Power to appoint Alternate Director                                    |
| 106. | The Company may remove any Director before the expiration of this period of office in accordance with the provisions of Section 169 of the Act and may subject to the provisions of Section 161 of the Act appoint another person in his stead if the Director so removed was appointed by the Company in general meeting or by the Board under Section 161 of the Act.                             | Power to remove Director by ordinary resolution on special Notice      |

#### **PROCEEDINGS OF DIRECTORS**

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| 107. | The Board shall meet together at least four times every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meeting of the board, for the conduct of business as may adjourn and otherwise regulate it meetings and proceeding as it thinks fit. A meeting of the board shall be called by giving not less than Seven days notice in writing to every Director at his registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. A meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one Independent Director, if any, shall be present at the meeting. In case of absence of Independent Director from such a meeting of the board, decisions taken at such a meeting shall be circulated to all the Directors and shall | Meeting of Directors |
|------|---|----------------------|

- be final only on ratification thereof by at least one Independent Director, if any.
108. Subject to the provisions of Article 107, a Director may, at any time, and the Secretary shall, upon the request of a Director made at any time, convene a meeting of the Board. Director may summon meeting
109. The Board may elect a Chairman of its meetings. The Chairman shall be entitled to take the chair at any meeting of the Board. If no such Chairman is appointed or if at any meeting of the Board Chairman be not present at the time appointed for holding the meeting, the Directors present shall choose one of their number to be Chairman of such meeting. Chairman
110. The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of Section 174 of the Act. If a quorum shall not be present within fifteen minutes from the time appointed for holding a Meeting of the Board, it shall be adjourned until such date and time as the Chairman of the Board shall appoint. Quorum
111. A meeting of the Board at which a quorum be present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles or the Act for the time being vested in or exercisable by the Board. Powers of quorum
112. Subject to the provisions of Sections 186 (5) and 203 of the Act, and Articles 118(3) and 119(4), questions arising at any meeting shall be decided by a majority of votes, and, in case of an equality of votes, the Chairman shall have a second or casting vote. How questions to be decided
113. The Board, may, subject to the provisions of the Act from time to time and at any time, delegate any of its powers to a Committee consisting of such Director or Directors as it thinks fit, and may, from time to time, revoke such delegation. Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Board. The constitution of the various committees formed by the Board shall be in accordance with the ratio mentioned in Article 119 (3) or as may be agreed by the Board. Power to appoint Committees and to delegate
114. The meetings and proceedings of any such Committee 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 Board under these Articles. Proceedings of Committee
115. Acts done by a person as a Director shall be valid, notwithstanding that it may afterwards be discovered that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provisions contained When acts of Director Valid notwithstanding defective

in the Act or in these Articles. 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 terminated.

116. Save in those cases where matters are required to be approved by the Board at a meeting of the Board under the Act shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee of the Board, as the case may be, duly called and constituted, if a draft thereof in writing is circulated, together with the necessary papers, if any, to all the Directors or to all the members of the Committee of the board, as the case may be at their addresses registered with the Company in India by hand delivery or by post or by courier or through electronic means as may be prescribed, and has been approved by a majority of such of them as are entitled to vote on the resolution. The provisions of Section 175 shall apply to passing of resolution by circulation.

appointment  
Resolution  
without Board  
meeting

#### MINUTES

117. (1) The Board shall, in accordance with the provisions of Section 118 of the Act, cause minutes to be kept of every general meeting and of every meeting of the Board or of every Committee of the Board.
- (2) Any such Minutes of any meeting of the Board or any Committee of the Board or of the Company in general meeting if kept in accordance with the provisions of Section 118 of the Act, shall be evidence of the matters stated in such Minutes, the Minute Books of general meetings of the Company shall be kept at the Office and shall be open to inspection by members during the hours of 10 A.M. and 12 noon on such business days as the Act requires, them to be open for inspection.

Minutes to be  
made

#### POWERS OF THE BOARD

118. Subject to the provisions of the Act, the management of the Company shall be vested in the Board who shall pay all expenses incurred in promoting and registering the Company and shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorised to exercise and do provided that the Board shall not exercise any power or do any Act or thing which is directed or required, whether by the Act or any other statute or by the Memorandum of Company, or by these Articles, or otherwise to be exercised or done by the Company in general meeting. Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of the Company or in these Articles or in any regulations not inconsistent therewith and duly made thereunder, including regulation made by the Company in general meeting, but no regulation made by the Company in general meeting shall

General powers  
of Company  
vested in the  
Board

invalidate any prior act of the Board which would have been valid if that regulation had not been made.

All decisions or resolutions shall be made or passed with the approval of a simple majority of the Board.

### MANAGING/WHOLETIME DIRECTORS

119. Subject to the provisions of the Act, the Board may from time to time appoint one or more Directors to be the Directors of the Company, for a period not exceeding the period prescribed by the Act for which he is or they are to hold such office, and may, from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his place or their places. Power to appoint Managing or Whole-time Directors
120. A Managing or Whole time Director shall (subject to the provisions of any contract between him and the Company) be subject to the same provisions as to resignation and removal as the other directors, and he shall, ipso facto and immediately, cease to be a Managing or Whole time Director if he ceases to hold the office of Director from any cause save that if he shall retire by rotation under the provisions of Section 152 of the Act or otherwise vacates office as a Director at an Annual General Meeting and be reappointed a Director at the same meeting he shall not by reason only of such retirement or vacation cease to be a Managing or Whole time Director. To what provisions he shall be subject
121. Subject to the provisions of Sections 197, 198, 199 and 200 of the Act, a Managing or Whole time Director shall, in addition to the remuneration payable to him as a Director of the Company under these Articles receive such additional remuneration as may from time to time be sanctioned by the Company. Remuneration of Managing or Whole time Director
122. Subject to the provisions of the Act in particular to the prohibitions and restrictions contained in Section 179 and 180 thereof, the Board may, from time to time, entrust to and confer upon a Managing or Whole time Director for the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as it thinks fit and the Board may confer such powers, either collaterally with, or to the exclusion of, and in substitution for all or any of the powers of the Board in that behalf, and may, from time to time, revoke, withdraw, alter or vary all or any of such powers. Powers of Managing or Whole time Director

### LOCAL MANAGEMENT

123. The Board may, subject to the provisions of the Act, make such arrangements as it may think fit for the management of the Company's affairs abroad or in any specified locality in India and for this purpose appoint local boards, attorneys and agents Local Management, powers of Attorney, Seal for use abroad and

and fix their remuneration and delegate to them such powers as the Board may deem requisite or expedient. Subject to provisions of Section 22(2) of the Act, the official Seal shall be affixed by the authority and in the presence of, and the instruments sealed therewith shall be signed by, such persons as the Board shall from time to time by writing under the seal appoint. The Company may exercise all the powers of Section 88 of the Act with reference to the keeping of Foreign Registers.

Foreign Registers

#### THE SEAL

124. The Board shall provide for the safe custody of the Custody of Seal and the Seal shall never be used except by the authority seal previously given of the Board or a Committee of the Board authorised by the Board In that behalf and, save as provided in Article 14(1) hereof, any two Directors or one Director and the Secretary or one Director and such other person as the Board may appoint shall sign every instrument to which the Seal is affixed. Provided nevertheless, that any Instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Board to issue the same.

Custody of Seal

#### RESERVES

125. The Board may from time to time before recommending any dividend, set apart any and such portion of the profits of the Company as it thinks fit as Reserves to meet contingencies or for the liquidation of any debentures, debts or other liabilities of the Company, for equalisation of dividends, for repairing, improving or maintaining any of the property of the Company and for such other purposes of the Company as the Board in its absolute discretion thinks conducive to the interests of the Company and may, subject to the provisions of Section 186 of the Act invest the several sums so set aside upon such investment (other than shares of the Company) as the Board may think fit and from time to time deal with and vary such investment and dispose of all or any part thereof for the benefit of the Company, and may divide the Reserves into such special funds as it thinks fit, with full power to employ the Reserves or any parts thereof in the business of the Company, and that without being bound to keep the same separate from the other assets.

Reserves

126. All moneys carried to the Reserves shall nevertheless remain and be profits of the Company applicable; subject to due provisions being made for Actual loss or depreciation for the payment of dividends and such moneys and all the other moneys of the Company not immediately required for the purposes of the Company may, subject to the provisions of Sections 186 of the Act be invested by the Board in or upon such investments or securities as it may select or may be used as working capital or may be kept at any Bank on deposit or otherwise as the Board may from time to time think proper.

Investment of money

127. Any general meeting may upon the recommendation of the Board resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserves, or any Capital Redemption Reserve Account, or in the hands of the Company and available for dividend or representing premiums received on the issue of shares and standing to the credit of the Share Premium Account be capitalised and distributed amongst 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 capitalized fund be applied on behalf of such shareholders in paying up in full any Unissued shares, debentures or debenture stock 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 any sum standing to the credit of a Share Premium Account or a Capital Redemption Reserve Account may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

Capitalisation of reserves

128. 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.

Surplus moneys

129. For the purpose of giving effect to any resolution under the two last preceding Articles 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 determine that cash payments shall be made to any members In order to adjust the rights of all parties and may vest such cash in trustees upon such trusts for the persons entitled to the dividend or capitalised fund as may seem expedient to the Board. Where requisite a proper contract shall be filed in accordance with Rule 12 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.

Fractional certificates

### **DIVIDENDS**

130. Subject to rights of members entitled to shares (if any) with preferential or special rights attached to them, the profits of the Company from time to time determined to be distributed as dividend in respect of any year or other period shall be applied for payment of dividend on the Shares in proportion to the amount of capital paid up on the shares provided that unless the Board otherwise determines all dividends shall be apportioned

How profits shall be divisible

and paid proportionate 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 provided always that (subject as aforesaid) any capital paid up on a share during the period in respect of which a dividend is declared shall (unless the Board otherwise determines or the terms of the issue otherwise provide, as the case may be) only entitle the holder of such share to an apportioned amount of such dividend as from the date of payment but so that where capital is paid up in advance of calls such capital shall not confer a right to participate in profits.

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| 131. | The Company in general meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may, subject to the provisions of Section 123 of the Act, fix the time for payment.  | Declaration of dividends            |
| 132. | No larger dividend shall be declared than is recommended by the Board, but the Company in general meeting may declare a smaller dividend.  | Restrictions on amount of dividends |
| 133. | Subject to the provisions of Sections 123 of the Act, no dividend shall be payable except out of the profits of the Company or out of moneys provided by the Central or a State Government for the payment of the dividend in pursuance of any guarantee given by such Government and no dividend shall carry interest against the Company.                            | Dividend                            |
| 134. | Subject to the provisions of the Act, the declaration of the Board as to the amount of the net profits of the Company shall be conclusive.   | What to be deemed net profits       |
| 135. | The Board may, from time to time pay to the members such interim dividends as appears to the Board to be justified by the profits of the Company.  | Interim dividends                   |
| 136. | The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.   | Debts may be deducted               |
| 137. | Any general meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend and the dividend may be set off against the call.   | Dividend and all together           |
| 138. | No dividend shall be payable except in cash; provided that nothing in the foregoing shall be deemed to prohibit the capitalisation of profits or Reserves of the Company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on the shares held by the members of the Company. Any dividend payable in cash may be | Dividend in cash                    |

paid by cheque or warrant or in any electronic mode to the share holder entitled to the payment of the dividend.

139. A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer by the Company and where applicable the Company shall comply with the requirement of Section 126 of the Act. Effect of Transfer
140. *[Intentionally left blank]*
141. No dividend shall be paid in respect or any share except to the registered holder of such share or to his order or to his bankers but nothing contained in this Articles shall be deemed to require the bankers of a registered shareholder to make a separate application to the Company for the payment of the dividend. Nothing in this Article shall be deemed to affect in any manner the operation of Article 139. To whom dividends payable
142. Any one of several persons who are registered as the joint-holders of any share may give effectual receipts for all dividends and other payments in respect of such share. Dividend to joint-holders
143. Unless otherwise directed in accordance with Section 123 of the Act, any dividend, interest or other monies payable in cash in respect of a share may be paid by any electronic mode or cheque or warrant sent through the post to the registered address of the holder or, in the case of joint-holders, to the registered address of that one of the joint-holders who is the first named In the Register in respect of the joint-holding or to such person and such address as the holder or joint-holders, as the case may be, may direct, and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent. Payment by post and electronic mode
144. Subject to the provision of Section 124 of the Act, any dividend remaining unclaimed for 30 (thirty) days after having been declared by the Company, shall be transferred, within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days, to a special account to be opened by the Company in that behalf in any scheduled bank. Any person claiming to be entitled to any money transferred to such special account of the Company may apply to the Company for payment of the money claimed. Unclaimed dividends

Any money transferred to the said special account of a Company that remains unpaid of unclaimed for a period of 7 (seven) years from the date of such transfer shall be transferred by the Company along with interest accrued, if any, thereon to Funds established under sub- section (1) of section 125 of the Act.

