

INFORMATION MEMORANDUM



Arrow Textiles Limited

Incorporated on January 30, 2008 under the Companies Act, 1956.

Registered Office: Plot No.101 - 103, 19th Street, MIDC, Satpur, Nasik 422007, Maharashtra.

Tel: 91-253- 3918200 Fax: 91-253- 3918220

Website: www.arrowtextiles.com

Contact person: Mr. Amey Lotlikar **Email:** secretarial@imgroup.in

INFORMATION MEMORANDUM FOR LISTING OF 1,36,02,813 EQUITY SHARES OF RS. 10 EACH FULLY PAID-UP

NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM

GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest in the equity shares of Arrow Textiles Limited unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in the shares of Arrow Textiles Limited. For taking an investment decision, investors must rely on their own examination of the Company including the risks involved. The securities have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of the investors is invited to the statement of Risk Factors appearing on page 7 of this Information Memorandum

ISSUER'S ABSOLUTE RESPONSIBILITY

ARROW TEXTILES LIMITED having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to Arrow Textiles Limited, which is material, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares of Arrow Textiles Limited are proposed to be listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has submitted this Information Memorandum to BSE and NSE and the same is available on the Company's website www.arrowtextiles.com. The Information Memorandum would also be made available on the website of BSE www.bseindia.com and NSE www.nseindia.com.

REGISTRAR AND SHARE TRANSFER AGENT

Freedom Registry Limited

(Formerly Amtrac Management Services Limited)

Mumbai Address: 008, Ground Floor, Peninsula Centre, Dr. S.S. Rao Road, Parel, Mumbai 400012

Tel: (022) 2410 5685. **Fax.:** (022) 6661 8788 **E-mail** vidula@bom3.vsnl.net.in

Contact Person: Mr. Sanjay Karangutkar

Nasik Address : Plot No.101/102, 19th Street, MIDC, Satpur, Nasik 422007

Tel: (0253) 2354032. **Fax:** (0253) 2351126 **E-mail :** amtarc_nsk@sancharnet.in

Contact Person: Mr. Bhushan Chandratre



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DEFINITIONS, ABBREVIATIONS & INDUSTRY RELATED TERMS

“we”, “us”, “our”, “the Company”, “our Company”, “ATL”, or Resulting Company	Arrow Textiles Limited, a public limited company incorporated under the Companies Act, 1956.
“AWL”, “Delta Corp”, “DCL” or Demerged Company	Delta Corp Limited (erstwhile Arrow Webtex Limited), a public limited company incorporated under the Companies Act, 1956.
“Scheme” or “Scheme of Demerger”	Scheme of Arrangement between Arrow Webtex Limited and Arrow Textiles Limited and their respective shareholders and creditors under section 391 and 394 of the Companies Act, 1956 Aforesaid scheme was sanctioned by the Hon’ble High Court of Bombay on 22 nd August 2008 and became effective from 16 th September, 2008 on filing of the certified copy of the High Court order with Registrar of Companies, Maharashtra by Arrow Textiles Limited and Arrow Webtex Limited

GENERAL TERMS AND ABBREVIATIONS

Act	The Companies Act, 1956 and amendments thereto
AGM	Annual General Meeting
Appointed Date	1 st April 2008 as per clause 2.1.2 of the Scheme of Arrangement between Arrow Webtex Limited and Arrow Textiles Limited and their respective shareholders and creditors under section 391 and 394 of the Companies Act, 1956
Articles	Articles of Association of the Company as originally framed or as altered from time to time in pursuance of any previous companies law or of this Act
AS	Indian Accounting Standard
Auditors	M/s. Amit Desai & Co., having their office at 416, Tardeo A.C. Market, 4 th floor, Tardeo, Mumbai 400034
Board or Board of Directors	Board of Directors of Resulting Company i.e. Arrow Textiles Limited.
BSE	Bombay Stock Exchange Limited
Capital or Share Capital	Share Capital of the Company
CDSL	Central Depository Services (India) Limited
Demerged Undertaking	Assets and liabilities etc. relating to the Textiles Business as per clause 2.1.5 of Scheme of Arrangement between Arrow Webtex Limited and Arrow Textiles Limited and their respective shareholders and creditors under section 391 and 394 of the Companies Act, 1956
Designated Stock Exchange	The designated Stock Exchange for the purposes of this Information Memorandum shall be BSE
Effective Date	Effective date means 16 th September 2008, the date on which the certified or the authenticated copy of the Bombay High Court order under Section 391 and 394 of the Companies Act sanctioning the scheme was filed with Registrar of Companies, at Mumbai and Pune
EPS	Earning Per Share
Equity Share(s)	Fully paid-up equity shares of the face value of Rs.10/- each of ATL
Equity shareholders	Holders of Equity Share(s) or the beneficiaries holding their shares in DEMAT Mode.
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999
FI	Financial Institutions
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws
FY / Fiscal	Financial year ending March 31
HUF	Hindu Undivided Family
IT Act	The Income Tax Act, 1961 and amendments thereto
NAV	Net Asset Value



NR	Non Resident
NRI(s)	Non Resident Indian (s)
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies
Promoters	Mr. Jaydev Mody and Ms. Zia Jaydev Mody
Promoter Group	The Promoters, their relatives and group companies as enlisted in "Our Promoter and Promoter Group" on page no 46 of this Information Memorandum
RBI	The Reserve Bank of India
Record Date	Record Date means 6 th November 2008, the date fixed by the Board of Directors of Demerged Company for the purpose of determining the entitlement of equity shareholders of the demerged company to equity shares of the Resulting Company pursuant to the scheme, as approved by the Bombay High Court vide order dated 22 nd August 2008.
Registrar to the Company	Amtrac Management Services Limited
ROC	Registrar of Companies, Mumbai and Pune
SEBI	Securities and Exchange Board of India
SEBI (DIP) Guidelines	The SEBI (Disclosure & Investor Protection) Guidelines, 2000 and amendments thereto
Stock Exchanges	Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE), where the shares of our Company are proposed to be listed
Takeover Code	The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as amended from time to time



CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL AND MARKET DATA

Financial Data

Unless otherwise stated, the financial data in this Information Memorandum is derived from the financial statements of Arrow Textiles Limited as of December 31, 2008.

Currency of Presentation

All references to “Rupees” or “Rs.” or “Re”. or “INR” are to Indian Rupees, the official currency of the Republic of India.

Market Data

Unless otherwise stated, industry data used in this Information Memorandum has been obtained from industry publications. These industry publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although ATL believes that industry data used in this Information Memorandum is reliable, such data has not been verified by any independent source.



FORWARD-LOOKING STATEMENTS

This Information Memorandum contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “will”, “aim”, “will likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” or other words or phrases of similar import. All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- Our ability to manage successfully our business in its present form;
- Our dependence on key personnel;
- Our ability to comply with the financial conditions and other covenants of our borrowings;
- General economic and business conditions in India and other countries;
- Regulatory changes relating to the business segments in which we would operate and our ability to respond to them;
- Technological changes;
- Our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments; and
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry.

For further discussion on factors that could cause our actual results to differ, please refer to “Risk Factors” and “Management’s Discussion and Analysis” beginning on pages 7 and 130 respectively of this Information Memorandum.

Our Company does not have any obligations to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.



RISK FACTORS

An investment in equity and equity related securities involves a high degree of risk.

Prior to making an investment decision, prospective investors and purchasers should carefully consider all the information contained in this Information Memorandum, including the risks and uncertainties described below and the sections entitled "Business Overview", and "Management's Discussion and Analysis" beginning on pages 30 and 130 respectively, of this Information Memorandum as well as other financial information contained in this Information Memorandum. The occurrence of any of the following events could have a material adverse effect on our business, results of operation, financial condition and prospects and cause the market price of the Equity Shares to fall significantly.

INTERNAL RISK FACTORS

A failure / inability to manage our growth could disrupt our business and reduce profitability

We expect that our growth will place significant demands on us and will require us to continuously evolve and improve our operational, financial and internal controls across the organisation. In particular, continued expansion increases the challenges involved in:

- Maintaining high levels of customer satisfaction;
- Recruiting, training and retaining sufficient skilled management, technical and marketing personnel;
- Adhering to quality and process execution standards that meet customer expectations;
- Preserving a uniform culture, values and entrepreneurial environment in operations in India and our other countries of operations; and
- Developing and improving our internal administrative infrastructure, particularly our financial, operational, communications and other internal systems.
- Raising additional capital for future expansions.
- A failure to manage our growth effectively may have an adverse effect on our business and financial results.

Our revenues and profits are difficult to predict and can vary significantly from period to period, which could cause the price of our Equity Shares to fluctuate.

Our sales revenues are dependent on demand for the products, imports of readymade garments, competition and the growth of the industry to whom we supply our products and these factors could significantly affect our sales.

As a result of the above factors there may be significant variations in our revenues and profits. Therefore, we believe that period-to-period comparisons of our results of operations are not necessarily meaningful and should not be relied upon as indicative of our future performance. If in the future our results of operations are below market expectations, the price of our Equity Shares could decline.

We are dependent on the performance of, and prevailing conditions affecting the Textile market in India.

Our business is heavily dependent on the performance of the Textile market in India, particularly in the regions in which we operate, and could be adversely affected if market conditions deteriorate. The Textile market is significantly affected by changes in government policies, economic conditions, demographic trends, employment and income levels and interest rates, among other factors. These factors can negatively affect the demand which can hamper our business.

We have a limited operating history and might not be able to operate our business or implement our strategies successfully

ATL being new company has limited operating history. It is possible that we may not be able to anticipate or evaluate business risks. Further, we may have limited regulatory experience in managing corporate disclosures and compliance requirements and would have to acclimatize ourselves to the regulatory environment and build-up in-house expertise and resources for the same.



While we believe that this integration will deliver substantial benefits to us, the process of integrating separate businesses may be disruptive and may cause an interruption of, or a loss of momentum in, our business in a number of areas, including:

- adverse short-term effects on our reported operating results
- loss of key employees or customers;
- failures or delays in obtaining new orders from present and potential customers;
- placing significant demands on our financial, accounting and operating systems as well as the difficulties in assimilating and integrating the operations; and
- the diversion of management's attention from our day-to-day business as a result of the need to deal with integration issues; and

The above factors could have a material and adverse effect on our revenues, levels of expenses and operating results. [For more details on the objects of the scheme of demerger on page no 13 of this Information Memorandum.]

Some of our Promoter Group Companies & Subsidiaries have incurred losses during the last three financial years

<i>Promoter Group entity</i>	Rs. in Lakhs		
	<i>For the year ended</i>		
	<i>March 31, 2008</i>	<i>March 31, 2007</i>	<i>March 31, 2006</i>
AAA Township Private Limited	(0.12)	N. A.	N. A.
Aarti Management Consultancy Private Limited	614.50	46.49	(2.90)
Aditi Management Consultancy Private Limited	1817.06	39.65	(4.17)
Alibagh Farming and Agriculturist Company Private Limited	(0.15)	(0.18)	(0.37)
Anjoss Trading Private Limited	629.75	24.41	(5.36)
Bayside Property Developers Private Limited	(0.15)	(0.09)	N.A
Bayside Realty Private Limited	(1.26)	(0.09)	N.A
Delta Magnets Limited	-----	(0.27)	(396.06)
Delta Realities Limited	(0.12)	N.A	N.A
Intertrade Mercantile Company Private Limited	(3.14)	(2.97)	(0.38)
J M Livestock Private Limited	(65.50)	(46.00)	(10.66)
J M Property Management Private Limited	(3.74)	(0.10)	N.A.
J M Real Estates Private Limited	(0.69)	(0.10)	N.A
J M Realty Management Private Limited	(0.49)	(0.08)	N.A.
J M Township and Real Estate Private Limited	(12.32)	(0.10)	N.A.
Newplaza Multitrade Private Limited	(0.13)	(0.10)	(0.05)
Outreach Mercantile Company Private Limited	(0.27)	(0.12)	(0.05)
Pavurotti Finance and Investment Private Limited	(0.36)	(0.01)	(0.07)
Riteline Export Private Limited	(0.14)	(0.09)	N.A
Seastar Trading Private Limited	7.32	(1.29)	(28.39)
Richtime Realty Private Limited	444.40	(0.27)	(0.05)
Highstreet Cruises & Entertainment Private Limited	(3.61)	(8.81)	(0.05)
Victor Hotels and Motels Limited.	(0.46)	(0.49)	(0.66)
AAA Aviation Private Limited.	(0.61)	N.A.	N.A.
Jayem Realty Solutions Private Limited	(0.26)	N.A.	N.A.
Delta Realities Limited	(0.12)	N.A.	N.A.
AAA Real Land Developers Private Limited	(62.85)	N.A.	N.A.
Aero Ports & Infrastructure Projects Private Limited	(0.53)	N.A.	N.A.
Jayem Properties Private Limited	(0.13)	N.A.	N.A.
J M Mega Properties Private Limited	(0.13)	N.A.	N.A.
Freedom Aviation Private Limited	(1.74)	N.A.	N.A.
Coastal Sports Venture Private Limited	(13.06)	1.12	N.A.
West Star Agro – Realities Private Limited	(1.67)	(0.16)	(0.10)
Delta Pan Africa Limited	(94.59)	N.A.	N.A.
Delta Square Limited	(1.43)	N.A.	N.A.
Lakeview Mercantile Company Private Limited	(0.49)	(0.21)	(0.09)
Aryanish Finance Investment Private Limited	(1.12)	(0.12)	(0.13)
Providence Educational Academy Private Limited	(0.12)	N.A.	N.A.
Elixer Infotech Private Limited	(11.98)	(15.58)	(13.71)



None of promoter group Companies have become sick company under Sick Industrial Companies (Special Provisions) Act, 1985.

The success of our textiles business is dependent on supply chain management.

We depend on air or sea borne freight, rail and road transport to deliver our products from our manufacturing facilities to our customers. We rely on third parties to provide such services. These transportation facilities may not be adequate to support our existing and future operations. Further, disruptions of transportation services due to weather-related problems, strikes, lock-outs, inadequacies in the road infrastructure and port facilities, or other events could impair our ability to supply our products to our customers. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

Our failure to compete effectively in the highly competitive global and domestic textile industries could result in the loss of customers, which could have an adverse effect on us

We compete with global competitors to retain our existing business as well as winning new business. In the free trade regime, we cannot assure you that we will remain competitive with respect to technology, design and quality to our customers' satisfaction.

Our customers have high and exacting standards for product quality and delivery schedules and we face challenges in meeting such standards. Failure by us to meet such standards could result in adverse customer perception and a reduction in, or cancellation of, purchases of our products.

Our business could be harmed if key management personnel with significant experience and expertise in the industry terminate their employment with us.

Our success depends on the continued services and performance of the members of our management team and other key employees, whose talent we believe provides us with a significant competitive advantage.

Competition for senior management and key personnel in the industry is intense, and we may not be able to retain our existing senior management or key personnel or attract and retain new senior management or key personnel in the future. The loss of the services of our senior management or key personnel could seriously impair our ability to continue to manage and expand our business.

Because our Promoters control substantial voting power, investors may not be able to affect the outcome of any shareholder vote.

As of November 17, 2008, our Promoters own 54.59 % of Equity Shares in the demerged and resulting company. Our Promoters have the ability to control our business, including matters relating to any sale of all or substantially all of our assets, timing and distribution of dividends, election of our officers and Directors and change of control transactions. This control could delay, defer or prevent a change in control of the Company, impede a merger, consolidation, takeover or other business combination involving the Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company even if it is in the Company's best interest.

There are restrictive covenants in the agreements we have entered into with certain banks for loan and other credit facilities.

Under our current financing arrangements, we are required to obtain the prior written consent of the banks for changes in capital structure, issuance of new shares, effecting any arrangement or reconstruction, implementing any scheme of expansion, acquire fixed assets of substantial value, undertake guarantee obligation on behalf of any firm/company and declaring dividend more than the net profit of that year. Further we are required to maintain certain financial ratios. There is no assurance that we will be able to comply with these financial and other covenants or that we will be able to obtain the consents necessary to take the actions which we believe are necessary to operate and grow our business.

We cannot assure you that our business will generate cash in an amount sufficient to enable us to service our debt or fund our other liquidity needs. In addition, we may need to refinance all or a portion of our debt on or before maturity. We cannot assure you that we will be able to refinance any of our debt on commercially reasonable terms or at all.

A significant portion of our revenues comes from a limited number of buyers. An adverse change in a customer relationship or in a customer's performance or their financial position could harm our business and financial condition.



We are presently supplying our products to limited number of customers. Any adverse change in our relationship with our customers, or in their financial position, or their business or their requirements could affect / harm our sales, revenues and profitability.

We do not have long-term contracts with our customers.

While we have been dealing with some of our customers for several years, we do not have any long-term contracts with them. As a result, customers can terminate their relationships with us due to a change in vendor preference or any other reason upon relatively short notice, which could materially and adversely impact our business. We also face risk from our competitors in similar business.

We do not have long-term contracts with our suppliers.

While we have suppliers who are regularly supplying material as per our requirements, we do not have any long-term contracts with any of them. Any disruption in supply due to any reason could derail our production and delivery schedule. This could materially and adversely impact our business.

Our customers prescribe various qualities and other standards with which we are required to comply.

Our business is customer-driven. Our customers prescribe stringent standards and guidelines in relation to timeliness of deliveries and quality. Any non-compliance by us can lead to loss of customers or decrease in their volume of business to us, which may adversely affect our business and results of operations.

Fluctuations in the price, availability and quality of raw materials could cause delay and increase costs.

We rely on third-party suppliers for fabric and other raw materials. Fluctuations in the price, availability and quality of the fabrics or other raw materials used by us for manufacturing labels could have a material adverse effect on our cost of sales or our ability to meet our customer's demands. Any material shortage or interruption in the supply or decrease in the quality of raw materials due to natural causes or other factors could result in increased production costs.

We may face labour disruptions and other planned and unplanned outages that would interfere with our operations.

Strikes and other labour action may have an adverse impact on our operations, though we have not experienced any such labour disruption in the past. We cannot guarantee that we will not experience any strike, work stoppage or other industrial action in the future. Also, the third-party suppliers of raw materials or our customers may experience strikes or other industrial action. Any such event could disrupt our operations, possibly for a significant period of time, result in increased wages and other costs and otherwise have a material adverse effect on our business, results of operations or financial condition.

In addition, work stoppages, refurbishments, installation of new plants, accidents or sustained bad weather at our operations could result in production losses and delays in delivery of our products, which may adversely affect our operations and profitability.

We require licenses and approvals for our operations, which may be subject to periodic renewal and review. Failure to obtain them in a timely manner or at all may adversely affect our operations.

We require certain approvals, licenses, registrations and permissions to operate our business, some of which have expired and for which we have either made or are in the process of making an application for obtaining the approval or renewing such licenses, registrations and permissions, including certain environmental consents for some of our factories. For more information, see the section "Government Approvals" beginning on page 121 of this Information Memorandum. If we fail to obtain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected.

We may be involved in legal and administrative proceedings arising from our operations from time to time to which we are, or may become, a party. There are outstanding litigation against us

There are outstanding litigations against us and we are defendants in legal proceedings incidental to our business and operations. Such legal proceedings are pending at different levels of adjudication before various courts and tribunals. Should any new developments arise in respect of such litigation, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may face losses and may need to make provisions in our financial statements in respect of such litigation, which could adversely impact our business results. Further, if significant claims are determined against us and we are required to pay all or a portion of the disputed amounts, it could have a material adverse effect on our business and profitability. For further details on these



litigations, please refer to “Outstanding Litigation and Material Development” on page no.119 of this Information Memorandum

EXTERNAL RISK FACTORS

A slowdown in economic growth due to negative political, social and economic developments in India could cause our business to suffer.

We derive all of our revenues from India. Our performance and growth are directly and indirectly dependent on the health of the Indian economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalisation policies, social disturbances, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in the Indian economy may adversely impact our business and financial performance and the price of our Equity Shares.

Depreciation of the Rupee against foreign currencies may have an adverse effect on our results of operations.

While all our revenues are denominated in Rupees, we have exposure in foreign currency. The foreign currency exposure may further get increased on account of our future projects and expansion plans. Accordingly, the depreciation of the rupee against foreign currencies will increase the rupee cost to us and thereby would impact the project cost and our financial performance.

Terrorist attacks and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence or war, including those involving India or other countries and other such acts, could adversely affect Indian and worldwide financial markets. Such acts may also result in a loss of business confidence and have other consequences that could adversely affect our business, results of operations and financial condition. Increased volatility in the financial markets can have an adverse impact on the economy of India and other countries including economic recession.