#### **BOOKS AND DOCUMENTS**

145. The Board shall cause proper Books of Account to be kept in accordance with Section 128 of the Act. Books of Account to be kept

146. The Books of Account shall be kept at the Office or at such other place in India as the Board may decide and when the Board so decides, the Company, shall, within 7 (seven) days of the decision, file with the Registrar a notice in writing giving the full address of that other place. Where to be kept
147. (1) Subject to the provisions of the Act, the Books of Account and other books and papers shall be open to inspection during business hours by any Director, Registrar or any Officer of the Government authorised by the Central Government in this behalf. Inspection
- (2) The board shall, from time to time, determine whether and to what extent, and at what times and places, and under what conditions or regulations, the Books of Account and books and documents of the Company, other than those referred to in Articles 117(2) and 165 or any of them, shall be open to the inspection of the members not being Directors and no member (not being a Director) shall have any right of inspecting any Books of Account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.
148. The books of account of the Company together with the vouchers relevant to any entry in such books of account relating to a period of not less than eight years immediately preceding the current financial year shall be preserved in good order. Books of account to be preserved

#### **FINANCIAL STATEMENTS AND ACCOUNTS**

149. At every Annual General Meeting the Board shall lay before the Company a Balance Sheet and Profit & Loss Account made up in accordance with the provisions of Section 129 of the Act and such financial statements shall comply with the requirements of Sections 129, 133 and 134 and of Schedule III to the Act so far as they are applicable to the Company but, save as aforesaid the Board shall not be bound to disclose greater details of the result or extent of the trading and transactions of the Company than it may deem expedient. Balance Sheet and Profit and Loss Account
150. There shall be attached to every financial statements laid before the Company a Report by the Board complying with Section 134 of the Act. Annual Report of Directors
151. A copy of financial statements (including the consolidated financial statements, if any, Auditors' Report and every document required by law to be annexed or attached to the financial statements) shall, as provided by Section 136 of the Act, not less than twenty-one days before the meeting be sent to every such member, debenture-holder, trustee and other person to whom the same is required to be sent by the said Section. Copies to be sent to members and others

- |      |   |  |
|------|---|--|
| 152. | The Company shall comply with Section 137 of the Act as to filing copies of financial statements, including consolidated financial statements, if any, and other documents required to be annexed or attached thereto with the Registrar. | Copies of Balance Sheet, etc., to be filed |
| 153. | Every financial statements of the Company when audited and adopted by the Company in general meeting shall be conclusive except as regards any error discovered therein.  | When accounts to be deemed finally settled |

### AUDIT

- |      |   |   |
|------|---|---|
| 154. | Once at least in every year the books of account of the Company shall be examined by one or more Auditor or Auditors.   | Account to be audited annual                  |
| 155. | Subject to the provisions of the Chapter X of the Act, the Company shall at each Annual General Meeting appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusion of the sixth Annual General Meeting thereafter and shall, within seven days of the appointment, give intimation thereof to every Auditor so appointed. The appointment, remuneration, rights and duties of the Auditor or Auditors shall be regulated by Sections 139 to 146 of the Act. | Appointment and remuneration of Auditors.     |
| 156. | Where the Company has a branch office the provisions of sub-section (8) of Section 143 of the Act shall apply.  | Audit of accounts of branch office of Company |
| 157. | All notices of, and other communications relating to any general meeting of the Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditor of the Company and the Auditor shall be entitled to attend any general meeting and to be heard at any general meeting which he attends on any part of the business which concerns him as Auditor.  | Right of Auditor to attend general meeting    |
| 158. | The Auditors' Report (including the Auditors' separate, special or supplementary report, if any) shall be read before the Company in general meeting and shall be open to inspection by any member of the Company.  | Auditors' Report to be read                   |

### SERVICE OF NOTICES AND DOCUMENTS

- |      |  |  |
|------|--|--|
| 159. | A notice or other documents may be given or sent by the Company in accordance with the provisions of Sections 20 and 101 of the Act.   | How notice to be served on members     |
| 160. | Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered on the Register shall have been duly given to the person from whom he deserves his title to such share. | Transferee etc. bound by prior notices |

161. Subject to the provisions of Article 159 any notice or document delivered or sent by post or to by any electronic mode or left at the registered address of any member in pursuance of these Articles shall, notwithstanding such member be then deceased and whether or not the Company have notice of his decease, be deemed to have been duly served in respect of any registered share, whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint-holders thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his heirs executors or administrators and all persons, if any, jointly interested with him in any such share.

Notice valid through member deceased

### COMMENCEMENT OF BUSINESS

162. [*Intentionally left blank*]

### KEEPING OF REGISTERS AND INSPECTION

163. The Company shall duly keep and maintain at the Office the various Registers required to be kept and maintained under the Act or Rules made thereunder.
164. The Company shall comply with the requirements of the Act as to the supply of copies of Registers, deeds, documents, instruments, returns, certificates and books.
165. Where under any provisions of the Act any person whether a member of the Company or not is entitled to inspect any register, return, certificate, deeds, instrument or document required to be kept or maintained by the Company, the person so entitled to inspections shall be permitted to inspect the same during the hours of 10 A.M. and 12 noon on such business days as the Act requires them to be open for inspection.
166. The Company may, after giving not less than 7 (seven) days' previous notice by advertisement in some newspapers circulating in the district in which the Office is situate, close the Register of Members or the Register of debenture-holders, as the case may be, for any period or periods not exceeding in the aggregate 45 (forty-five) days in each year but not exceeding 30 (thirty) days at any one time.

Registers, etc., to be maintained by Company

Supply of copies of Registers, etc.

Inspection of Registers, etc.

When registers of Members and debenture-holders may be closed

### RECONSTRUCTION

167. On any sale of the undertaking of the Company, the Board or the liquidators on a winding-up may, if authorised by a Special Resolution, accept fully paid or partly paid up shares, debentures or securities of any other company whether incorporated in India or not either then existing or to be formed for the purchase in whole or in part of the property of the Company, and the Board (if the profits, of the Company permit) or the liquidators (in a winding up) may distribute such shares or securities, or any other property of the Company amongst the members without realisation, or vest the same in trustees for

Reconstruction

them, and any Special Resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefit or property, otherwise than in accordance with the strict legal rights of the members or contributories of the Company, and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorized and waive all rights in relation thereto, save only in case the Company is proposed to be or is in the course of being wound up, such statutory rights (if any) under the Act as are incapable of being varied or excluded by these Articles.

**SECRECY**

168. Every Director, Secretary, Trustee for the Company, its members or debenture-holders, member of a Committee officer, servant, agent, accountant, or other person employed In or about the business of the Company shall, if so required by the Board before entering upon his duties, sign a declaration Pledging himself to observe a strict secrecy respecting all transactions of the Company with its customer and the state of accounts with 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 Board or by any general meeting or by a Court of law and except so far as may be necessary in order to comply with any to the provisions in these Articles contained. Secrecy

169. No member or other person (not being a Director) shall be entitled to enter upon the property of the Company or to inspect or examine the premises or properties of the Company without the permission of the Board or, subject to Article 147 to require discovery of or any information respecting any detail of the trading of the Company or arty matter which is or may be in the nature of a trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to communicate. No member to enter the premises of the Company without permission

**WINDING-UP**

170. If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding-up on the shares held by them respectively and if in a winding-up the assets available for distribution among the members shall be more than sufficient, to repay the whole of the capital paid-up at the commencement of the winding-up, the excess shall be distributed amongst the members in proportion Distribution of assets

to the capital at the commencement of the winding-up paid up or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

171. If the Company shall be wound up, whether voluntarily or otherwise, the liquidators may, with its sanction of a Special Resolution, divide among the contributories, in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in Trustees upon such trust for the benefit of the contributories, or any of them, as the liquidators, with the like sanction, shall think fit. Distribution of assets in specie

#### INDEMNITY

172. Every Director, Secretary or Officer of the Company or any person (whether an officer of the Company or not) employed by the Company and any person appointed Auditor shall be indemnified out of the funds of the Company against all liability incurred by him as such Director, Secretary, Officer, employee or Auditor in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted, or in which relief granted to him by the Court or Tribunal. Indemnity

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

Name, Address, Descriptions and Occupation of Subscribers	Number of Shares taken by each subscribe
<p style="text-align: center;">Sd/- D. L. V. Rowe DAVID LESU VIVIAN ROWE Son of Josiah Arthur Vivian Rowe Chartered Bank Buildings, Calcutta Merchant</p> <p style="text-align: center;">Sd/- P. Prashad PRAN PRASHAD Son of Bani Prashad Chartered Bank Buildings, Calcutta Merchant</p>	<p style="text-align: center;">One</p> <p style="text-align: center;">One</p>
Total	Two

Dated this Twenty Sixth day of June 1961,  
Witness to the above signatures:-

Sd/-  
N. S. GILANI  
Son of Beltle Shah Gillani  
Chartered Bank Buildings, Calcutta



Seal.

COURT FEE STAMP Rs. 45 ONLY

Company Petition No. 203 of 1993 connected with  
Company Application Suit No. 88 of 1993.

IN THE HIGH COURT AT CALCUTTA  
ORDINARY ORIGINAL JURISDICTION

President of the Union of India

The Hon'ble  
Mr Justice  
Kalyanmoy Ganguli

In the matter of : The Companies Act, 1956:

And

In the matter of : An application under Section 391 (2) and  
394 of the said Act:

And

In the matter of : McNally Bharat Engineering Company  
Limited, a company incorporated under the provisions of  
the Companies Act, 1956 having its registered office at  
Four Mangoe Lane, Surendra Mohan Ghosh Sarani,  
Calcutta 700 001, within the aforesaid jurisdiction.

And

Amritanshu Investments Limited, a company incorpo-  
rated under the provisions of the Companies Act, 1956  
and having its registered office at 52/2 Ballygunge  
Circular Road, Calcutta - 700 019 within the aforesaid  
jurisdiction.

1. McNally Bharat Engineering Company Limited.
2. Amritanshu Investments Limited.

Petitioners

The above petition coming on for hearing on this day and upon reading the said petition, the order dated the twenty ninth day of March in the year one thousand nine hundred and ninety three whereby the abovenamed petitioner No. 1 McNally Bharat Engineering Company Limited (hereinafter referred to as the said transferor company and the abovenamed petitioner No. 2 Amritanshu Investment Limited (hereinafter referred to as the said transferee company) were ordered to convene separate meetings of the equity shareholders of the said transferor company and equity and preference shareholders of the said transferee company for the purpose of considering and if thought fit approving with or without modification the scheme of arrangement proposed to be made between the said transferor company and the said transferee company and annexed to the affidavit of Shyamal Bhattacharjee filed on the twenty ninth day of March in the year one thousand nine hundred and ninety three, the Statesman and the Ananda Bazar Patrika both dated the tenth day of April in the year one thousand nine hundred

and ninety three each containing the advertisement of the said notice convening the said meetings directed to be held by the said order dated the twenty ninth day of March in the year one thousand nine hundred and ninety three, the affidavit of Laxmi Narayan Sastry filed on the twenty third day of April in the year one thousand nine hundred and ninety three showing the publication and despatch of the notices convening the said meetings, the reports of the Chairmen of the said meetings all dated the tenth day of May in the year one thousand nine hundred and ninety three as to the result of the said meetings And upon reading on the part of the petitioner Companies an affidavit of Laxmi Narayan Sastry filed on the twenty fifth day of June in the year one thousand nine hundred and ninety three and the exhibits therein referred to And upon reading on the part of the petitioner companies, an affidavit of Shyamal Bhattacharjee filed this day and the exhibits therein referred to And upon reading the order made herein and dated the sixteenth day of June in the year one thousand nine hundred and ninety three and upon hearing Mr S B Mukherjee (Mr S N Mukherjee and Mr Jishnu Saha appearing with him) Advocate for the petitioner companies and Mr Asim Banerjee Advocate for one of the creditor of the said transferor company and Mr S Goopla Advocate for the Union of India And it appearing from the said reports that the proposed scheme of arrangement has been approved by a requisite majority of the equity shareholders of the said transferor company and unanimously by the equity and preference shareholders of the said transferee company.

This Court doth hereby sanction the Scheme of arrangement set forth in Annexure 'A' of the petition herein as specified in the Schedule 'A' hereto and doth hereby declare the same to be binding with effect from first day of March in the year one thousand nine hundred and ninety three (hereinafter referred to as the said transfer date) on the said transferor company and the said transferee company and their shareholders and all concerned as modified as hereinafter appearing.

- (i) In clause I part II of the scheme the words "subject to" shall be substituted in place of the words "free from".
- (ii) In clause 9 part II the the words "The land, buildings, machineries and equipments of the Bangalore Division" shall be substituted by the words "The land, building, plant and machinery, computer and data processing equipments, furniture and fittings and office equipments of the Bangalore Division".

This Court doth order :

(1) That all the properties, rights and interests of the said transferor company relating to the Bangalore Division and specified in the first, second and third parts of the schedule 'B' hereto be transferred from the said transfer date without further act or deed to the said transferee company and accordingly the same shall pursuant to section 394(2) of the Companies Act, 1956 be transferred to and be vested in the said transferee company for all the respective estates and interests of the said transferor company therein (subject to existing charges created by the said transferor company); and

(2) That all the liabilities and duties of the said transferor company in or relating to the said Bangalore Division be transferred from the said transfer date without further act or deed to the said transferee company and accordingly the same shall pursuant to section 394(2) of the Companies Act, 1956, be transferred to and become the liabilities and duties of the said transferee company ; and

(3)

(3) That all proceedings and/or suits and/or appeals now pending by or against the said transferor company in respect of the said Bangalore Division be continued by or against the said transferee company ; and

(4) That the said transferor company shall not sell its shareholding in the said transferee company held before or after allotment under the said scheme of arrangement so long as the Non-Convertible Debentures subscribed by the Unit Trust of India in the said transferor company remains outstanding without the consent of the Unit trust of India; and

(5) That leave be and the same is hereby granted to the petitioner companies to file the schedule of assets of the said transferor company within three weeks from the date hereof ; and

(6) That the said transferor company and the said transferee company do within thirty day after the date of this order cause a certified copy of this order to be delivered to the Registrar of Companies concerned for registration ; and

(7) That any person interested shall be at liberty to apply to this Court in the above matter for such directions as may be necessary ; and

(8) That the petitioner companies do pay to the Central Government its costs of and incidental to this application assessed at sixty Gold mohors within a week from the date hereof ; and

(9) That the Department and all parties do act on a copy of the minutes of this order duly signed by an Officer of this Court being served on them.

Witness Shri Anandamoy Bhattacharjee, Chief Justice at Calcutta aforesaid the twenty eighth day of June in the year one thousand nine hundred and ninety three.

.Khalan and Company : Advocates  
Samar Basu : Advocate

J Nandy  
For Registrar  
22.7.93

Schedule "A" above referred

to

Scheme of Arrangement

Between

McNally Bharat Engineering Company Limited

And

Amritanshu Investments Limited

And

Their Respective Shareholders

## PART I

## 1. Definitions :

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

- A. "The Act" means The Companies Act, 1956.
- B. "The Transfer Date" means the 1st day of March, 1993.
- C. "The Effective Date" means the day on which the last of the approvals specified in Clause 4 of Part III of this Scheme shall have been obtained.
- D. "MBEL" means McNally Bharat Engineering Company Limited, a company incorporated under the provisions of the Companies Act, 1956, having its registered office at 4 Mangoe Lane, Surendra Mohan Ghosh Sarani, Calcutta 700 001 in the State of West Bengal.
- E. "AIL" means Amritanshu Investments Limited, a Company under the provisions of the Companies Act, 1956 and having its registered office at 52/2 Ballygunge Circular Road, Calcutta 700 019 in the State of West Bengal.
- F. "Bangalore Division" means the Product Division of MBEL in Bangalore established, for the manufacture, inter alia, of spare parts, components and equipment such as conveyors, feeders, crushers, screens, dryers, kilns, mills, pumps, filters, thickeners, floatations, magnetic separators, etcetera for various types of plants like mineral beneficiation and treatment plants, cement mill machinery plants, coal washing plants, material handling and conveying systems, thermal power plants, coal handling systems, railwagon, haulage, retarders and loader, crushing and screening equipment, lime recovery plant, lime burning plant, coke calcining plant, ore pelletizing plant, manganese ore nodulizing plant, light weight aggregate plant, magnesite calcining to periclase for refractory industry, carbon paste plant, special coking plant, pelletizing fine materials, rock crushing and screening complete line of Kennedy Van Saun machinery such as crushers and kilns and water/effluent treatment plants and shall mean and include all the undertaking, properties and liabilities of MBEL pertaining to the Bangalore Division including :
- (a) all properties and assets, moveable and immovable, real and personal, corporeal and incorporeal, in possession or in reversion, present and contingent of whatsoever nature, wheresoever situate, as on the Transfer Date including all lands admeasuring approximately 58,810 square meters bearing survey numbers 135, 136, and 137 of Pattandoor Agrahaar Village K R Puram Hobli Bangalore District, in the state of Karnataka, buildings, plant and machinery, vehicles, equipments, furniture, sundry debtors, investments, inventories, cash and bank balances, bills of exchange, deposits, loans and advances as appearing in the books of account of MBEL and appertaining to the Bangalore Division, lease, tenancy rights and agency of MBEL pertaining to the Bangalore Division and all other interests or rights in or arising out of or relating to such properties together with all rights, powers, interests, charges, privileges, benefits, entitlement,

Industrial and other licenses, registration quotas, trade marks, patents, copyrights, liberties, easements and advantages, appertaining to the said Bangalore Division and/or to which MBEL is entitled to in respect of the said Bangalore Division of whatsoever kind, nature of description held, applied for or as may be obtained thereafter or to which MBEL is entitled to in respect of the Bangalore Division together with the benefit of all contracts and engagements and all books, papers, documents and record relating to the said Bangalore Division.

- (b) all debts, liabilities, duties and obligations of MBEL pertaining to and/or arising out of the said Bangalore Division including liabilities on account of unsecured loans, sundry creditors, bonus, sales tax, excise and other taxation and contingent liabilities and additional liability for bonus whether or not provided for in the books of account of MBEL.
- (c) all the employees of MBEL engaged in or in relation with the Bangalore Division.

**WHEREAS :**

1. MBEL is a broad based and diversified concern having, inter alia, three divisions, firstly an engineering product division situated at Kumardhubi, Dhanbad in the State of Bihar where, inter alia equipment and spares for material handling, coal washing, ore beneficiation etcetera are manufactured, secondly, the said Bangalore Division, and thirdly, a Project Division which with the help of the marketing department of MBEL situated at Calcutta and Product Division situated at Kumardhubi, inter alia, executes turn-key projects for the construction of material handling, coal washing, calcination and cement mill machinery and such like. Though the divisions at Kumardhubi and Bangalore are situated far away from each other and from the registered and corporate offices of MBEL situated at Calcutta yet these divisions are finally controlled and managed by and through the registered and corporate offices of MBEL in Calcutta resulting in various complexities in administration and financial management and control and balancing of the requirements of the different units to which different considerations are applicable. Currently the resources of MBEL are under severe strain and it has become very difficult for MBEL to meet its working capital requirements. Thus, though the Bangalore Division of MBEL is commercially viable, the installed capacity of the factory of the said division is currently under-utilised for lack of finance. The Bangalore Division has good prospects for growth and development and exploitation of its potential to the fullest extent.
2. AIL is a sound financial concern engaged in the business of investing in shares and securities. AIL has been considering proposals for diversification.
3. Under this Scheme of Arrangement it is proposed to transfer the Bangalore Division of MBEL to AIL in the manner and on the terms and conditions stated herein. The Scheme will enable MBEL to reduce its administrative problems and pressures as also to reduce the pressure on its liquidity and will enable AIL to diversify its business by acquiring the Bangalore Division. The Scheme will also result in independent growth and expansion of the respective business of the companies concerned and will facilitate greater

Independent focus on the operation of the various divisions of the companies to improve their profit potential.

PART II

1. With effect from the Transfer Date, the Bangalore Division shall pursuant to Section 394(2) of the Act and without any further act or deed be transferred to and vested in or be deemed to have been transferred to and vested in the AIL for all the estate and interest of MBEL therein subject to all charges, liens, liens, mortgages and encumbrances, if any, affecting the same or any part thereof.
2. All debts, liabilities and obligations of MBEL relating to the Bangalore Division as on the close of business on the day immediately preceding the Transfer Date, whether provided for or not in the books of account of MBEL and all other liabilities relating to the Bangalore Division which may accrue or arise from the Transfer Date but which relate to the period upto the day immediately preceding the Transfer Date shall become the debts, liabilities, duties and obligations of AIL and AIL undertakes to meet, discharge and satisfy the same to the exclusion of MBEL and to keep MBEL indemnified at all times from and against all such liabilities, duties and obligations and from and against all actions, demands and proceedings in respect thereto.
3. (a) AIL undertakes to engage on and from the Effective Date, all the employees of MBEL engaged in Bangalore Division on the same terms and conditions on which they are engaged as on the Effective Date by MBEL without any interruption of service as a result of the transfer. AIL agrees that the services of all such employees with MBEL upto the Effective Date shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits.
- (b) The accumulated balance, if any standing to the credit of the employees and officers of the Bangalore Division in the existing Provident Fund, Gratuity Fund and Superannuation Fund of which they are members will be transferred to such Provident Fund, Gratuity Fund and Superannuation Fund nominated by AIL and for such new funds to be established and caused to be recognised by the concerned authorities by AIL pending the transfer as aforesaid, the Provident, Gratuity and Superannuation dues of the said employees and officers of the Bangalore Division would be continued to be deposited in the existing Provident, Gratuity and Superannuation Funds respectively.
4. (a) All legal or other proceedings by or against MBEL whether pending on the Effective Date or any matter arising before the Transfer Date and relating to the Bangalore Division (including those relating to any property, right, power, liability, obligation or duty of MBEL in respect of Bangalore Division) shall be continued and in force by or against AIL only. If proceedings are taken against MBEL, MBEL will defend on notice or as per advice of AIL at the costs of AIL and AIL will indemnify and keep indemnified MBEL from and against all liabilities, obligations, actions, claims and demands in respect thereof.

- (b) AIL undertakes to have all legal or other proceedings pending by or against MBEL as on the Effective Date and relating to Bangalore Division (including those relating to any property, right, power, liability or duty of MBEL in respect of Bangalore Division) transferred in its name and to have the same continued prosecuted and enforced by or against AIL to the exclusion of MBEL. AIL also undertakes to deal with all legal or other proceedings which may be started by or against MBEL after the Effective Date relating to Bangalore Division in respect of the period upto the day immediately preceding the Transfer Date in its own name and account and to the exclusion of MBEL. AIL further undertakes to reimburse to MBEL all amounts which MBEL may be called upon to pay or secure in respect of any liability or obligation relating to Bangalore Division for the period upto the day immediately preceding the Transfer Date and the costs incurred by MBEL in respect of any proceeding instituted by or against MBEL for the period upto the day immediately preceding the Transfer Date at any time after the said date, on submissions of necessary evidence by MBEL to AIL in respect of the assets and liabilities taken over by AIL.
5. With effect from the Transfer Date and upto and including the Effective Date:
- (a) MBEL shall be deemed to have been carrying on and to be carrying on all business and activities relating to Bangalore Division and stand possessed of the properties so to be transferred to AIL for and on account of and in trust for AIL.
- (b) All profits accruing to MBEL or losses arising or incurred by it relating to Bangalore Division shall for all purposes be treated as the profits or losses, as the case may be of AIL.
6. MBEL hereby undertakes from the Transfer Date upto and including the Effective Date.
- (a) To carry on business of the Bangalore Division in the ordinary course of business and not (without the prior written consent of AIL) to alienate charge or otherwise deal with or dispose off the Bangalore Division or any part thereof except in the usual course of business.
- (b) Not to utilise the profits, if any, relating to the Bangalore Division for the purpose of declaring or paying any dividend in respect of the period falling on and after the Transfer date.
7. The transfer and vesting of the properties and liabilities of Bangalore Division under Clause 1 hereof and all the continuance of the proceeding by or against AIL under clauses 4(a) and 4(b) hereof shall not affect any transaction or proceeding already completed by MBEL on and after the Transfer Date to the end and intent that AIL accepts all acts, deeds and things done and executed by and/or on behalf of MBEL as acts, deeds and things done and executed by and on behalf of AIL.
8. Subject to the other provisions contained in this Scheme all contracts, deeds, bonds, agreements and other instruments of whatsoever nature relating to

Bangalore Division to which MBEL is a party subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favour of AIL and may be enforced as fully and effectively as if instead of MBEL, AIL has been a party thereto.