After listing, the price of our equity shares may be volatile, or an active trading market for our equity shares may not develop.

The prices of our equity shares may fluctuate after listing due to a wide variety of factors, including volatility in the Indian and global securities markets; our operational performance, financial results and capacity expansion; developments in India’s economic liberalization and deregulation policies, particularly in the power sector; and changes in India’s laws and regulations impacting our business. There is no assurance that an active trading market for our equity shares will develop or be sustained after listing.

The industry in which we operate is competitive, highly fragmented, with low entry barriers resulting in increased competition that may adversely affect our results.

We face competition from unorganized and small scale enterprises. The low entry barriers further increase the chances of competition in future, which can have material impact on our financial performance.

Our business is subject to extensive statutory or governmental regulations.

We are required to obtain various regulatory clearances for our product and for operations. We are also required to comply with various statutory and regulatory compliances. A lot of qualitative time of our key employees is wasted on these compliances. This could hamper our operational efficiencies and competence.



SUMMARY OF OUR BUSINESS

Our Textiles Business is centred around the production of specialty narrow woven fabric and elastic. Our strategy is to focus on a limited number of complementary businesses.

Merchandisers require that suppliers of trims have many qualities. To wit : quick turnaround of samples, perfect colour matching , colour fastness, ability to process multiple deliveries daily, offer real-time information and origination of innovative products.

Our Customers in India are industry Leaders, who expect us to deliver trims to over 100 factories in and around India.

ATL is a now leading manufacturer of specialty textiles in India. Its key products are:

- Underwear Name Waistband Elastic.
- Woven inner elastics for garments.
- Printed woven elastics.
- Woven tapes (non-elastic) (plain or print).
- Fabric printed labels.
- Woven labels (slit-edge).
- Woven-edge, woven labels.
- Woven-edge substrates for printing.
- 100% cotton twill tapes, ready-to-dye.

For Further information please refer to Business Overview on page 30



SCHEME OF ARRANGEMENT

Object of the Scheme:

DCL (previously AWL) was engaged in various businesses, inter-alia, of manufacture of narrow woven fabrics, real estate consultancy, etc. and through its subsidiaries was engaged in the hospitality, gaming and entertainment business and aviation business. All these businesses, except that of manufacture of narrow woven fabrics were interconnected or linked with each other. It was therefore decided by the Board of directors of the DCL to demerge the manufacturing division (Textile Business) and transfer the same to Arrow Textiles Limited. It was perceived by the management of the companies that the demerger would result into unlocking and enhancement of shareholder value through the integration of Textiles Business of DCL with that of Arrow Textiles Limited.

After obtaining necessary approvals from the shareholders and creditors to the demerger embodied in the Scheme of Arrangement, DCL and ATL vide separate petitions filed the said Scheme of Arrangement with the Hon'ble High Court of Judicature at Bombay for its sanction under section 391 to 394 of the Companies Act, 1956. The said scheme *inter alia* provided demerger of the assets, liabilities etc. relating to the Textiles Business and transfer of the same to Arrow Textiles Limited with effect from 1st April 2008.

Salient features of the scheme:

The Main clauses of the scheme are as under:

1. **Demerger of Textile Division of AWL:** The relevant clause 4 of the Scheme is reproduced hereunder:
 - 4.1 With effect from the Appointed Date and subject to the Scheme, the Demerged Undertaking (along with all the assets and debts, outstandings, credits, liabilities, duties and obligations whatsoever relating thereto) shall, subject to the provisions of this Clause in relation to the mode of vesting and pursuant to Section 394(2) of the Act and without any further act or deed, be demerged from, transferred to and vested in or be deemed to have been demerged from, transferred to and vested in the Resulting Company as a going concern so as to become as and from the Appointed Date, the estate, assets, rights, title, interest and authorities including accretions and appurtenances, of the Resulting Company.
2. **Issue of shares:** The relevant clause 14 of the Scheme is reproduced hereunder:
 - 14.1.1 Subject to the terms and conditions of this Scheme and as may determined by the board of directors of the Demerged Company and the Resulting Company, with effect from the Effective Date, in consideration of the transfer of the Demerged Undertaking by the Demerged Company to the Resulting Company in terms of this Scheme, the Resulting Company shall:
 - 14.1.1 issue and allot to the equity shareholders of the Demerged Company holding fully paid up Equity Shares in the Demerged Company and whose name appears in the Register of Members of the Demerged Company on the Record Date, 1 (One) Equity Share of Rs. 10/- each, credited as fully paid in the capital of the Resulting Company for every 10 (ten) Equity Shares of Re. 1/- each held by them in the Demerged Company; and
 - 14.1.2 upon payment of the Balance Payment Amount on the Record Date to the Resulting Company by the holders of the Warrants, issue and allot to each such holder of the Warrants on the Record Date, 1 (One) Equity Share of Rs. 10/- each, credited as fully paid in the capital of the Resulting Company for every 10 (ten) Warrants held in the Demerged Company.

(collectively the "New Equity Shares").
 - 14.2 The total number of New Equity Shares to be issued and allotted to members of the Demerged Company pursuant to Clause shall be at par, credited as fully paid up and shall have rights attached thereto as follows:
 - 14.2.1 The New Equity Shares to be issued and allotted pursuant to Clause 14.1 hereof shall in all respects, rank *pari-passu* with the existing Equity Shares of the Resulting Company;



- 14.2.2 The New Equity Shares to be issued and allotted in terms hereof will be subject to the applicable provisions of the Memorandum and Articles of Association of the Resulting Company;
- 14.2.3 The Board of Directors of the Resulting Company shall consolidate all fractional entitlements arising due to the issue of New Equity Shares in terms of Clause 14.1 to shareholders of Demerged Company and thereupon issue and allot New Equity Shares in lieu thereof to any nominee of the Resulting Company ("Nominee") which shall hold the New Equity Shares in trust for and on behalf of the members entitled to such fractional entitlements with the express understanding that such Nominee shall sell the same at such time or times and at such price or prices to such person or persons, as it deems fit. The said Nominee shall distribute such net sale proceeds to the members in the same proportion as their respective fractional entitlements bear to the consolidated fractional entitlements.
- 14.3 The New Equity Shares to be issued by the Resulting Company shall, subject to the execution of the listing agreement and payment of the appropriate fee, be listed on the relevant stock exchanges in pursuance of Clause 8.3.5 of Securities and Exchange Board of India (Disclosure & Investor Protection) Guidelines, 2000.
- 14.4 The New Equity Shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing / trading permission is given by the designated stock exchange.

Approval of the Scheme

The Hon'ble High Court of Judicature at Bombay vide its order dated 22nd August 2008 has approved the scheme of Demerger between Arrow Textiles Limited and Arrow Webtex Limited which inter alia provides for the transfer of the Textiles Division of the AWL and vesting of the same in ATL.

The aforesaid order was filed by ATL and AWL with the ROC, Maharashtra on 16th September 2008 and accordingly the Textile Division of AWL stood transferred to and vested in ATL from the Appointed Date.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our restated financial statements as of and for the period ended March 31, 2008 and Nine months period ended December 31, 2008. These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Guidelines and are presented in the section titled "Financial Information" beginning on page 106 of this Information Memorandum. The summary financial information presented below should be read in conjunction with our restated stand-alone financial statements, the notes thereto and the section titled "Management's Discussion and Analysis" on page 130 of this Information Memorandum.

Arrow Textiles Limited		
Balance Sheet as at 31st December, 2008		
(Rs. In thousand)		
Particulars	December 31, 2008	March 31, 2008
Sources Of Funds:		
Shareholders' Funds:		
Equity Share Capital	136,028.13	500.00
Loan Funds:		
Secured Loans		-
Unsecured Loans	131,169.79	-
Deferred Tax Liability	14,390.94	-
Total....	281,588.86	500.00
Application Of Funds:		
Fixed Assets:		
Gross Block		-
Less: Depreciation		-
Net Block	139,612.61	-
Goodwill (Acquired):	62,116.73	-
Current Assets, Loans And Advances:		
Inventories		-
Sundry Debtors		-
Cash & Bank Balances		500.00
Loans & Advances		-
Total Of Current Assets (A)		500.00
Less: Current Liabilities And Provisions:		
Current Liabilities		303.19
Provisions		-
Total Of Current Liabilities (B)		303.19
Net Current Assets (A-B)	70,473.90	196.81
Miscellaneous Expenditure:		
(To The Extent Not W/Off Or Adjusted)		
Miscellaneous Expenditure	3,012.78	290.77
Profit & Loss Account:	6,372.84	12.42
Total....	281,588.86	500.00
Notes Forming Parts of Accounts		
As per Our Report of Even Date For Amit Desai & Co Chartered Accountants		For Arrow Textiles Limited
(Amit Desai) Proprietor 17th April 2009 Mumbai	(Jaydev Mody) Chairman	(Chand Arora) Managing Director
		(Amey Lotlikar) Company Secretary



Arrow Textiles Limited		
Profit & Loss Account for the Period Ended 31st December, 2008		
(Rs. in thousand)		
Particulars	December 31, 2008	March 31, 2008
<u>INCOME:</u>		
Sales	135,711.83	-
Increase / (Decrease) in Stocks	3,836.60	-
Other Income	3,419.29	-
Total....	142,967.71	-
<u>EXPENSES:</u>		
Raw Materials Consumed	60,738.75	-
Personnel Cost	24,191.74	-
Operating Cost	38,972.69	12.42
Depreciation	9,794.74	-
Finance Charges	12,623.92	-
Total....	146,321.84	12.42
Profit Before Tax	(3,354.13)	(12.42)
Less: Provision for Taxation	(3,006.29)	-
Net Profit after Tax	(6,360.42)	(12.42)
Balance Brought Forward	(12.42)	-
Balance Carried Forward	(6,372.84)	(12.42)
Basic / Diluted Earning Per Share (Share Of Rs. 10/- Each)	(0.47)	(1.24)
Notes Forming Parts of Accounts		
As per Our Report of Even Date For Amit Desai & Co Chartered Accountants		For Arrow Textiles Limited
(Amit Desai) Proprietor 17th April 2009 Mumbai:	(Jaydev Mody) (Chand Arora) (Amey Lotlikar) Chairman Managing Director Company Secretary	



GENERAL INFORMATION

Our Company was incorporated as Arrow Textiles Limited on January 30, 2008 under the Companies Act, 1956. The Certificate for Commencement of Business was issued by the ROC, Mumbai on July 3, 2008.

Registered Office of our Company

Plot No.101-103, 19th Street, MIDC, Satpur, Nasik 422007, Maharashtra.

Registration Number: (CIN – U51494MH2008PLC178384)

Address of Registrar of Companies

Registrar of Companies
100, Everest Building, Marine Drive,
Mumbai - 400002
Maharashtra.

Board of Directors

Sr. No.	Names of Directors	Designation	Age	Residential Address
1	Mr. Jaydev M Mody	Chairman Non- Executive Director	53 years	West Hill 27, Nepaeen Sea Road, Mumbai, 400036
2	Mr. Chand V Arora	Managing Director	55 years	Space Twinkle, Mahatma Nagar, Nasik, 422007
3	Mr. Aditya Mangaldas	Independent Director	45 years	12 B, Ocean View, 100, Bhulabhai Desai Road, Mumbai 400026
4	Mr. Aurobind Patel	Independent Director	57 years	401, Anand Bhavan, Babulnath 2 nd Cross Lane, Mumbai 400007
5	Mr. Harshvardhan Piramal	Independent Director	35 years	61 Piramal House, Pochkhanwala Road, Worli, Mumbai 400026

For further details of the Board of Directors of the Company, please see the section titled "Our Management" on page no 39 of this Information Memorandum.

Company Secretary and Compliance Officer

Mr. Amey Lotlikar
Company Secretary
Tel: (022) 22679245, 22671655
Email: secretarial@jmggroup.in

Equity shareholder(s) can contact the Compliance Officer in case of any share transfer or other related problems.

Statutory Auditors

M/s. Amit Desai & Co.,
4/51, Tardeo Air Conditioned Market,
5 Tardeo Road,
Mumbai 400034

Tel: (022) 2351 2240
Fax: (022) 2351 2240



Registrar and Share Transfer Agent

Freedom Registry Limited

(Formerly Amtrac Management Services Limited)

Mumbai Address:

106, Peninsula Centre, Dr. S.S. Rao Road, Parel, Mumbai 400012

Tel : (022) 24105685. **Fax.:** **E-mail:** vidula@bom3.vsnl.net.in

Contact Person: Mr. Sanjay Karangutkar

Nasik Address:

Plot No.101/102, 19th Street, MIDC, Satpur, Nasik 422007

Tel.: (0253) 2354032. **Fax.:** (0253) 2351126 **E-mail:** amtarc_nsk@sancharnet.in

Contact Person: Mr. Bhushan Chandratre.

Bankers to the Company

Axis Bank Ltd



CAPITAL STRUCTURE

A. SHARE CAPITAL BEFORE THE SCHEME:

SHARE CAPITAL	Aggregate value (in Rs.)
A. Authorised Capital	500000
B. Issued, Subscribed And Paid-Up Capital	500000

B. SHARE CAPITAL AFTER THE SCHEME:

SHARE CAPITAL	Aggregate value (in Rs.)
A. Authorised Capital	160000000
B. Issued, Subscribed And Paid-Up Capital	136028130

The initial authorized share capital of Rs. 500000/- divided into 50000 equity shares of Rs.10 each was increased to Rs.16,00,00,000/- divided into 16000000 equity shares of Rs.10 each pursuant to shareholders resolution passed at the Annual General Meeting held on 29th September, 2008.



Notes to Capital Structure:

1. Equity capital history of the Company

Sr. No.	Date of Allotment of Equity Shares	No of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of payment	Reason for allotment	Cumulative paid-up capital (Rs.)
1	30 th January 2008	50000	10	10	Cash	Subscription	500000
2	17 th November 2008	135528 13	10	10	Consideration for holding AWL shares	*Scheme of Arrangement between AWL & ATL	136028130

* In accordance with the scheme, in consideration of the Demerger, ATL has issued and allotted 13552813 equity shares, credited as fully paid up, to the members of AWL holding fully paid-up equity shares in and whose names appear in the Register of Members of AWL, on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of AWL in the ratio of 1 (one) fully paid up equity share of Rs. 10 each of ATL for every 10 (ten) equity shares of Re. 1/- each held in AWL.

The existing promoters holding and/or new shares issued pursuant to the scheme shall be kept under lock-in for a suitable period as may be deemed fit by the exchanges

2. Promoters of ATL, their relatives and associates, and their Directors have not purchased or sold or financed, directly or indirectly, any equity shares from the date of approval of the scheme by the High Court till the date of submission of this Information Memorandum.

3. Shareholding pattern of ATL before and after the Scheme:

	Pre-Scheme		Post-Scheme [#]	
	No of shares	%	No of shares	%
A. Promoter Group Holding				
Promoters & Group	50000	100.00	7426018	54.59
<i>Sub-total (A)</i>	50000	100.00	7426018	54.59
B. Non-Promoters				
Institutional Investors				
Mutual Funds & UTI				
Banks, Financial Institutions and Insurance Companies			787	0.01
FII's			18100	0.13
Others				
Private Corporate Bodies			182000	1.34
NRI/OCBs			154394	1.13
Indian Public			5821513	42.80
<i>Sub-total (B)</i>			6176795	45.40
GRAND TOTAL (A+ B)	50000	100	13602813	100.00

Shareholding pattern as on the date of this Information Memorandum



List of the persons/entities comprising Promoters and Promoters Group are given below:

Sr. No.	Name of Shareholders	No of Shares after allotment	% Holding after allotment
1	Individuals/HUFs		
(i)	Mr. Jaydev Mody	757204	5.57
(ii)	Mrs. Usha M. Mody [#]	539526	3.97
(iii)	Mrs. Ambika Singhania	1138	0.01
(iv)	Mrs. Gopika Singhania	32375	0.24
(v)	Mrs. Zia Mody	6031372	44.34
(vi)	Mr. Chand Arora	175	0.00
	Sub-Total of 1	7361790	
2	Bodies Corporate		
(i)	Aarti Management Consultancy Private Limited	1	0.00
(ii)	Aditi Management Consultancy Private Limited	1	0.00
(iii)	Anjoss Trading Private Limited.	1	0.00
(iv)	Delta Corp Limited	1	0.00
(v)	Highland Resorts Pvt. Ltd.	27212	0.20
(vi)	Surewin Trading Company Pvt. Ltd.	12337	0.09
(vii)	Supersoft Mercantile Company Pvt. Ltd.	12338	0.09
(Viii)	Highzone Mercantile Company Pvt. Ltd.	12337	0.09
	Sub-Total of 2	64228	
	Total	7426018	54.59

Ms. Usha Mody ceased to be a member of the company due to her sad demise. The procedures for transmission are currently in process.



4. a) The list of top 10 shareholders as on the date of this Information Memorandum:

Sr. No	Name of the Shareholders	No of shares held	% holding
1	Zia Jaydev Mody	6031372	44.34
2	The Western India Trustee company Limited (India Advantage Fund – III)	2031567	14.93
3.	Pacific Corporate Services Ltd.	1022461	7.52
4	Jaydev Mukund Mody	757204	5.57
5	Usha Mukund Mody [#]	539526	3.97
6	Clover Holdings & Trading Pvt. Ltd.	204004	1.50
7	Piramal Polymers Ltd.	182000	1.34
8.	Ramkrishna	95300	0.70
9	Dipti Neelish Amratlal Shah	87500	0.64
10	Clover Technologies Pvt. Ltd.	64117	0.47
	Total	11015051	80.98

Ms. Usha Mody ceased to be a member of the company due to her sad demise. The procedures for transmission are currently in process.

5. As on the date of this Information Memorandum, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into equity shares of ATL.
6. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, right issue or in any other manner during the period commencing from the date of approval of the Scheme by the High Court till listing of the Equity Shares to be allotted as per the Scheme.
7. The face value of the equity shares of the Company is Rs.10/- and there shall be only one denomination for the Equity Shares of ATL, subject to applicable regulations and ATL shall comply with such disclosure and accounting norms specified by SEBI, from time to time.
8. Except as disclosed in this Information Memorandum, ATL has not issued any Equity Shares out of revaluation reserves or for consideration other than cash.
9. The Company has 10455 members as on the date of this Information Memorandum.



STATEMENT OF TAX BENEFITS

The following tax benefits shall be available to the Company and the shareholders/prospective shareholders under the current Direct Tax Laws, as certified by our auditors M/s. Amit Desai & Co. vide their letter dated 1st December, 2008.

STATEMENT OF TAX BENEFITS :

Capitalised terms used in this section have the meaning set forth herein.

The following key tax benefits are available to the Company and the Shareholders under the current direct tax laws in India. The tax benefits listed below are the possible benefits available under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its Shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its Shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperative it faces in the future, it may or may not choose to fulfill. This statement is only intended to provide the tax benefits to the Company and its Shareholders in a general and summary manner and does not purport to be a complete analysis or listing of all the provisions or possible tax consequences of the subscription, purchase, ownership or disposal etc. of shares. In view of the individual nature of tax consequence and the changing tax laws, each investor is advised to consult his/her own tax advisor with respect to specific tax implications arising out.

GENERAL TAX BENEFITS:

1. Key benefits available to the Company under the Income Tax Act, 1961 (“the Act”)

A) BUSINESS INCOME:

a) Depreciation:

The Company is entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business under Section 32 of the Act. In case of new machinery or plant that is acquired by the company (other than ships and aircrafts), the company is entitled to a further sum equal to twenty per cent of the actual cost of such machinery or plant subject to conditions specified in Section 32 of the Act.

b) Deductions under Chapter VI-A of the Act:

As per section 80G of the Act, the Company is entitled to claim deduction of an specified amount in respect of eligible donations subject to the fulfillment of the conditions specified in that section.

c) MAT Credit:

As per Section 115JAA(1A) of the Act, the company is eligible to claim credit for Minimum Alternate Tax (“MAT”) paid for any assessment year commencing on or after April 1, 2006 against normal income-tax payable in subsequent assessment years.

MAT credit shall be allowed for any assessment year to the extent of difference between the tax payable as per the normal provisions of the Act and the tax paid under section 115JB for that assessment year. Such MAT credit is available for set-off upto 7 years succeeding the assessment year in which the MAT credit arises.

B) CAPITAL GAINS:

a.i) Long Term Capital Gain (LTCG)

LTCG means capital gain arising from the transfer of a capital asset being Share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of section 10 or a Zero coupon bond held by an assessee for more than 12 months.