9. For the purposes of this Scheme, a statement of Account as on the date preceding the Transfer Date shall be drawn up in respect of the assets and liabilities of the Bangalore Division to be transferred as per this Scheme. The said Statement of Account shall be drawn upon the basis of the books of account of MBEL relating to the Bangalore Division as on the day immediately preceding the Transfer Date, i.e. as on 28th February, 1993 as audited by auditors. The Land, Buildings, Plant and Machinery, Computer and Data Processing Equipments, Furniture and Fittings and Office Equipment of the Bangalore Division shall be taken at the Rs. 8,75,00,000/- and all other assets and liabilities shall be taken at the values as appearing in the books of account of MBEL as on the day immediately preceding the Transfer Date and shall be reflected in the books of account of AIL at such value.
10. Upon the transfer and vesting of Bangalore Division to AIL pursuant to clause 1 hereof and upon the Scheme becoming effective, AIL shall:
  - (a) Issue and allot to MBEL and/or its nominees without further application 30,00,000 Equity Shares of Rs. 10/- each credited as fully paid up in AIL. Such share shall rank *pari passu* in all respects with the existing equity shares of AIL except that they shall rank for dividend pro rata from the date of allotment. These shares to be issued and allotted by AIL may be issued and allotted within such period not exceeding one year from the effective date as may be mutually decided by the Board of Directors of MBEL and AIL.
  - (b) pay to MBEL an amount equivalent to the excess of the value of the assets over the liabilities relating to Bangalore Division as appearing in the Statement of Account to be prepared under clause 9 hereinabove as reduced by Rs. 3,00,00,000/- being the face value of the shares to be allotted under sub-clause (a) above. The said sum shall be regarded as a loan from MBEL to AIL and shall be paid by AIL to MBEL in such manner and at such rates of interest and within such period as may be mutually decided by MBEL and AIL.
11. Upon the Scheme becoming effective and the transfer and vesting of Bangalore Division to AIL, MBEL shall take necessary steps to get the assets of the Bangalore Division, charged with various lenders and trustees for debenture-holders against loans obtained by MBEL and debentures issued by MBEL, released from such charge in favour of such lenders and trustees for debenture-holders and shall file necessary satisfaction of charge with the Registrar of Companies, West Bengal.
12. Even after the Effective Date, AIL shall be entitled to realise all monies and complete and enforce all pending contracts and transactions in respect of the Bangalore Division in the name of MBEL in so far as may be necessary until the transfer of rights and obligations of MBEL to AIL under these Scheme is formally accepted by the parties concerned.

**PART III**

1. MBEL and AIL shall make necessary applications before the Hon'ble High Court at Calcutta for the sanction of this Scheme of Arrangement.
2. Save and except the Bangalore Division of MBEL and as expressly provided in this Scheme of Arrangement nothing contained in this Scheme of Arrangement shall affect the rest of the assets, liabilities and business of MBEL which shall continue to belong to and be vested in and be managed by MBEL.
3. MBEL and AIL (through their respective Board of Directors) and in their full and absolute discretion, may assent to any alteration or modification to this Scheme which the Court and/or any other Authority may deem fit to approve or impose and may further give such directions as they may consider necessary to settle any question of difficulty arising under this Scheme or in any manner connected therewith.
4. The Scheme is conditional upon and subject to the following :-
  - (a) The Scheme being approved by the respective requisite majorities of the members of MBEL and AIL and it being sanctioned by the High Court at Calcutta.
  - (b) The approvals of lenders and trustees for debenture-holders, wherever necessary, under any contract entered into with them by MBEL and/or AIL.
  - (c) The certified copy of the order of the High Court at Calcutta being filed with the Registrar of Companies concerned by both MBEL and AIL.
5. After the sanction of the Scheme of Arrangement AIL will take necessary steps to change its name suitably and also to increase its Authorised Share Capital suitably to enable it to issue the shares to MBEL as required under this Scheme of Arrangement.
6. MBEL and/or AIL shall each be at liberty to withdraw from this Scheme of Arrangement in case any condition or alteration imposed by any authority is unacceptable to them.
7. All costs, charges and expenses incurred in carrying out and implementing the terms and provisions of this Scheme and incidentals thereto including those incurred during negotiations leading to the Scheme to be borne equally by MBEL and AIL.
8. If any doubt or difference or issue shall arise between the parties hereto or any of their share-holders, creditors, employees and/or any other person as to the construction hereof or as to any account, valuation or apportionment to be taken or made of any asset or liability transferred under this Scheme or as to the accounting treatment thereof or as to anything else contained in or relating to or arising out of this Scheme, the same shall be referred to Mr. R K Chowdhury, Advocate of 1B Old Post Office Street, Calcutta 700 001 whose decision shall be final and binding on all concerned.

J Nandy  
For Registrar  
22.7.93

Schedule 'B' above referred  
to  
Scheme of Assets

of McNally Bharat Engineering Company Limited ("the Transferor Company")  
to be transferred to Amritanshu Investments Limited ("the Transferee Company")  
as on 1st March, 1993.

**PART I**

(Short description of the freehold properties of the Transferor Company)

**A. LAND**

All those pieces and parcels of land comprised in survey numbers 135, 136 (partly) and 137 (partly) of Pattadura Agrahara Village, Krishnarajapuram Hobli, Bangalore District, in the State of Karnataka as below :-

Survey No. 135	:	4 acres 32 guntas
Survey No. 136 (partly)	:	8 acres 27 guntas
Survey No. 137 (partly)	:	1 acre 5 guntas

and butted and bounded as follows :

that is to say on the East by land bearing Survey Nos. 35 (part) and 36 (part) belonging to Palat Govindan Nayar, on the West by private land leading to Major Roe's Estate, on the North by Krishnarajapuram Hobli Whitefield Road and on the South by Major Roe's Estate.

**B. FACTORY BUILDING**

	Built up area (Square meters)
1. Administrative Engineering Office Building	480.0
2. Main factory and office Building	5000.0
3. Security Office / Scooter Stand	59.0
4. Car Parking Shed	40.0
5. Pump House Reservoir	56.0
6. Water and Septic Tank	32.5
7. Cement Godown	162.0
8. Garden Equipment Room	21.0
9. Cycle Stand	130.0
10. A-Frame Bay	625.0
11. Compressor Room	42.0
<b>Total</b>	<u><b>6647.5</b></u>

**C. OPEN YARD**

	Built up area (Square meters)
1. Raw Material Storage	2290.0
2. Fabrication Yard	5040.0
3. Pump Test Rig	48.6
4. Roads and Gardens	16436.0
<b>Total</b>	<u><b>23814.6</b></u>

**PART II**

(Short description of the Leasehold properties of the Transferor Company)

**N I L**

**PART III**

(Short description of stocks, shares, debentures and other choses in action of the Transferor Company)

**Licenses & Registration**

- A. Industrial License No. IM-W99(4)61/3978 dated 6.10.76
- B. Factory License No. MYB 2066
- C. Central Excise License No. RC No. WFR/VI DVN/029/92.
- D. Labour License No. CLAP-12/87-88 dated 31.8.87.
- E. Licenses allocated under the Pollution Control Law for water, consent under Sections 25/26 of the Water (Prevention & Control of Pollution) Act 1974 bearing No. 542/WPC/BNG/IND-784/DEO-4/AEO-2/82/4975 dated 10.3.93.  
For Air: Consent under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 bearing No. 413-APC/BNG/IND-520/DEO/AEO-2/93-4268 dated 12.2.93.
- F. Sales Tax Registration Nos.  
For Central Sales Tax Registration No. 10158900 dated 4.2.78  
For Karnataka Sales Tax Registration No. 10108907 dated 4.2.78
- G. Profession Tax Registration No. 23006924
- H. Franking Machine License No. 123-BGE dated 18.10.88
- I. Village Panchayat License No. 038
- J. Fax License No. 826/Fax 452764.w/d

For Registrar  
J Nandy  
22.7.93

I do hereby Certify that this is a true  
Copy of the original in my custody.  
Dated this 27th day of July 1993.

Sd/-

For Registrar of the High Court  
at Calcutta, Original Side

(12)

C. P. No. 203 of 1993  
connected with C. A. No. 88 of 1993  
IN THE HIGH COURT AT  
CALCUTTA  
Original Jurisdiction

In the Matter of Companies Act, 1958

And

In the matter of  
McNally Bharat Engineering Company  
Limited & Anr.

Sd.  
27.7.93

Order of the 28th day of June 1993

Filed this 22nd day of July 1993

Sd/- B Mukherjee  
Superintendent  
Company Matters Department

(i)	Date when the decree or order was completed	: 22.7.93 Sd.
(ii)	Date of application of copy	: 29.6.93 Sd.
(iii)	Date of notifying the requisite number of folios and stamp	: 22.7.93 Sd.
(iv)	Date of delivery of the requisite folios and stamp	: 22.7.93 Sd.
(v)	Date on which the copy is ready for delivery	: 27.7.93 Sd.
(vi)	Date when delivery was taken of the copy by the applicant	: 27.7.93 Sd.

Sd.  
27.7.93  
Superintendent,  
Copyists' Department,  
High Court, O.S.

Khaitan & Company  
Attorney

Company Petition No. 441 of 2003  
Connected With  
Company Application No. 463 of 2003  
In the High Court at Calcutta  
Original Jurisdiction

In the Matter of :

The Companies Act, 1956.

And

In the Matter of :

An application under Sections  
391(2) and 394 of the said Act.

And

In the Matter of :

McNally Bangalore Industries  
Limited, a Company incorporated  
under the provisions of the  
Companies Act, 1956, having its  
registered office at 44, Park  
Street, Kolkata 700 016, within the  
aforesaid jurisdiction.

And

McNally Bharat Engineering  
Company Limited, a Company  
incorporated under the provisions  
of the Companies Act, 1956,  
having its registered office at 44,  
Park Street, Kolkata 700 016,  
within the aforesaid jurisdiction.

1. McNally Bangalore  
Industries Limited
2. McNally Bharat  
Engineering Company  
Limited

..... Petitioners

(2)

Company Petition No. 441 of 2003  
Connected With  
Company Application No. 463 of 2003  
In the High Court at Calcutta  
Original Jurisdiction

President of the Union of India

The Honourable Mr. Justice  
Pinaki Chandra Ghose

In the Matter of : The Companies Act,  
1956;

- And -

In the Matter of : An application  
under Sections 391(2) and 394 of the  
said Act.

-And-

In the matter of :

McNally Bangalore Industries Limited,  
a Company incorporated under the  
provisions of the Companies Act, 1956,  
having its registered office at 44, Park  
Street, Kolkata - 700 016, within the  
aforesaid jurisdiction.

-And-

McNally Bharat Engineering Company  
Limited, a Company incorporated  
under the provisions of the Companies  
Act, 1956, having its registered office  
at 44, Park Street, Kolkata - 700 016,  
within the aforesaid jurisdiction.

1. McNally Bangalore  
Industries Limited .
2. McNally Bharat  
Engineering Company  
Limited

.....Petitioners

The above petition coming on for hearing on this day upon reading the said petition the order dated twenty third day of September in the year two thousand and three whereby the abovenamed petitioner company no. 1 McNally Bangalore Industries Limited (hereinafter referred to as the said transferor company) and the abovenamed petitioner company no. 2 McNally Bharat Engineering Company Limited (hereinafter referred to as the said transferee company) were ordered to convene separate meetings of the Equity Shareholders of the said transferor company and the said transferee company for the purpose of considering and of thought fit, approving with or without

modification the proposed scheme of Amalgamation of the said transferor company with the said transferee company and annexed to the affidavit of Bahadur Savaksha Postwalla filed on twenty-second day of September in the year two thousand and three "The Telegraph" dated seventh day of October in the year two thousand and three and the "Aajkal" dated eighth day of October in the year two thousand and three each containing the advertisement of the said notices convening the said meetings directed to be held by the said order dated twenty third day of September in the year two thousand and three the affidavit of Dibakar Chatterjee filed on the twenty eighth day of October in the year two thousand and three showing the publication and dispatch of the said notices convening the said meetings the reports of the Chairpersons of the said meetings dated twelfth day of January in the year two thousand and three as to the result of the said meetings and upon reading on the part of the petitioner companies an affidavit of Swapan Kumar Roy filed on twenty-fourth day of December in the year two thousand and three and the exhibits herein referred to and upon reading the order made herein and dated twenty-fourth day of November in the year two thousand and three and upon hearing Mr. Ratnanka Banerjee, Advocate for the petitioner companies and Mr. Subir Saha, Advocate for the Central Government and it appears from the said reports of the Chairpersons that the proposed Scheme of Amalgamation has been approved by the requisite majority of the Equity Shareholders of the said transferor company and the said transferee company in accordance with law and in view of no objection granted by the Central Government.

This court doth hereby sanction the proposed scheme of Amalgamation set forth in Annexure -'A' of the petition herein and specified in the schedule 'A' hereto and doth hereby declare the same to be binding with effect from thirty first day of March in the year two thousand and three (hereinafter referred to as the said appointed date) on the said transferor company and the said transferee company and their shareholders and all concerned.

This court doth order :

1. That all the freehold and leasehold immovable property of the said transferor company including those specified in the first, second and third parts of the schedule-'B' hereto be transferred to the said transferee company with effect from the said appointed date and vest without further act or deed in the said transferee company and accordingly the same shall pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and rest in the said transferee company for all the estate and interest of the said transferee company but subject nevertheless to all charges now affecting the same; and
2. That all the debts, liabilities, duties and obligations of the said transferor company be transferred from the said appointed date without further act or deed to the said transferee company and accordingly the same shall pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and become the debts, liabilities, duties and obligations of the said transferee company; and
3. That all proceedings and/or suits and/or appeals now pending by or against the said transferor company be continued by or against the said transferee company; and

(4)

4. That leave be and the same is hereby granted to the petitioner companies to file the schedule of Assets of the said transferor company herein within a period of three weeks from the date hereof; and
5. That the said transferor company and the said transferee company do within a period of thirty days from the date hereof cause the certified copies of this order to be delivered to the Registrar of Companies, West Bengal for registration; and
6. That the Official Liquidator of this court do file a report under second proviso to Section 394(1) of the Companies Act, 1956 in respect of the said transferor company within a period of six weeks from the date hereof; and
7. That the said Official Liquidator do forthwith serve a copy of the said report filed by him upon M/s. Khaitan & Co., Advocates-on-Record for the petitioner companies after filing the same with the court; and
8. That leave be and the same is hereby granted to the said transferee company to apply for the dissolution -- without winding up of the said transferor company after filing the said report by the said Official Liquidator; and
9. That any person interested shall be at liberty to apply to this court in the above matter for any directions as may be necessary and
10. That the Company Petition No. 441 of 2003 be and the same is hereby disposed of accordingly; and
11. That all parties concerned including the Official Liquidator of this court do act on a copy of the minutes of this order duly signed by an officer of this court being served on them.

Witness Mr. Ashok Kumar Mathur, Chief Justice at Calcutta aforesaid the ninth day of February in the year two thousand and four.

Khaitan & Co. ....Advocates

P. Kumar .....Advocate.

N. B. The original order drawn up after setting aside the judgment/order dated eighth day of August in the year two thousand and two of Hon'ble Justice Girish Chandra Gupta by Hon'ble Division Bench consisting of the Hon'ble Justice Altamas Kabir and the Hon'ble Justice Alok Kumar Basu on twenty-second day of January in the year two thousand and four.

Sd/-  
For Registrar

Schedule 'A' above referred to  
Scheme of Amalgamation  
Of  
McNally Bangalore Industries Limited  
With  
McNally Bharat Engineering Company Limited  
Part - I

**DEFINITIONS :**

For the purpose of this Scheme :

- A. "The Act" means the Companies Act, 1956.
- B. "MBIL" means McNally Bangalore Industries Limited, a Company incorporated under the provisions of the Companies Act, 1956, having its registered office at 44, Park Street, Kolkata - 700016 in the State of West Bengal.
- C. "MBECL" means McNally Bharat Engineering Company Limited, a company incorporated under the provisions of the Companies Act, 1956, having its registered office at 44, Park Street, Kolkata - 700 016 in the State of West Bengal.
- D. "Appointed Date" means the 31st day of March, 2003.
- E. "Undertaking of MBIL" means and includes:
- (i) All the properties, assets and liabilities of MBIL immediately before the amalgamation.
  - (ii) Without prejudice to the generality of the foregoing clause the said undertaking shall include all rights, powers, interests, authorities, privileges, liberties, approvals and consents, contracts, licenses, registrations, arrangements of all kinds and all properties and assets, real or personal, corporeal or incorporeal, in possession or reversion, present or contingent of whatsoever nature and wherever situate including office equipments, inventories, investments in shares, debentures, bonds and other securities sundry debtors, Cash and Bank Balances, loans and advances and all other interests and rights in or arising out of such property together with all licenses, trade marks, patents copyrights, import entitlements and permissions, if any, held, applied for or as may be obtained hereafter by MBIL or which MBIL is entitled to and all debts, liabilities, duties and obligations of MBIL of whatsoever kind.

**WHEREAS :**

1. MBIL has an Authorized Share Capital of Rs. 4,00,00,000/- divided into 39,90,000 Equity Shares of Rs. 10/- each and 1,000 Preference Shares of Rs. 100/- each and an Issued, Subscribed and Paid-up Share Capital of Rs. 3,09,00,000/- divided into 30,90,000 Equity Shares of Rs. 10/- each fully paid up.
2. MBECL has an Authorised Share Capital of Rs. 20,00,00,000/- divided into 2,00,00,000 Equity Shares of Rs. 10/- each and an Issued, Subscribed and Paid-up Share Capital of Rs. 19,78,31,960/- divided into 1,97,83,196 Equity Shares of Rs. 10/- each fully paid up.
3. MBECL is a well established engineering company engaged in the business of undertaking turnkey projects and manufacturing equipment for bulk material handling and mineral beneficiation plants. MBIL, a wholly owned subsidiary of MBECL was carrying on the business of manufacture and sale of pumps, flotation cells, thickness and other such products for various engineering applications from its unit at Bangalore. Owing to under performance of the Bangalore Unit since the financial year ended March 31, 1999 and limited prospects for growth and development in the geographical areas covered by the said unit, the activities at the said unit have been discontinued and are being restructured and relocated at Kumardhubi in the existing factory of MBECL thereat.
4. In the circumstances it is considered desirable and expedient to amalgamate MBIL with MBECL in the manner and on the terms and conditions stated in this Scheme of Amalgamation.
5. The amalgamation will effect appropriate consolidation of the undertakings of MBIL and MBECL and enable the business of the merged entity to be run, controlled and managed more economically and efficiently with a restructured asset base and better utilization of the combined resources of the said companies and will have beneficial result for the said companies, their shareholders and all concerned.

**Part - II**

1. With effect from the Appointed Date, the Undertaking of MBIL shall be transferred to MBECL subject to all charges, liens, mortgages, if any, then affecting the same or any part thereof. Since MBIL does not have any immovable property, the transfer of the assets of MBIL to MBECL shall be effected by MBIL delivering possession of the same to MBECL. Alternatively, MBIL and/or MBECL shall be at liberty to execute such deed or instrument of transfer as may be necessary for effectively conveying such assets to MBECL. The assets of MBIL shall be transferred accordingly by MBIL to MBECL. No vesting order under Section 394 of the Act shall be required to be obtained for such transfer of assets.
2. If any suit, appeal or any other proceedings of whatsoever nature (hereinafter called "the proceedings") by or against MBIL be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking of MBIL or anything contained in this Scheme but the proceedings may be continued prosecuted and enforced by or against MBECL in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against MBIL, if this Scheme had not been made.

3. The transfer of properties and liabilities of MBIL to MBECL and the continuance of the proceedings by or against MBCEL under Clause 2 hereof shall not effect any transactions or proceedings already concluded by MBIL on and after the Appointed Date to the end and intent that MBECL accepts and adopts all acts, deeds and things done and executed by or on behalf of MBIL as acts, deeds and things done and executed by or on behalf of MBECL.
4. Subject to the provisions contained in this Scheme all contracts, deeds, bonds, agreements and other documents and instruments of whatsoever nature to which MBIL is party subsisting, or having effect immediately before the amalgamation shall remain in full force and effect against or in favour of MBECL and may be enforced as fully and effectively, as if instead of MBIL, MBECL had been a party thereto.
5. Upon the scheme becoming effective and transfer taking place as stipulated under Clause 1 hereof :
  - (a) All the Equity Shares held by MBECL in MBIL shall stand cancelled. MBIL, being a wholly owned subsidiary of MBCEL, no allotment of any shares in MBECL shall be made to any person whatsoever in pursuance of the scheme.
  - (b) All the employees of MBIL shall become the employees of MBECL on the same terms and conditions on which they are engaged by MBIL without any interruption in service as a result of the transfer of the Undertaking of MBIL to MBECL.
  - (c) Subject to an order being made by the Court, MBIL shall be dissolved without winding up.
6. An account shall be taken of the Assets and Liabilities of MBIL and MBECL for the purpose of consolidation and incorporation in the books of account of MBECL consequent to the amalgamation. Such statement of account shall be taken and drawn up as on the Appointed Date of the assets, liabilities and reserves of MBIL and MBECL appearing in the respective books of account and such other assets and liabilities of MBIL and MBECL as may be determined by the Board of Directors of MBECL. Such of the said assets of the merged MBECL, including investments and loans and advances, shall be restated and/or revised as the Board of Directors of MBECL may determine. The net effect thereof shall be adjusted from the Revaluation Reserves of MBECL.

Part - III

1. MBIL and MBECL shall make necessary applications to the Hon'ble High Court at Calcutta for obtaining the Court's sanction to this scheme and for the consequent dissolution without winding up of MBIL. Any such application shall, upon constitution of the National Company Law Tribunal under Section 10FB of the Act, be made and/or pursued before the National Company Law Tribunal, if so required. In such event references in this scheme to the Hon'ble High Court at Calcutta shall be construed as references to the National Company Law Tribunal as the context may require.
2. Until the scheme is sanctioned and transfer effected as aforesaid, MBIL shall carry on their business in usual course and shall be deemed to be carrying on the said business for and on behalf of and in trust for MBECL with effect from the Appointed Date.
3. With effect from the Appointed Date and upto and including the date on which the undertaking of MBIL is duly transferred to MBECL, as provided herein, MBIL shall be deemed to have held and stood possessed of the properties so to be transferred to MBECL for and on account of and in trust for MBECL and accordingly, MBIL shall not (without the prior written consent of MBECL) alienate, charge or otherwise deed with or dispose off the said undertaking or any part thereof except in the usual course of business.
4. MBECL shall pay all costs, charges and expenses of and incidental to this Scheme of Amalgamation.
5. The Board of Directors of MBIL and MBECL or any person authorized by them may assent on behalf of all concerned to any modification to this Scheme of Amalgamation or to any condition which the Hon'ble High Court at Calcutta or the Government or any other authority may impose or which the said Board of Directors may, in their sole discretion, think fit for the purpose of effectively carrying out this scheme and the said Board of Directors may further do all acts, things and deeds and give such directions as they may consider necessary and/or expedient for the purpose of implementing this Scheme and/or settling any question, doubt or difficulty arising under this Scheme or in any manner connected therewith. MBIL and/or MBECL (through their respective Boards) shall each be at liberty to withdraw from this Scheme in case any condition or alteration imposed by any authority is unacceptable to them.
6. If any doubt or difference or issue shall arise between the parties hereto or any of their shareholders, creditors, employees and/or any other person as to the construction hereof or as to any account, valuation or apportionment to be taken or made of any asset or liability transferred pursuant to this

(9)

scheme or as to the accounting treatment thereof or as to anything else contained in or relating to or arising out of this scheme, the same shall be referred to Mr. Padam Khaitan, Advocate of 1B, Old Post Office Street, Kolkata - 700001 whose decision shall be final and binding on all concerned.