In respect of any other capital assets, LTCG means capital gain arising from the transfer of an asset, held by an assessee for more than 36 months.



a.ii) **Short Term Capital Gain (STCG)**

STCG means capital gain arising from the transfer of capital asset being Share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of section 10 or a Zero coupon bonds, held by an assessee for 12 months or less.

In respect of any other capital assets, STCG means capital gain arising from the transfer of an asset, held by an assessee for 36 months or less.

- b) LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)) are exempt from tax under Section 10(38) of the Act provided the transaction is chargeable to securities transaction tax (STT) and subject to conditions specified in that section.

Income by way of long term capital gain exempt u/s 10(38) is to be taken into account in computing the Book profit and income tax payable under section 115JB of the Act.

- c) As per section 48 of the Act and subject to the conditions specified in that section, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is to be computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration. As per section 112 of the Act, LTCG is taxed @ 20% plus applicable surcharge thereon and 3% Education and Secondary & Higher education cess on tax plus Surcharge (if any) (hereinafter referred to as applicable Surcharge and Education Cess and Secondary & Higher Education Cess)

However, if such tax payable on transfer of listed securities or units or Zero coupon bonds exceed 10% of the LTCG, without indexation benefit, the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.

- d) As per section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% (plus applicable Surcharge and Education Cess and Secondary & Higher Education Cess) provided the transaction is chargeable to STT. No deduction under chapter VIA shall be allowed from such income.
- e) STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT, shall be taxable at the rate of 30% (plus applicable Surcharge and Education Cess and Secondary & Higher Education Cess).

- f) As per section 71 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains.

Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent 8 years.

- g) As per section 71 read with section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent 8 years.

- h) As per section 54EC of the Act, capital gains arising from the transfer of a long term capital asset shall be exempt from capital gains tax if such capital gains are invested within a period of 6 months after the date of such transfer in specified bonds issued by the following and subject to the conditions special therein:

- National Highway Authority of India constituted under Section 3 of National Highway Authority of India Act, 1988
- Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1856.



If only part of the capital gains is reinvested, the exemption shall be proportionately available.

However, if the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted shall be taxable as Capital Gains in the year of transfer/conversion.

As per this section., the investment in the Long Term Specified Asset cannot exceed 50 lakh rupees.

C) Income from Other Sources

Dividend Income:

Dividend (both interim and final), if any, received by the company on its investments in shares of another Domestic Company shall be exempt from tax under Section 10(34) read with Section 115-O of the Act. Income received in respect of units of a mutual fund specified under Section 10(23D) of the Act (other than income arising from transfer of such units) shall be exempt from tax under Section 10(35) of the Act.

2. Key benefits available to the Members of the Company

2.1 Resident Members

a) Dividend income:

Dividend (both interim and final), if any, received by the resident Shareholders from a Domestic Company shall be exempt from tax under Section 10(34) read with Section 115O of the Act.

b) Capital gains:

- i) Benefits outlined in Paragraph 1(B) above are also applicable to resident Shareholders. In addition to the same, the following benefit is also available to a resident shareholder being an individual or a HUF.
- ii) As per Section 54F of the Act, LTCG arising from transfer of shares shall be exempt from tax if net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of a new residential house, or for construction of residential house within three years from the date of transfer and subject to conditions and to the extent specified therein.

2.2 Non-Resident Members

a) Dividend Income:

Dividend (both interim and final), if any, received by the non-resident Shareholders from a Domestic Company shall be exempt from tax under Section 10(34) read with Section 115O of the Act.

b) Capital gains:

Benefits outlined in paragraph 2.1(b) above are also available to a non-resident shareholder except that as per first proviso to Section 48 of the Act, the capital gains arising on transfer of shares of an Indian Company need to be computed by converting the cost of acquisition, expenditure incurred in connection with such transfer and full value of the consideration received or accruing as a result of the transfer, into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated. Further, the benefit of indexation as provided in second proviso to section 48 is not available to non-resident Shareholders.

c) Tax Treaty Benefits:

As per Section 90 of the Act, the shareholder can claim relief in respect of double taxation, if any, as per the provision of the applicable double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident investor.



2.3 Special provisions in case of non-resident Indians in respect of income / LTCG from specified foreign exchange assets under Chapter XII-A of the Act.

- i) Non-Resident Indian (NRI) means a citizen of India or a person of Indian origin who is not a resident. Person is deemed to be of Indian origin if he, or either of his parents or any of his grand parents, were born in undivided India.
- ii) Specified foreign exchange assets include shares of an Indian company which is acquired/purchased/subscribed by NRI in convertible foreign exchange.
- iii) As per section 115E of the Act, income (other than dividend which is exempt under Section 10(34)) from investments and LTCG (other than gain exempt under section 10(38)) from assets (other than specified foreign exchange assets) shall be taxable @ 20% (plus applicable Surcharge and Education Cess and Secondary & Higher Education Cess). No deduction in respect of any expenditure or allowance or deductions under chapter VI-A shall be allowed from such income.
- iv) As per section 115E of the Act, LTCG arising from transfer of specified foreign exchange assets shall be taxable @ 10% (plus applicable Surcharge and Education Cess and Secondary & Higher Education Cess).
- v) As per section 115F of the Act, LTCG arising on transfer of a foreign exchange asset shall be exempt in case net consideration from such transfer is invested in the specified assets or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that section.
- vi) As per section 115G of the Act, in case total income of a NRI consists only of income/LTCG from such foreign exchange asset/specified asset and tax thereon has been deducted at source in accordance with the Act, then, it shall not be necessary for a NRI to file return of income under Section 139(1) of the Act.
- vii) As per section 115H of the Act, where a person who is a NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he may furnish a declaration in writing to the assessing officer, along with his return of income under section 139 of the Act for the assessment year in which he is first assessable as a resident, to the effect that the provisions of the chapter XII-A shall continue to apply to him in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.
- viii) As per section 115I of the Act, the NRI can opt not be governed by the provisions of chapter XII-A for any assessment year by furnishing return of income for that assessment year under section 139 of the Act, declaring therein that the provisions of this chapter shall not apply, in which case the other provisions of the income tax act shall apply.

2.4 Foreign Institutional Investors (FIIs)

a) Dividend Income:

Dividend (both interim and final), if any, received by the shareholder from the domestic company shall be exempt from tax under Section 10(34) read with Section 115O of the Act.

b) Capital Gains:

- i) As per Section 115AD of the Act, income (other than income by way of dividends referred to Section 115O) received in respect of securities (other than units referred to in Section 115AB) shall be taxable at the rate of 20% (plus applicable Surcharge and Education Cess and Secondary & Higher Education Cess). No deduction in respect of any expenditure/allowance shall be allowed from such income.
- ii) As per Section 115AD of the Act, capital gains arising from transfer of securities shall be taxable as follows:
 - STCG arising on transfer of securities where such transaction is chargeable to STT, shall be taxable at the rate of 15% (plus applicable Surcharge and Education Cess and Secondary & Higher Education Cess) as per section 111A of the Act.



- STCG arising on transfer of securities where such transaction is not chargeable to STT, shall be taxable at the rate of 30% (plus applicable Surcharge and Education Cess and Secondary & Higher Education Cess).
- LTCG arising on transfer of a long term capital asset, being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to STT is exempt from tax under Section 10(38) of the Act.
- LTCG arising on transfer of securities where such transaction is not chargeable to STT, shall be taxable at the rate of 10% (plus applicable Surcharge and Education Cess and Secondary & Higher Education Cess).

The indexation benefit shall not be available while computing the capital gains.

- iii) Benefit of exemption under Section 54EC of the Act shall be available as outlined in Paragraph 1(B)(g) above.

c) Tax Treaty Benefits:

As per Section 90 of the Act, a shareholder can claim relief in respect of double taxation, if any, as per the provision of the applicable double taxation avoidance agreements entered into by the Government of India with the country of residence of the non-resident investor.

2.5 Mutual Funds

As per the provisions of Section 10(23D) of the Act, any income of mutual funds registered under the Securities and Exchange Board of India, Act, 1992 or Regulations made there under, mutual funds set up by public sector banks or public financial institutions and mutual funds authorized by the Reserve Bank of India, would be exempt from income-tax, subject to the prescribed conditions.

2.6 Venture Capital Companies/Funds

In case of a shareholder being a Venture Capital Company/Fund, any income of Venture Capital companies/Funds registered with the Securities and Exchange Board of India, are exempted from Income-tax, subject to the conditions specified in Section 10(23FB) of the Act.

3. Wealth Tax Act, 1957

Shares in a company, held by a shareholder are not treated as an asset within the meaning of Section 2(ea) of the Wealth Tax Act, 1957, hence, wealth tax is not applicable on shares held in a company.

4. Gift Tax Act, 1958

Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Therefore, any gift of share will not attract gift tax.

Notes:

- a) All the above benefits are as per the current tax law and will be available only to the sole/first names holder in case the shares are held by joint holders.
- b) In respect of non-resident investors, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the relevant Double Tax Avoidance Agreement (DTAA), if any, between India and the country of residence of the non-resident investor.



INDUSTRY OVERVIEW

The information in this section is derived from various government publications and other industry sources. We have not verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. The specific information relation to industry overview is obtained from website of the Ministry of Textiles www.texmin.nic.in

TEXTILE SECTOR

The Indian Textile Industry is a vertically integrated industry which covers a large gamut of activities ranging from production of its own raw material namely, cotton, jute, silk and wool to providing to the consumers high value added products such as fabrics and garments. India also produces large varieties of synthetic and man made fibres such as filament and spun yarns from polyester, viscose, nylon and acrylic which are used to manufacture fabric and garments.

The Indian Textiles Industry has an overwhelming presence in the economic life of the country. Apart from providing one of the basic necessities of life, the textiles industry also plays a pivotal role through its contribution to industrial output, employment generation, and the export earnings of the country. Currently, it contributes about 14 percent to industrial production, 4 percent to the GDP, and 17 percent to the country's export earnings. It provides direct employment to over 35 million people, which includes a substantial number of SC/ST and women. The Textiles sector is the second largest provider of employment after agriculture. Thus, the growth and all round development of this industry has a direct bearing on the improvement of the economy of the nation.

The Indian textiles industry is extremely varied, with the hand-spun and hand-woven sector at one end of the spectrum, and the capital intensive, sophisticated mill sector at the other. The decentralized powerlooms/ hosiery and knitting sectors form the largest section of the Textiles Sector. The close linkage of the Industry to agriculture and the ancient culture, and traditions of the country make the Indian textiles sector unique in comparison with the textiles industry of other countries. This also provides the industry with the capacity to produce a variety of products suitable to the different market segments, both within and outside the country.