Sd/-  
For Registrar

Schedule 'B' above referred to  
Schedule of Assets of  
McNally Bangalore Industries Limited ("MBIL")

Part - I

(Short description of Freehold Properties of MBIL)

NIL

Part - II

(Short description of Leasehold Properties of MBIL)

NIL

Part - III

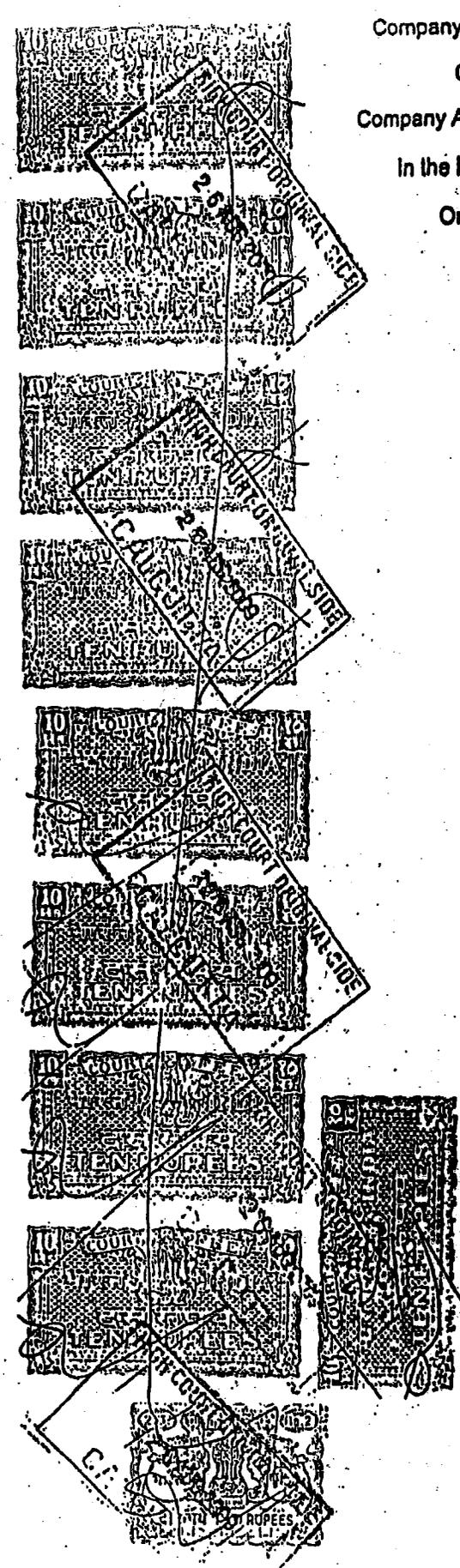
(Short description of the stocks, shares, debentures and other chooses in action of MBIL)

Technology for manufacturing pumps acquired from SALA, Sweden and technology for manufacturing flotation cell and high rated thickness from Outokumpu, Finland as determined by Price Waterhouse Coopers Private Limited and Jayaprakash & Associates.

Sd/-  
For Registrar

6  
Company Petition No.124 of 2009  
Connected With  
Company Application No.720 of 2008  
In the High Court at Calcutta  
Original Jurisdiction

H-268/2009



In the Matter of :

The Companies Act, 1956.

And

In the Matter of :

A: application under Sections 391(2) and 394 of the said Act.

And

In the Matter of :

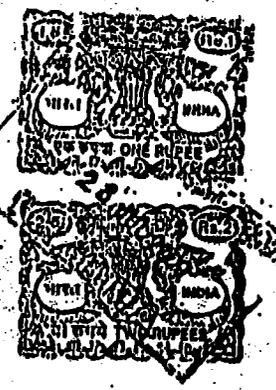
McNally Bharat Engineering Company Limited, a Company incorporated under the provisions of the Companies Act, 1956, having its registered office at 4, Mangoe Lane, 7th Floor, Kolkata 700 001, within the aforesaid jurisdiction.

And

McNally Sayaji Engineering Limited, a Company incorporated under the provisions of the Companies Act, 1956, having its registered office at 4, Mangoe Lane, Kolkata 700 001 within the aforesaid jurisdiction.

1. McNally Bharat Engineering Company Limited
  2. McNally Sayaji Engineering Limited
- ..... Petitioners.

Company Petition 124 No. of 2009  
connected with Company Application 720 No. of 2008



IN THE HIGH COURT AT CALCUTTA

Original Jurisdiction

561  
28-7-09

President of the Union of India

In the Matter of  
The Companies Act 1956.

69

And

In the Matter of:-  
The application under Section 391(a) and  
394 of the said Act.

- And -

In the Matter of:-  
McNally Bharat Engineering Company Limited  
a company incorporated under the provisions  
of the Companies Act 1956, having its registered  
office at 4 Mangoe Lane, Tis Hazar, Kolkata  
700061, within the aforesaid jurisdiction.

- And -

In the Matter of:-  
McNally Sayaji Engineering Limited, a company  
incorporated under the provisions of the  
Companies Act 1956, having its registered  
office at 4 Mangoe Lane, Kolkata-700001  
within the aforesaid jurisdiction.

- 1. McNally Bharat Engineering Company Limited;
  - 2. McNally Sayaji Engineering Limited
- Petitioners

The Honourable Mr. Justice  
Srinudha Bose

The above petition coming on for hearing on this day upon reading  
the said petition, the order dated Twenty-second day of December in the  
year of Two thousand and eight whereby the abovesaid petitioner company  
NO.1 McNally Bharat Engineering Company Limited (hereinafter referred  
to as)

to as the said MBECL) was ordered to convene meeting of the equity shareholders of the said 'MSECL' for the purpose of considering and if thought fit, approving with or without modifications the Scheme of Arrangement proposed to be made between the said MBECL and the abovesaid petitioner Company NO 2. McNally Sayaji Engineering Limited (hereinafter referred to as the said MSEL) and their respective shareholders and annexed to the affidavit of Debakar Chatterjee filed on Nineteenth day of December in the year of two thousand and eight and since the registered office of the said 'MSEL' before Twenty-seventh day of February in the year of two thousand and Nine was situated at Vadodara in the State of Gujarat and the said 'MSEL' was also directed by the Honble Court of Gujarat at Ahmedabad by an order dated Twenty-Ninth day of December in the year of two thousand and Eight to convene a separate meeting of its equity - shareholders, unsecured creditors and secured creditors for the purpose of considering and if thought fit, approving with or without modification of the Scheme of Arrangement, 'The Economic Times' and 'Hajka' both dated the Tenth day of January in the year of two thousand and Nine each containing the advertisement of the notices containing the said meeting directed to be held by the said order dated Twenty-second day of December in the year of two thousand and eight, the affidavit of Debakar Chatterjee filed on the Twenty-fourth day of January in the year of two thousand and Nine showing the publication and despatch of the said notices concerning the said meetings, the report of the Chairperson of the said meeting dated the Sixteenth day of February in the year of two thousand and Nine as to the result of the said meeting and upon the notices of the said meetings of the equity shareholders, unsecured creditors and secured creditors of the said 'MSEL' being also advertised in terms of the said order dated Twenty-Ninth day of December in the year of two thousand and eight of the Honble Court of Gujarat at Ahmedabad once in 'The Times of India' and once in the 'Gujrat Samachar'.

Ajit Kumar in their respective issues dated fourteenth day of January  
 in the year of two thousand and Nine and the said meetings being duly  
 convened on Sixth day of February in the year of two thousand and Nine  
 And as to the result of the said meetings and upon reading on the part  
 of the said petitioner Companies, an affidavit of Swapan Kumar Roy filed  
 third day of April in the year of two thousand and Nine and the exhibits  
 therein referred to and upon reading the Order made herein and dated the  
 Twenty-third day of March in the year of Two thousand and Nine And a supplementary  
 affidavit of Dibakar Chatterjee affirmed on the Sixteenth day of July in the year  
 of Two thousand and Nine and the exhibits annexed thereto, all filed on the  
 Twenty-second day of July in the year of two thousand and Nine And upon  
 reading the orders dated 22.4.2009-ns; 20.5.2009 and 21.01.2009, 21.5.2009 as  
 modified by an order dated Twenty-third day of June in the year of two  
 thousand and Nine and upon reading an affidavit of Mr. H.C. Halder, The Regional  
 Director (Eastern Region), Ministry of Company Affairs, Kolkata, filed on the Twenty-  
 second day of April in the year of two thousand and Nine on behalf of the  
 Central Government and upon hearing Mr. Ratnak Banerjee, Advocate  
 (Mr. D.N. Sharma and Mr. Aniket Agarwal, Advocates appearing with him) for the  
 said petitioner Companies and Mr. S.S. Sarker, Advocate for the Central Government  
 And it appearing from the said report of the Chairpersons of the said 'MBECL'  
 and the said 'MSEL' that the said proposed Scheme of Arrangement has been  
 approved by the requisite majority of the equity shareholders of the said  
 'MBECL' and approved unanimously by the said equity shareholders,  
 unsecured creditors and the secured creditors of the said 'MSEL' in  
 accordance with law and in view of the fact that the said petitioner  
 Companies have furnished a Bank Guarantee of Rs. 1,05,00,000/- (One  
 crore five lacs only) with the Learned Registrar, Original Side of the  
 Hon'ble Court for which a certificate has been issued by the said  
 Registrar - in Insolvency of the Hon'ble Court in favour of the said  
 petitioner Companies And in view of the submissions made by the Learned  
 Advocate appearing for the said petitioner Companies that they have  
 already taken care of the observation made by the Central Government  
 through their affidavit as to with regards to maintaining the Accounting  
 Entries/Adjustments as per the Accounting Standard-14 notified by the Central  
 Government under section 211(2)(A) of the Companies Act 1956

And upon further



And upon further submission that the said petitioners Companies shall comply with the said requirements.

This Court doth hereby sanction the proposed Scheme of Arrangement set forth in Annexure 'A' of the petition herein and specifies in the Schedule 'A' hereto, and doth hereby declare the same to be binding with effect from first day of April in the year of Two Thousand and Eight (hereinafter referred to as the said Appointed Date) on the said MBECL and the said MSEL and their shareholders and all concerned.

This Court doth order.

1. That all the property, rights and powers of the said MBECL relating to the Products Division including those described in the first, second and third parts of the Schedule B hereto but excluding those specified in the clause 4.2. of Part II of the said Scheme be transferred from the said Appointed date and vest without further act or deed in the said MSEL and accordingly the same shall pursuant to section 394(2) of the Companies Act, 1956 be transferred to and vest in the said MSEL for all the estate and interest of the said MBECL therein but subject nevertheless to all the charges now affecting the same as provided in the said Scheme, and.
2. That all the debts, liabilities, duties and obligations of the said MBECL in/for relating to the Products Division be transferred from the said Appointed Date without further act or deed to the said MSEL and accordingly the same shall pursuant to section 394(2) of the Companies Act, 1956 be transferred to and become the debts, liabilities, duties and obligations of the said MSEL, and.
3. That all the proceedings and/or suits and/or appeals now pending by or against the said MBECL in respect of the Products Division shall be continued by or against the said MSEL as provided in the said Scheme, and.

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1. That leave for...

That leave to and the same is hereby granted to the said petitioner companies to file the Schedule of Assets as stated in paragraph-28 of the petition herein of the said Products Division of the said M.B.C.L. within a period of three weeks from the date hereof, and.

5. That the said M.B.C.L. and the said M.S.E.L. each do within a period of thirty days after the date hereof cause the certified copy of this order to be delivered to the Registrar of Companies, West Bengal for registration, and.
6. That any person interested shall be at liberty to apply to this Honble Court in the above matter for such direction as may be necessary, and.
7. That in the event, the said petitioner companies supply a computerised print out of the said scheme and the Schedule of Assets making thereof, in acceptable form to the department, the concerned department is hereby directed to append such computerised print out, upon verification to the certified copy of this order sanctioning the scheme without insisting on a hand written copy thereof, and.
8. That the said petitioner companies do pay to the Central Government the costs of all incidental to this application assessed at one hundred rupees within a period of two weeks from the date hereof, and.
9. That the affidavits filed by the Central Government shall be kept as on records herein, and.
10. That all parties concerned do act on a photostatic copy of this order duly signed by an officer of this Court being served on them.

Witness Mr. Surinder Singh Nijjar, the Chief Justice at Calcutta on the Twenty-eighth day of July in the year of two thousand and Nine.

Khaiya & Co. .... Advocates

S. Sarkar ... Advocate for the Central Government.

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S. Sarkar

Banjan  
PS 8/09  
for Registrar  
S/

Schedule A above-----

Schedule "A" above referred to.

SCHEME OF ARRANGEMENT  
(UNDER SECTIONS 391 & 394 OF THE COMPANIES ACT, 1956)

OF  
McNALLY BHARAT ENGINEERING COMPANY LIMITED

AND

McNALLY SAYAJI ENGINEERING LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS

FOR

RECONSTRUCTION BY TRANSFER OF PRODUCTS DIVISION OF McNALLY BHARAT  
ENGINEERING COMPANY LIMITED TO McNALLY SAYAJI ENGINEERING LIMITED

PART - I

(Preliminary)

**1. DEFINITIONS:**

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

- 1.1 "Act" means the Companies Act, 1956 or any statutory modification or re-enactment thereof.
- 1.2 "Appointed Date" means the 1st day of April, 2008.
- 1.3 "MBECL" means McNally Bharat Engineering Company Limited, a Company incorporated under the provisions of the Act and having its registered office at 4, Mangoe Lane, 7<sup>th</sup> Floor, Kolkata 700 001 in the State of West Bengal.
- 1.4 "MSEL" means McNally Sayaji Engineering Limited, an existing Company within the meaning of the Act and having its registered office at 4, Mangoe Lane, Kolkata 700 001 in the State of West Bengal.
- 1.5 "Products Division" means the Products Division of MBECL engaged in the business of manufacturing and/or procuring equipment for various engineering

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and infrastructure projects having its units at Kumardhubi in the State of Jharkhand, Asansol in the State of West Bengal and Bangalore in the State of Karnataka and shall mean and include all assets, liabilities, rights and powers of MBECL comprised in and/or pertaining to the Products Division, including:

i. all properties and assets, movable and immovable, freehold and leasehold, real and personal, corporeal and incorporeal, in possession, or in reversion, present and contingent of whatsoever nature, wheresoever situate, as on the Appointed Date relating to the Products Division, including all lands, buildings, plant and machinery, electrical installations, vehicles, equipment, furniture, sundry debtors, inventories, cash and bank balances, bills of exchange, deposits, loans and advances, technical and engineering drawings, designs, diagrams and blueprints and other assets as appearing in the books of account of MBECL in relation to the Products Division, leases and agency of MBECL pertaining to the Products Division, and all other interests or rights in or arising out of or relating to the Products Division together with all respective powers, interests, charges, privileges, benefits, entitlements, industrial and other licenses, registrations, quotas, patents, copyrights, liberties, easements and advantages, appertaining to the Products Division and/or to which MBECL is entitled to in respect of the Products Division of whatsoever kind, nature or description held, applied for or as may be obtained hereafter together with the benefit of all respective contracts and engagements and all respective books, papers, documents and records relating to the Products Division;

ii. all debts, liabilities, duties and obligations of MBECL in relation to the Products Division, including liabilities on account of secured and unsecured loans, sundry creditors, sales-tax, excise, bonus, gratuity and other taxation and contingent liabilities of MBECL pertaining to the Products Division; and

iii. all permanent employees of MBECL engaged in or in relation with the Products Division.

1.6 "Effective Date" means the date or last of the dates on which certified copies of the order sanctioning this Scheme are filed by MBECL and MSEL with the respective Registrar of Companies.

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1.7 "High Court" or "Court" means the respective High Court or High Courts having jurisdictions over MBECL and MSEL under Section 10 of the Act.

1.8 "Scheme" means this Scheme of Arrangement under Section 391 of the Act in the present form or with such modifications as sanctioned by the High Court.

**2. SHARE CAPITAL:**

The Authorised, Issued, Subscribed and Paid-up Share Capital of MBECL and MSEL is as under:

**I. MBECL**

<u>Authorised Share Capital:</u>	<u>(Amount in Rs.)</u>
4,00,00,000 Equity Shares of Rs.10/- each	40,00,00,000
<u>Issued, Subscribed and Paid up Share Capital:</u>	
3,10,93,818 Equity Shares of Rs. 10/- each fully paid up	31,09,38,180

**II. MSEL**

<u>Authorised Share Capital:</u>	
1,00,00,000 Equity Shares of Rs.10/- each	10,00,00,000
<u>Issued Share Capital:</u>	
39,00,400 Equity Shares of Rs.10/- each	3,90,04,000

**3. OBJECTS AND REASONS:**

1. MBECL is engaged in the business of Engineering and Turnkey Projects and provides turnkey solutions in plant layout and design, basic and detailed engineering, project management, sourcing and procurement, equipment, fabrication and construction, erection, installation and commissioning to various coal, power, steel, cement, iron ore, fertilizer and mining industries. The said business of MBECL includes the activity of manufacture and/or procurement of various equipment required for execution of the engineering and turnkey projects undertaken by MBECL as also supply of equipment and spares to operating units. Such products business has good potential for growth and

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development as a separate operation, i.e. separate from the projects business. MSEL is engaged only in the products business, i.e., manufacturing wide range of equipment used in crushing, grinding, screening, road making, construction and material handling equipment, customised equipment for steel, cement, power and coal plants and complex turnkey projects. There is considerable technological synergy between the products business of MBECL and MSEL.

- ii. In the circumstances, it is considered desirable and expedient to reorganise and reconstruct MBECL and MSEL by transferring the Products Division of MBECL to MSEL for the consideration and in the manner and on the terms and conditions stated in this Scheme of Arrangement.
- iii. On the one hand, the reconstruction will enable suitable combination and running of the activities of MSEL and the said Products Division of MBECL with greater focus and specialisation, pooling and more efficient utilisation of the combined resources, greater economies of scale, reduction in overheads and other expenses and improvement in various other operating parameters. On the other hand, the reconstruction will enable MBECL to concentrate and increase its focus on running and developing its Projects business while reaping the rewards of the products business being carried on more conveniently and advantageously through MSEL. The reconstruction will have beneficial results for the said Companies, their shareholders, employees and all concerned. The Scheme is proposed accordingly.

#### PART - II

##### (The Scheme)

#### 4. TRANSFER OF UNDERTAKINGS:

- 4.1 With effect from the Appointed Date, the Products Division shall be transferred from MBECL to MSEL as a going concern for all the estate and interest of MBECL therein in accordance with and subject to the modalities for transfer and vesting stipulated herein.
- 4.2 In respect of such of the assets of the Products Division as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery, the same may be so transferred by MBECL, without

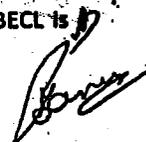
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*[Handwritten Signature]*

requiring any deed or instrument of conveyance for the same and shall become the property of MSEL accordingly and as an integral part of the Products Division transferred to MSEL.

- 4.3 In respect of such of the assets belonging to the Products Division other than those referred to in Clause 4.2 above, the same shall, be transferred to and vested in and/or be deemed to be transferred to and vested in MSEL pursuant to an order passed under the provisions of Section 394 of the Act.
- 4.4 All debts, liabilities, duties and obligations of MBECL relating to the Products Division as on the close of business on the day immediately preceding the Appointed Date and all other debts, liabilities, duties and obligations of MBECL relating to the Products Division which may accrue or arise from the Appointed Date but which relate to the period upto the day immediately preceding the Appointed Date shall also be transferred to MSEL, without any further act or deed, pursuant to an order passed under the provisions of Section 394 of the Act, so as to become the debts, liabilities, duties and obligations of MSEL.
- 4.5 The transfer and vesting of the Products Division of MBECL, as aforesaid, shall be subject to the existing charges, mortgages and encumbrances, if any, over the assets or any part thereof, provided however that such charges, mortgages and/or encumbrances shall be confined only to the assets of MBECL or part thereof on or over which they are subsisting on transfer to and vesting of such assets in MSEL and no such charges, mortgages, and/or encumbrances shall extend over or apply to any other asset(s) of MSEL. Any reference in any security documents or arrangements (to which MBECL is a party) to any assets of MBECL shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of MSEL. Similarly, MSEL shall not be required to create any additional security over assets of Products Division of MBECL acquired by it under this Scheme for any loans, debentures, deposits or other financial assistance already availed/to be availed by it and the charges, mortgages, and/or encumbrances in respect of such indebtedness of MSEL shall not extend or be deemed to extend or apply to the assets so acquired by MSEL.
- 4.6 Subject to the other provisions of this Scheme, all licenses, permissions, approvals, consents, registrations and no-objection certificates obtained by MBECL for the operations of the Products Division and/or to which MBECL is

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entitled to in relation to the Products Division in terms of the various Statutes and / or Schemes of Union and State Governments, shall be available to and vest in MSEL, without any further act or deed and shall be appropriately mutated by the statutory authorities concerned therewith in favour of MSEL. Since the Products Division will be transferred to and vested in MSEL as a going concern without any break or interruption in the operations thereof, MSEL shall be entitled to the benefit of all such licenses, permissions, approvals, consents, registrations and no-objection certificates and to carry on and continue the operations of the Products Division on the basis of the same upon this Scheme becoming effective. Further, all benefits, including, under Income Tax, Excise (including Modvat/Cenvat), Sales Tax etc to which MBECL is entitled to in relation to the Products Division in terms of the various Statutes and / or Schemes of Union and State Governments shall be available to and vest in MSEL upon this Scheme becoming effective. Accordingly, the experience, track record and credentials of the Products Division in providing various products and related services to various authorities, agencies and clients prior to its transfer to MSEL shall be taken into account and treated and recognised as the experience, track record and credentials of such Products Division even after its transfer to MSEL, including for the purpose of eligibility, standing, evaluation and participation of MSEL in all existing and future bids, tenders and contracts of such authorities, agencies and clients.

**5. LEGAL PROCEEDINGS:**

All legal or other proceedings by or against MBECL and relating to the Products Division shall be continued and enforced by or against MSEL only. If proceedings are taken against MBECL, MBECL will defend on notice or as per advice of MSEL at the costs of MSEL and MSEL will indemnify and keep indemnified MBECL from and against all liabilities, obligations, actions, claims and demands in respect thereof.

**6. CONTRACTS AND DEEDS:**

Subject to the other provisions contained in this Scheme all contracts, deeds, bonds, agreements and other instruments of whatsoever nature relating to the Products Division to which MBECL is a party subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favour of MSEL and may be enforced as fully and effectually as if instead of MBECL, MSEL had been a party thereto.

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**7. SAVING OF CONCLUDED TRANSACTIONS:**

The transfer and vesting of the properties and liabilities of the Products Division and the continuance of the proceedings by or against MSEL as per the provisions hereof shall not affect any transaction or proceeding relating to the Products Division already completed by MBECL on or before the Effective Date to the end and intent that MSEL accepts all acts, deeds and things relating to the Products Division done and executed by and/or on behalf of MBECL as acts deeds and things done and executed by and on behalf of MSEL.

**8. EMPLOYEES:**

**8.1** MSEL undertakes to engage on and from the Effective Date all the employees of MBECL engaged in the Products Division on the same terms and conditions on which they are engaged by MBECL without any interruption of service as a result of the transfer of the Products Division to MSEL. MSEL agrees that the services of all such employees with MBECL upto the Effective Date shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits.

**8.2** The accumulated balances, if any, standing to the credit of the employees of the Products Division in the existing Provident Fund, Gratuity Fund, Superannuation Fund and other funds of which they are members will be transferred to such Provident Fund, Gratuity Fund, Superannuation Fund and other funds nominated by MSEL and/or such new Provident Fund, Gratuity Fund, Superannuation Fund and other funds to be established and caused to be recognised by the concerned authorities by MSEL. Pending the transfer as aforesaid, the dues of the employees of the Products Division relating to the said funds would be continued to be deposited in the existing Provident Fund, Gratuity Fund, Superannuation Fund and other funds respectively.

**9. BUSINESS IN TRUST FOR MSEL:**

With effect from the Appointed Date and upto and including the Effective Date:

**9.1** MBECL undertakes to carry on the business of the Products Division in the ordinary course of business and MBECL shall be deemed to have carried on and to be carrying on all business and activities relating to the Products Division for and on account of and in trust for MSEL.

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by 

9.2 All profits accruing to MBECL or losses arising or incurred by it and all taxes paid in relation to such profits relating to the Products Division for the period falling on and after the Appointed Date shall for all purposes, be treated as the profits or losses and taxes, as the case may be of MSEL.

9.3 MBECL shall be deemed to have held and stood possessed of the properties to be transferred to MSEL for and on account of and in trust for MSEL and, accordingly, MBECL shall not (without the prior written consent of MSEL) alienate, charge or otherwise deal with or dispose of the Products Division or any part thereof except in the usual course of business.