The major sub-sectors that comprise the textiles sector include the organized Cotton/ Man-Made Fibre Textiles Mill Industry, the Man-made Fibre/ Filament Yarn Industry, the Wool and Woolen Textiles Industry, the Sericulture and Silk Textiles Industry, Handlooms, Handicrafts, the Jute and Jute Textiles Industry and Textiles Exports.

EXPORTS

The export of textiles and clothing registered huge growth of about 25% in 2005-06. However, during 2006-07, the textiles and clothing exports were US\$ 18.73 billion recording a growth of about 7% over the previous year, and contributed about 15% of country's total exports earnings in 2006-07. In the current financial year the growth of textiles and clothing exports has been slower, which is being attributed by the industry to the appreciation of the rupee. The details of India's textiles exports item-wise during recent times are at table 4.1.

India's export target of US \$ 55 billion by 2012 has been fixed keeping in view the following factors:

- End of quota regime, wherein the lower cost of manufacturing is likely to lead to rising preference for ready to use products.
- Growing world economies with rising per-capita income, spurring consumption.
- Increased trade in apparel driving the demand for fibre, yarn and fabrics.
- A surge in demand for technical textiles.
- A shift from manufacturing/stitching to design-cum-manufacturing.
- Increasing penetration of high format retail stores.

As per the latest available WTO data, India's percentage share in the global textiles and clothing trade was 4.3% in textiles, and 3.3% in clothing during the year 2006. India's rank in world trade has been 7th in textiles and 5th in clothing.



The liberalized trading regime will lead to expansion in world trade, thereby providing greater export opportunities. It will also expose the Indian textiles industry to the threat of import penetration.

Various international studies have forecast gains for India in the quota free regime. These studies have predicted major gains would accrue to China and India, and India would emerge as an alternate source to China in the region.

The Government of India has announced incentives for development of Indian textiles Sector in the Budget 2008-09. The highlights of Budget are as follows:

- The Scheme for Integrated Textiles Parks (SITP) and the Technology Upgradation Fund Scheme (TUFS) to be continued in the Eleventh Plan period; Provision for SITP being maintained at Rs. 450 crores in 2008-09; Provision for TUFS to be increased to Rs. 1,090 crores in 2008-09 from Rs. 911 crores in 2007-08.
- Infrastructure and production being scaled up by taking up six centres for development as mega-clusters; Varanasi and Sibsagar to be taken up for handlooms, Bhiwadi and Erode for powerlooms, and Narsapur and Moradabad for handicrafts; Each mega-cluster to require about Rs. 70 crores; Initial provision of Rs. 100 crores made in 2008-09.

Duties & Taxes

- National Calamity Contingent Duty (NCCD) of 1 percent removed on polyester filament yarn.
- Naptha for use in the manufacture of polymers will be subjected to normal rate of 5 percent.
- General CENVAT rate on all goods reduced from 16 percent to 14 percent.
- Central Sales Tax rate being reduced from 3 percent to 2 percent from April 1, 2008.



BUSINESS OVERVIEW

OVERVIEW

Post the Demerger of our Company from AWL, our Company is engaged in the business of manufacture of narrow woven fabrics, printed woven elastics, printed labels etc.

OUR OPERATIONS

Our Company is a leading manufacturer of specialty textiles in India. Our key products are

1. Underwear Name Waistband Elastic.
2. Woven inner elastics for garments.
3. Printed woven elastics.
4. Woven tapes (non-elastic) (plain or print).
5. Fabric printed labels.
6. Woven labels (slit-edge).
7. Woven-edge, woven labels.
8. Woven-edge substrates for printing.
9. 100% cotton twill tapes, ready-to-dye.

Production

We have an installed capacity of 18 woven label looms, 7 printed label machines & 59 woven tapes looms. Our quality policy ensures supply Woven Tapes, Woven Labels & Fabric Printed Labels that meet customer specifications. Our Company was awarded with an ISO 9001 certification from BVQI.

Channel to Market

We market our products through our depots which are located in Bangalore, Mumbai, Delhi and Tirupur. We also have an agent in Kolkata to cater to demand from the local markets. In addition to the above, we also procure orders through our website for overseas orders and the domestic markets where our depots are not located.

Management & Staffing

As of the date of this Information Memorandum, our Company has about 51 employees and 183 workmen.

The management team is headed of Mr. Chand Arora, the Managing Director who is in overall charge of the Company's operations. He is supported by the sales team located all over India and the manufacturing and administrative team at Nasik.

Some more details about the business

Our Business Process

We manufacture three products viz. Narrow Woven Fabrics i.e. woven tapes, Narrow Woven labels & fabric printed labels and the manufacturing process of them is as follows :-

1. WOVEN TAPES:

Following are the different stages in manufacture of the elastic tapes:-

(a) Warping:-

We buy cones of yarn in different colours and different types from various yarn suppliers. In this process, the yarn from the cones is warped on the beams as per the required size and colour.

(b) Cheese Winding:-

The staple yarn from the cones is wound on the uniform size of cheeses, which is required for rubber covering.

(c) Thread Rubber Covering:-

In this process, the cheeses duly warped are fixed on the rubber-covering machine. A rubber thread is covered by staple yarn and the beams are made as per the requirement.



(d) Weaving:-

The warped beams and rubber covered by staple yarn in rubber covering process are brought to Weaving section. Both the beams i.e. warped and rubber covered are fixed on loom frames. The weft and warp threads combined together on the automatic looms is an actual weaving process.

(e) Finishing and Drying:-

Duly woven tapes are brought to this dept. These tapes are first starched and Processed in the mechanical ironing to remove wrinkles and to get better look.

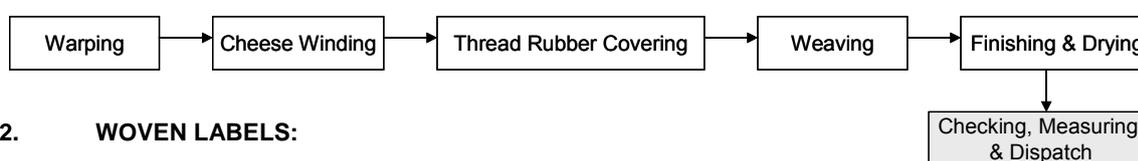
(f) Checking, Measuring and Dispatch:-

In this dept, duly finished tapes are brought for quality checking and measuring. The good quality tapes are rolled in the required quantity. Then they are packed in the polythene bags and kept ready for dispatch.

PROCESS

The process flow is as under:

WOVEN TAPES



2. WOVEN LABELS:

Following are the different stages in manufacturing of Woven Labels:

(a) Weaving Section :

We buy the warped beams from outside. These beams are fixed on the label making looms. The weft cones are hanged on the loom frames. Thus the warp and weft material is combined and label gets woven as per the required design and colour.

(b) Designing Section :

We have our own label designing system. The label designs are made on Computers. The design floppies are then inserted in the label making looms.

(c) Post Weaving Section :

The labels so manufactured are brought in the label checking and packing dept., where the quality is checked. Then the good quality labels are rolled and packed in the polythene bags and kept ready for onward dispatch to our clients.

The process flow is as under:

3. FABRIC PRINTED LABELS:

Following are the different stages in manufacturing of Fabric printed labels:

(a) Designing section:

We have computerized designing section (DTP) for designing of labels as per customer's requirement.

(b) Plate making:

We are making plates, which is required for label printing from the readymade nyloplates & computerized printout of the label design. Plate making process consist of exposing, developing (washing in plain water), drying and hardening process. All this process carried out in separate plate making machine.

(c) Printing process:

With the help of printing inks and printing plate we print the labels on the substrate material i.e. satin tape, taffeta tape etc. on the printing machine.

(d) Post printing process:



Then the rolls of printed label are kept for baking in oven chamber for 3 hrs. Then it is cut in to pieces if required by customer and pack into plastic bag, otherwise direct rolls packing is done in polythene bags and kept ready for dispatch.

OUR COMPETITORS

We believe that our main competitors in the domestic market are:

1. Manohar Filaments
2. Supertex
3. Kailash Ribbon Factory
4. Tulip Fashions
5. Premco Global

INSURANCE

Our Company maintains various insurance policies, including:

- marine inland transit insurance, which covers loss or damage to products and machineries while in transit to our facilities in the ordinary course of business;
- standard fire and special perils, which covers loss and damage due to fire and similar perils;
- group personal accident insurance;
- workman's compensation insurance;
- money in transit/cash in safe insurance;
- electronic equipment insurance; and
- various automobile policies.

Overall, we generally maintain insurance covering our assets and operations at levels that we believe to be appropriate for our business at reinstatement values.

OUR PROPERTIES

Our Company is having its corporate office in Mumbai. Our Company has manufacturing plant at MIDC, Satpur, Nasik.



REGULATIONS AND POLICIES

Our Company is engaged in the business of specialty textiles.

The following paragraphs details key industrial legislations applicable to the textile industries, to which our Company is subject. The regulations set out below are not exhaustive, and are only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional legal advice. Taxation statutes such as the Income Tax Act, 1961, Central Sales Tax Act, 1956 and applicable local sales tax statutes, labour regulations such as the Employees State Insurance Act, 1948 and the Employees Provident Fund and Miscellaneous Act, 1952, and other miscellaneous regulations such as the Trade and Merchandise Marks Act, 1958 and applicable shops and establishments statutes apply to us as they do to any other Indian company.

The Multi Fiber Arrangement (MFA) & the WTO Agreement on Textiles & Clothing (ATC)

The Multi Fiber Arrangement governed world trade in textiles and garments from 1974 through 1994, imposing quota restrictions on the textile exports from developing countries to developed countries. Though the MFA was signed in 1974, its roots stretched back to the 1930s. At that time, during a period of global economic distress, Japan emerged as the largest exporter of cotton textiles, and the U.S. and Europe moved to limit imports from Japan to preserve their domestic markets for their own textile industries. These restraints never really went away. By the 1960s, they were extended to Hong Kong, Pakistan, and India. As the restraints on textile trade were globalized, multilateral negotiations ensued, leading to a series of agreements. Initially, the agreements covered only cotton, but they eventually expanded into “multi fiber” arrangements covering textiles and clothing made from all fibers. The MFA was hence introduced in 1974 as a short-term measure intended to allow developed countries to adjust to imports from the developing world.