10. **CONSIDERATION:**

10.1 Fixed Assets of the Products Division valued by DBD Business Solutions Private Limited shall be transferred to MSEL at their fair values as given in the Valuation Report dated June 29, 2008 of such valuers. All other assets and liabilities of the Products Division will be transferred to MSEL and taken at their book values as on the Appointed Date. Such values of assets and liabilities of the Products Division are as under:-

		<u>(Rs. Crores)</u>
<b>A.</b>	<b>Assets</b>	
	<b>Fixed Assets</b>	
	Land	9.15
	Buildings	1.00
	Plant & Machinery	23.18
	Furniture & Fixture	0.21
	Motor Car	0.16
	Intangible Assets	0.21
	Knowhow	22.50
	Other Fixed Assets	0.26
	Capital work in Progress	17.57
	Investments	0.42
	<b>Net Current Assets</b>	
	Current Assets	56.27
	Current Liabilities and Provisions	31.42
	<b>Total</b>	<b>99.51</b>
<b>B.</b>	<b>Liabilities</b>	
	Secured Loans	17.51
	<b>Net Asset Value (A-B)</b>	<b>82.00</b>

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10.2 Upon the Scheme becoming effective and in discharge of the aforesaid consideration for transfer of the Products Division, MSEL will issue and allot to MBECL 34,55,529 Equity Shares of Rs.10/- each credited as fully paid up in MSEL.

10.3 All the Equity Shares to be issued and allotted by MSEL to MBECL under this Scheme shall rank pari passu in all respects with the existing Equity Shares of MSEL. Further such Equity Shares shall, subject to applicable regulations, be listed and/or admitted to trading on the relevant stock exchange(s) where the existing Equity Shares of MSEL are listed and/or admitted to trading.

**11. APPLICATIONS:**

MBECL and MSEL shall, with all reasonable dispatch, make necessary applications to the High Court pursuant to Section 391 of the Act for sanction and carrying out of the Scheme. Any such application shall, upon constitution of the National Company Law Tribunal under Section 10FB of the Act, be made and/or pursued before the National Company Law Tribunal, if so required. In such event references in this Scheme to the High Court shall be construed as references to the National Company Law Tribunal and/or the appropriate Benches thereof as the context may require. MBECL and MSEL shall also take such other steps as may be necessary or expedient to give full and formal effect to the provisions of this Scheme, including issue and allotment of Equity Shares.

**12. APPROVALS AND MODIFICATIONS:**

MBECL and MSEL (by their respective Board of Directors or Committee thereof or such other person or persons, as the respective Board of Directors may authorise) are empowered and authorised:

12.1 to assent from time to time to any modifications or amendments or substitutions of the Scheme or of any conditions or limitations which the High Court and / or any authorities under law may deem fit to approve or direct or as may be deemed expedient or necessary; and

12.2 to settle all doubts or difficulties that may arise in carrying out the Scheme and to do and execute all acts, deeds, matters and things necessary, desirable or proper for putting the Scheme into effect.

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

**13. SCHEME CONDITIONAL UPON:**

The Scheme is conditional upon and subject to:

- 13.1** Approval of the Scheme by the requisite majority of the members of MBECL and MSEL; and
- 13.2** Sanction of the Scheme by the High Court pursuant to Section 391 of the Act.

Accordingly, the Scheme although operative from the Appointed Date shall become effective on the Effective Date, being the date or last of the dates on which the orders sanctioning the Scheme as aforesaid are filed with the respective Registrar of Companies by MBECL and MSEL.

**14. REMAINING BUSINESS:**

Save and except the Products Division of MBECL and as expressly provided in this Scheme of Arrangement nothing contained in this Scheme of Arrangement shall affect the other business, undertaking, assets, and liabilities of MBECL which shall continue to belong to and be vested in and be managed by MBECL.

**15. COSTS:**

All costs, charges and expenses incurred in carrying out and implementing the terms and provisions of this Scheme and incidentals thereto shall be borne by MSEL.

**16. RESIDUAL PROVISIONS:**

- 16.1** Even after this Scheme becomes operative, MSEL shall be entitled to operate all Bank Accounts relating to the Products Division and realise all monies and complete and enforce all pending contracts and transactions in respect of the Products Division in the name of MBECL in so far as may be necessary until the transfer of rights and obligations of MBECL to MSEL under this Scheme is formally accepted by the parties concerned.

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- 16.2 Notwithstanding transfer of Products Division of MBECL to MSEL pursuant to this Scheme, it is clarified and provided that to the extent existing and future contracts in the Projects Division of MBECL require use of facilities of Products Division for sourcing of products and spares therefrom, MBECL shall be entitled to have such facilities put to such use and such products and spares sourced and supplied by MSEL to MBECL therefrom on mutually agreed terms. MSEL shall similarly be entitled to require use of engineering facilities and credentials of the Projects Division of MBECL on mutually agreed terms to the extent required by MSEL for meeting commitments for supply of any systems to their customers.
- 16.3 On the approval of the Scheme by the members of MBECL and MSEL pursuant to Section 391 of the Act, it shall be deemed that the said members have also accorded all relevant consents under Section 81(1A) or any other provisions of the Act to the extent the same may be considered applicable.
- 16.4 An account shall be taken of the Assets and Liabilities of MBECL and MSEL consequent to the Scheme and transfer of the Products Division of MBECL to MSEL thereunder. Such statement of account shall be taken and drawn up as on the Appointed Date of the Assets and Liabilities of MBECL and MSEL appearing in the respective books of account and such other Assets and Liabilities of MBECL and MSEL as may be determined by the Board of Directors of the companies. In the books of account of MSEL assets and liabilities of the Products Division shall be recorded at their respective values as specified in clause 10.1 above and the difference between such assets and liabilities as reduced by the aggregate face value of Equity Shares to be issued and allotted by MSEL in terms of clause 10.2 above shall be credited to capital reserves. Such of the assets and liabilities of the said companies including investments and loans and advances but excluding the assets and liabilities of the Products Division transferred to MSEL at the values specified in clause 10.1 above shall be restated and/or revised as the Board of Directors of the companies may determine. The net effect thereof shall be adjusted from the resultant surplus/reserves arising upon implementation of the scheme.
- 16.5 In the event of this Scheme failing to take effect finally, this Scheme shall become null and void and in that case no rights or liabilities whatsoever shall

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accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person.

- 16.6 If any doubt or difference or issue shall arise between the parties hereto or any of their shareholders, creditors, employees and/or any other person as to the construction hereof or as to any account, valuation or apportionment to be taken or made of any asset or liability transferred under this Scheme or as to the accounting treatment thereof or as to anything else contained in or relating to or arising out of this Scheme, the same shall be referred to Mr. Padam Kumar Khaitan, Advocate of 1B, Old Post Office Street, Kolkata 700 001 whose decision shall be final and binding on all concerned.

*Signature*

*Signature*  
25/11/09  
For Registrar  
*Signature*

**Schedule "B" above referred to**

**SCHEDULE OF ASSETS**

of

**Products Division Of McNally Bharat Engineering Company Limited ("MBECL")  
To Be Transferred To McNally Sayaji Engineering Limited**

**PART - I**

**(Short Description of Freehold Property of Products Division of MBECL)**

**Kumardhubi**

**(a) Land**

- I. Plot No 83, Khatian No. 72 : 1.07 Acres  
Mouza Panchmahali, P.S- Chirkunda, Dist: Dhanbad  
Plot no: 143, Khatian No. 72 : 3.4 Acres  
Mouza Panchmahali, P.S- Chirkunda, Dist: Dhanbad

- ii. Plot No 83, Khatian No. 72 : 1.33 acres

*SB*

*SB*

*SB*

*Signature*

Mouza Panchmahali, P.S- Chirkunda, Dist: Dhanbad

Plot no: 143, Khatian No. 72 : 1.15 Acres

Mouza Panchmahali, P.S- Chirkunda, Dist: Dhanbad

iii. Plot No 83, Khatian No. 72 : 0.75 Acres

Mouza Panchmahali, P.S- Chirkunda, Dist: Dhanbad

Plot no: 143, Khatian No. 72 : 2.5 Acres

Mouza Panchmahali, P.S- Chirkunda, Dist: Dhanbad

The aggregate of aforesaid three pieces of land which are continuous and form one plot, is 10.20 acres together with a single storied building standing thereon and butted and bounded as follows:

On the North: by portion of Plot No. 83

On the South: by portion of Plot No. 143

On the East: by portion of Plot No. 472

On the west: by portion of Plot Nos. 102, 103, 112, 119 to 122, 140, 141

(b) All factory and other buildings owned by MBECL.

## PART - II

(Short description of Leasehold Property of Products Division of MBECL)

### Land

#### A. Kumardhubi

i. All that pieces or parcels of land containing in total an area 8.04 acres more or less comprised in C.S.Plots Nos. 4 (part), 7 (part), 8 (part) and 11 (part) in Mouza Kumardhubi Pergunnah Pendra Thana Nirsha Sub-registry and District Dhanbad in the State of Bihar.

ii. C.S Plot Nos. 83,143,471,472 containing in total an area of 5.03 Acres under Khatian No. 72 and Plot No. 88 under Khatian No. 73 in Mouza Panchmahali, P.S- Chirkunda, District Dhanbad in the State of Bihar.

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*[Handwritten Signature]*

- iii. Land area of 3.85 Acres acquired by way of adverse possession in Mouza Kumardhubi and Panchmahall.

B. Asansol:

All that piece of land known as R.S. Plot No: 1535 to 1554, 1736, 1556 to 1575, 1578(P), 1580(P), 1589 to 1591, 1592(P), 1593(P), 1594, 1595(P), 1596(P), 1490(P), 1491(P), 1492 to 1495, 1496(P), 1497 to 1514, 1515(P), 1516, 1517(P), 1518(P), 1524(P), 1528(P), 1973(P), 1974, 1945 (P), 1443(P), 1444, 1445, 1446(P), 1447 to 1451, 1452(P), 1453 to 1460, 1461(P), 1462(P), 1463(P), 1418(P), 1461/1946(P), 1958, 1526 in Survey Plot No. M-16, Touzi No. 19 Mouza: Garrul, Asansol, District: Burdwan containing by admeasurements 25 Acres or thereabouts and bounded as follows that is to say:

On or towards North by: 60 Feet wide IOC Corridor  
 On or towards South by: 60 Feet wide ADDA Road  
 On or towards East by: Vamsi Chemicals Private Limited  
 On or towards West by: Land of ADDA

Factory Land at Malur (Karnataka):

All that piece of Land known as Plot No. 313 in Sy Nos. 72 and 76 in the Malur III Phase Industrial Area within the limits of Nosigere Village, Kasaba Hobli, Malur Taluk, Kolar District, containing by admeasurements 16179.00 Smters or thereabouts and bounded as follows that is to say:-

On or towards North by: III Main Road  
 On or towards South by: Private Land  
 On or towards East by: Plot No. 312  
 On or towards West by: Plot No. 87-D

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PART III

(Short description of stocks, shares, debentures and other choses in action  
of Products Division of MBECL)

- A. Movables are transferable to MSEL as per clause 4.2 of Part II of the Scheme.
  
- B. All licenses, permissions, approvals, consents, registrations and no-objection certificates obtained by MBECL for the operations of the Products Division and/or to which MBECL is entitled to in relation to the Products Division in terms of the various Statutes and / or Schemes of Union and State Governments.

*For  
Signature  
25.08.2009  
Sprock  
26/8/09*

*[Signature]*  
25/8/09  
For Registrar  
*[Signature]*

Recd. a copy of the order  
dt. 28.7.2009  
Swapan Roy.

For Khaitan & Co. Advocate. 25.8.09

Received a copy  
of the order  
25/08/09

For S.S. Sarkar, Advocate  
Govt. Advocate

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G. P. No. 124  
G. A. No. 720  
connected with T. 2007  
of 2008.

IN THE HIGH COURT AT CALCUTTA  
Original Jurisdiction

In the Matter of Companies Act, 1956  
and

In the Matter of  
Atellaly Bherat Engineering Co. Ltd. v. Mr.

Order

28.7.09  
21.8.09  
26.8.09  
26.8.09

of the 28<sup>th</sup> day of July 2009  
Filed this 26<sup>th</sup> day of August 2009

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*[Signature]*  
for Superintendent,  
Company Matters Department.

*[Signature]*  
28/8/09  
Company Matters Dept.  
High Court, Calcutta

Khaitan & Co.

Attorney.

W-07-1004018-1X

Com

*[Signature]*