On January 1, 1995, the MFA was replaced by the WTO Agreement on Textiles and Clothing, which set out a transitional process for the ultimate removal of the aforesaid quotas. The ATC was signed by the signatories to the General Agreement on Tariff and Trade (GATT) on the basis of securing the eventual integration of the textiles and clothing sector into the GATT on the basis of strengthened GATT rules and disciplines whereby quotas were phased out on the basis of an agreed timetable i.e. 16% of imports were made quota-free by January 11, 1995, a further 17% by January 1, 1998, a further 18% by January 1, 2002 and the remaining 49% by January 1, 2005. The ATC was a transitional instrument, built to ensure the progressive integration of textile and clothing products into the GATT 1994 rules and thereby ensure a liberalization process to progressively enlarge existing quotas (until they are removed) by increasing annual growth rates at each stage. The abolition on January 1, 2005 of the 42-year-old system of quotas for exports of textiles and clothing has led to the biggest buyer's market in history. From a situation where normal market rules of ‘caveat emptor’ (let the buyer beware) applied, we have moved to ‘caveat vendor’, where unwary or unprepared suppliers will find themselves without clients. The elimination of quotas has changed the global clothing industry forever, raising the bar for suppliers.

National Textile Policy – 2000 (NTxP – 2000)

The Government of India in November 2000 announced the National Textile Policy – 2000, thereby replacing the previous Textile Policy of 1985. The main objective of the NTxP – 2000 was to enable the industry to attain and sustain a preeminent global standing in the manufacture and export of clothing. It aimed at achieving textiles and apparel exports of upto \$50 billion by 2010 from the present \$ 11 billion. It also dereserved the garments sector from the SSI reservation list and lifted the foreign direct investment cap of 24 per cent.

The NTxP – 2000 took note of the new challenges and opportunities presented by the changing global environment, particularly the initiation of the process of gradual phasing out of quantitative restrictions on imports and the lowering of tariff levels for an integration of the world textile and clothing markets by the end of 2004. This policy promotes joint ventures and strategic alliances with leading world manufacturers.

The objectives of the NTxP – 2000 were to:

- Facilitate the textile industry to attain and sustain a pre-eminent global standing in the manufacture and export of clothing;
- Equip the textile industry to withstand pressures of import penetration and maintain a dominant presence in the domestic market;
- Liberalize controls and regulations so that the different segments of the textile industry are enabled to perform in a greater competitive environment;
- Enable the textile industry to build world class state-of-the-art manufacturing capabilities in conformity with environmental standards, and for this purpose to encourage Foreign Direct Investment as well as research and development in the sector;
- Develop a strong multi-fibre base with thrust on product upgradation and diversification;
- Sustain and strengthen the traditional knowledge, skills and capabilities of our weavers and craftspeople;



- Enrich human resource skills and capabilities, with special emphasis on those working in the decentralized sectors of the textile industry; and for this purpose to revitalize the institutional structure;
- Expand productive employment by enabling the growth of the textile industry, with particular effort directed to enhancing the benefits to the north east region;
- Make Information Technology (IT), an integral part of the entire value chain of textile production and thereby facilitate the textile industry to achieve international standards in terms of quality, design and marketing and;
- Involve and ensure the active co-operation and partnership of the State Governments, Financial Institutions,
- Entrepreneurs, Farmers and Non-Governmental Organisations in the fulfillment of these objectives

Further, the Government has conveyed its commitment towards providing a conducive environment to enable the Indian textile industry to realise its full potential, achieve global excellence, and fulfill its obligation to different sections of society.

Technology Upgradation Fund Scheme (TUFS)

Given the significance of the textile industry to the overall health of the Indian economy, its employment potential and the huge historical backlog of technology upgradation, particularly in the context of the liberalization of the national industrial and trade policy and globalization of textile trade, it has been emphasized that in order to sustain and improve its competitiveness and overall long term viability, it is essential for the textile industry to have access to timely and adequate capital at internationally comparable rates of interest in order to upgrade its technology level.

In light of the foregoing, it has been felt necessary to make operational a focused and time-bound Technology Upgradation Fund Scheme (TUFS) which would provide a focal point for modernization efforts through technology upgradation in the textile industry. The main feature of the TUFS would be a five percent reimbursement on the interest actually charged by the identified financial institutions on the sanctioned projects.

The TUFS was launched from April 1, 1999 to March 31, 2007 in order to provide an impetus for the modernization of the textile and jute industry and to further enhance its viability and competitiveness in the domestic and the international markets. Technology upgradation under TUFS would ordinarily mean induction of state-of-the-art or near-state-of-the-art technology. But in the widely varying mosaic of technology obtained in the Indian textile industry, at least a significant step up from the present technology level to a substantially higher one for such trailing segments would be essential. Accordingly, technology levels are bench-marked in terms of specified machinery for each sector of the textile industry. Machinery with technology levels lower than that specified will not be permitted for funding under the TUFS Scheme.

The Hon'ble Finance Minister, in his Budget Speech for the year 2007-08, had announced that the TUFS will be continued during the Eleventh Five Year Plan and has also made a provision of Rs. 9,110 million for TUFS during 2007-08. It will further help domestic textile industry to upgrade the technology of existing units, and also to set up new units with state-of-the-art technology for enhancing their viability and competitiveness in the domestic and international markets. According to the 2008-09 Budget, a provision of Rs.10,900 million has been made for TUFS which has been further extended till 2011-12

Scheme for Integrated Textiles Parks (SITP)

To provide the industry with world-class infrastructure facilities for setting up their textiles units, the Government launched the 'Scheme for Integrated Textile Parks (SITP)' on July 25, 2005, by merging the 'Apparel Parks for Exports Scheme (APES)' and 'Textiles Centre Infrastructure Development Scheme (TCIDS)'. Industry Associations/ Group of Entrepreneurs are the main promoters of the Integrated Textiles Parks (ITP). The scheme targets industrial clusters/locations with high growth potential, which require strategic interventions by way of providing world-class infrastructure support. The project cost covers common infrastructure and buildings for production/support activities, depending on the needs of the ITP.

Textiles Committee Act, 1963

The Textiles Committee Act, 1963 came into force on August 22, 1964. The said Act calls for constitution of a Textiles Committee by the Central Government. The said Textiles Committee shall ensure a standard quality of textiles both for internal marketing and export purposes and the manufacture and use of standard types of textile machinery, assisting and encouraging scientific, technological and economic research in the textile industry and



textile machinery. The Textiles Committee shall also promote export of textiles and textile machinery and carry on propaganda for that purpose.

The said Act also imposes a duty of excise on textiles and textile machinery manufactured in India at such rate, not exceeding one per cent ad valorem as the Central Government may, by notification in the Official Gazette, fix provided that, no such cess shall be levied on textiles manufactured out of the handloom or powerloom industry. However, the Central Government may exempt any variety of textiles or textiles machinery if it is required to do so in the public interest.

The Textiles Committee recognizes standard specifications for textiles and packing materials used in the packing of textiles or textile machinery, for the purposes of export and for internal consumption and affix suitable marks on such standardized varieties of textiles and packing materials.

By a notification dated January 17, 2007, the Central Government has exempted ready made garments, being a variety of textiles from the levy of whole of the cess, so as to rationalize the tax and cess burden on the readymade garments in the changed scenario of global competitiveness and thus improve the competitiveness of the Indian readymade garment sector in global markets.

Further, by a press release dated May 24, 2007, the Union Cabinet gave its approval for exemption of all textiles and all textile machinery manufactured in India from Textiles Committee cess under the Textiles Committee Act, 1963.

Textile (Development and Regulation) Order, 2001

The Textile (Development and Regulation) Order, 2001 was brought into force by the Central Government under Section 3 of the Essential Commodities Act, 1955 and repealed the Textile (Development and Regulation) Order, 1993. Under the said Order every manufacturer of textiles, textile machinery and every person dealing with textiles shall keep books of accounts, data and other records relating to his business in the matter of production, processing, import, export, supply, distribution, sale, consumption, etc. and shall furnish such returns or information in respect of their business as and when directed by the Textile Commissioner.

The said Order further prescribes filing of an Information Memorandum as per the requisite form with the Textile Commissioner, Mumbai in the event of:
installation of textile machinery for the manufacture of textiles within thirty days of the installation of such machinery;
relocation, selling, transferring or otherwise disposing of any textile machinery referred to above, within thirty days from the date of such re-location, sale, transfer or disposal; and
modernization of a textile unit.

The Order further provides that no person shall make any markings on any textiles resembling the brand name or trade name of any other person who has applied for or obtained a registration to that effect under the Trade and Merchandise Marks Act, 1958 (43 of 1958), except under and limited to the extent of specific authorization by the holder of or applicant for such brand or trade name.

Scheme for Integrated Textiles Parks (SITP)

The Scheme for Integrated Textile Parks (SITP) was launched in August, 2005, by merging the Apparel Parks for Export Scheme (APE) and the Textile Centre Infrastructure Development Scheme (TCIDS). The primary objective of the SITP is to provide the industry with world-class infrastructure facilities for setting up of textile units in clusters.

Under the SITP, an amount of Rs. 6,250 million has been provided by the Government of India (GOI) for the development of these Parks. The Government of India's (GOI) support under the SITP by way of Grant or Equity will be limited to 40% of the project cost, subject to a ceiling of Rs. 400 million.

The SITP is being implemented through Special Purpose Vehicles (SPVs). Industry associations/Groups would be the main promoters of the Integrated Textile Parks (ITPs). The Infrastructure Leasing & Financial Services (ILF&S) has been appointed as the Project Management Consultant for implementing the SITP. The Project Management Consultant will be responsible for the speedy implementation of the Project in a transparent and professional manner, so as to achieve a high degree of quality at a low cost acceptable to the members of the SPV for which a fee will be paid to the Project Management Consultant.

The Additional Duties of Excise (Textiles and Textile Articles) Act, 1978



The Additional Duties of Excise (Textiles and Textile Articles) Act, 1978 provides for the levy and collection of an additional 10% of the total amount of excise duty chargeable on certain textiles and textile articles as specified in the schedule to the said Act.

Export Promotional Measures under the Foreign Trade Policy 2008 – 2009

The following export promotional measures of the Government of India :

1. Export Houses

Export Houses are eligible to avail of several facilities including inter alia:
Authorization and customs clearances for both imports and exports on self-declaration basis;
Fixation of Input-Output norms on priority within 60 days;
Exemption from compulsory negotiation of documents through banks. Remittance / Receipts, however, would be received through banking channels;
100% retention of foreign exchange in Exchange Earner's Foreign Currency account;
Enhancement in normal repatriation period from 180 days to 360 days;
Exemption from furnishing of bank guarantee in Schemes under Foreign Trade Policy; and
Star Export Houses shall be permitted to establish Export Warehouses, as per Department of Revenue Guidelines.

2. Export Promotion Capital Goods Scheme (EPCG Scheme)

The EPCG Scheme allows import of capital goods for pre-production, production and post production at 3% customs duty subject to an export obligation equivalent to 8 times of the duty saved on capital goods imported under the EPCG Scheme to be fulfilled over a period of 8 years reckoned from the date of issuance of the license. The EPCG Scheme covers manufacturer exporters with or without supporting manufacturer(s)/ vendor(s), merchant exporters tied to supporting manufacturer(s) and service providers.

3. Advance Authorization Scheme

Advance Authorization Scheme is a duty exemption scheme issued to allow duty free import of inputs, which are physically incorporated in export product (making normal allowance for wastage). In addition, fuel, oil, energy, catalysts which are consumed / utilized to obtain export product, may also be allowed. The DGFT, by means of Public Notice, may exclude any product(s) from the purview of Advance Authorization. Advance Authorizations are exempted from payment of basic customs duty, additional customs duty, education cess, antidumping duty and safeguard duty, if any. The facility of Advance Authorization shall also be available where some or all inputs are supplied free of cost to exporter by foreign buyer.

4. Duty Entitlement Passbook Scheme (DEPB)

DEPB is a duty remission scheme enabling post export replenishment / remission of duty on inputs used in export products. The Objective of DEPB is to neutralize the incidence of customs duty on import content of export product. Component of Special Additional Duty and customs duty on fuel shall also be allowed under DEPB (as a brand rate) in case of non-availment of CENVAT credit. The neutralization shall be provided by way of grant of duty credit against the export product. An exporter may apply for credit, at a specified percentage of FOB value of exports, made in freely convertible currency or payment made from foreign currency account of SEZ unit / SEZ Developer in case of supply by DTA. Credit shall be available against such export products and at such rates as may be specified by DGFT by way of public notice. Credit may be utilized for payment of Customs Duty on freely importable items. The DEPB holder shall have the option to pay additional customs duty in cash as well. DEPB is being continued till May 2009 .

5. Duty Free Import Authorization Scheme (DFIA)

DFIA is a duty exemption scheme issued to allow duty free import of inputs, fuel, oil, energy sources, catalyst which are required for production of export product. DGFT, by means of Public Notice, may exclude any product(s) from purview of DFIA. This scheme is in force from 1st May, 2006.

6. Duty Drawback Scheme (DBK)



DBK is a duty remission scheme enabling post export replenishment / remission of duty on inputs used in export products, whereby exporters are allowed refund of the excise and import duty suffered on raw materials under DBK so as to make the products more competitive in the international market.

7. Target Plus Scheme

Target Plus Scheme is a duty remission scheme issued to allow duty free import of capital goods including spares, office equipments, professional equipments and office furniture provided the same are freely importable under ITC (HC) and are non transferable. The objective of the scheme is to accelerate growth in exports by rewarding star export houses who have achieved a quantum growth in exports. The duty free entitlement certificate shall be valid for a period of twelve (12) months.

Foreign Investment

Foreign investment in Indian securities is regulated through the Industrial Policy and Foreign Exchange Management Act, 1999. While the Industrial Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investments. 100% foreign equity participation under the automatic route is permitted in the textile sector except in knitwear/knitting sector which is reserved for Small Scale Industries.

Foreign Direct Investment Policy in Textiles

Indian textile and apparel industry is one of the largest in the world with US\$ 19 billion of export and US\$ 30 billion of domestic textile and apparel during 2006-07 (P). The industry has, over the years, contributed significantly to national output, employment and exports. At present, industry accounts for about 14% of our total industrial production and contributes to nearly 15% of total exports. It provides direct employment to about 35 million people and another 56 million are engaged in allied activities. The textile export has registered a growth of 10 percent to 19.24 billion during 2006-07 (P) from US\$ 17.85 billion during 2005-06. The Industry has a potential to reach a size of US\$ 85 billion by 2010. With its consistent growth performance and abundant cheap skilled manpower, there are enormous opportunities both for domestic and foreign investors to make investments in textile sector in India.

India has most liberal and transparent policies in Foreign Direct Investment (FDI) amongst emerging countries. India is a promising destination for FDI in the textile sector. 100% FDI is allowed in the textile sector under the automatic route. FDI in sectors to the extent permitted under automatic route does not require any prior approval either by the Government of India or Reserve Bank of India (RBI). The investors are only required to notify the Regional Office concerned of RBI within 30 days of receipt of inward remittance.



HISTORY AND OTHER CORPORATE AFFAIRS

Prior to de-merger, Delta Corp Limited (formerly Arrow Webtex Limited) was engaged in various businesses, *inter-alia* of manufacture of narrow woven fabrics (Textiles Business), Real Estate Consultancy etc. In accordance with the Scheme of Arrangement between Arrow Webtex Limited (now Delta Corp Limited) and Arrow Textiles Limited and their respective Shareholders and Creditors as sanctioned by Hon'ble Bombay High Court dated 22nd August, 2008. Textiles Division of Arrow Webtex Limited was transferred to Arrow Textiles Limited. Arrow Webtex Limited was incorporated on November, 5 1990 under the Companies Act, 1956 under the name Creole Holdings Company Private Limited. Pursuant to it becoming a deemed Public Limited Company, the name was changed to Creole Holdings Company Limited on June 2, 1992. Subsequently, on becoming a Private Limited Company, the name was again changed to Creole Holdings Company Private Limited vide Second Certificate of Incorporation dated October 22, 2003 issued by the Registrar of Companies, Pune. The name was then changed to Creole Holdings Company Limited vide fresh Certificate on change of name dated December 14, 2006. Thereafter, the name was changed to Arrow Webtex Limited vide fresh Certificate of incorporation upon change of name dated May 18, 2007.

Main Objects:

The main objects of ATL, as set out in its Memorandum of Association, are as follows:

1. To buy, sell, market, deal in, trade, develop, import, export all kinds of textile fabrics and textile products made out of cotton, natural fibres and yarns, man made fibres and yarns, synthetic fibres and yarns, silk, wool including apparel fabrics, apparel wear of all types, hosiery of all types, industrial fabrics, nylon fabrics, label and tape fabrics, non wovens, household linen of all types and to manufacture the same and/or to get manufactured by any method or process including spinning, weaving, knitting, warp knitting, dyeing, processing, printing, finishing, stitching, non wovens, mending, parking and to establish and/or get established mills for manufacturing of the same and to buy, sell market and to deal in, trade, develop, import, export and to manufacture and/or get manufactured all types of fibres including polyester, polyamide, acrylic, cotton, viscose, rayon, silk, wool, all types of filaments, all types of yarns and cords, all types of threads.

Change in Memorandum of Association and Articles of Association of the Company since its inception

Since the incorporation of our Company, the following changes have been made to its Memorandum of Association and Articles of Association of the Company

Date	Particulars
29/09/2008	Increase in the Authorised Share Capital from Rs. 5 Lacs to Rs. 16 Crores.
29/09/2008	Alteration of Articles of Association

Subsidiary Company:

Arrow Textiles Limited does not have any Subsidiary Company



OUR MANAGEMENT

The Company have presently five Directors. The following table sets forth details regarding the Board of Directors as on 31st March, 2009:

Name, Designation, Fathers name, Occupation	Age	Address	Other Directorship
Mr. Jaydev Mody Chairman and Non - Executive Director son of Mr. Mukund Mody Industrialist	53	West Hill 27, Napean Sea Road, Mumbai, 400036	<ul style="list-style-type: none"> • Delta Corp Limited • Arrow Textiles Limited • Delta Magnets Limited. • Peninsula Land Limited • Amtrac Management Services Limited • Ashok Piramal Management Corporation Limited • Peninsula Investment Management Company Limited • J M Real Estates Private Limited • Richtime Realty Private Limited. • Jayem Realty Solutions Private Limited • Aarti Management Consultancy Private Limited. • Aditi Management Consultancy Private Limited • Anjoss Trading Private Limited • AAA Township Private Limited • AAA Real Land Developers Private Limited • Aero Ports & Infrastructure Projects Private Limited • Alibagh Farming and Agriculturist Co. Private Limited. • Bayside Properties Private Limited • Bayside Property Developers Private Limited • Bayside Realty Private Limited • Blackpool Realty Private Limited • Highland Resorts Private Limited. • Intertrade Mercantile Co. Private Limited. • J M Livestock Private Limited. • J M Property Management Private Limited • Clover Realty And Infrastructure Private Limited • Newplaza Multitrade Private Limited. • Outreach Mercantile Company Private Limited • Pavurotti Finance and Investment Private Limited • Providence Educational Academy Private Limited • Riteline Exports Private Limited. • Seastar Trading Company Private Limited. • West Star Agro - Realities Private Limited • Delta Real Estate Consultancy Private Limited • Freedom Aviation Pvt. Ltd. • Cromwell Tools (India) Private Limited • Crossroads Shoppertainment Private Limited • Highpoint Agro Star Private Limited • L And T-Cross Roads Private Limited • Peninsula Mega-City Development Private Limited • Peninsula Project Management Private Limited • Peninsula Sa Realty Private Limited • Peninsula Townships Development Private Limited • Peninsula Pharma Research Centre Private Limited • Piramyd Retail And Merchandising Private Limited



			<ul style="list-style-type: none"> • PLL Delta Hotels Private Limited • Topzone Mercantile Company Private Limited • Delta Real Estate Consultancy Private Limited • Delta Holding (USA) Inc • J M Holding (USA) Inc • J M Holding Ltd (UAE) • Delta Pan Africa Limited • Delta Corp East Africa • Delta Square Limited • Royal Western India Turf Club Ltd
Mr. Chand Arora Managing Director Son of Mr. Vishnudutt Arora Service	55	Space Twinkle, Off Trimbak Road, Mahatma Nagar, Nasik – 422007	<ul style="list-style-type: none"> • Arrow Textiles Limited • Victor Hotels & Motels Ltd. • Delta Realties Limited • Coastal Sports Ventures Private Limited • Highstreet Cruises And Entertainment Private Limited. • West Star Agro - Realties Private Limited • J M Realty Management Private Limited • Delta Hospitality Private Limited • J M Township & Real Estate Private Limited
Mr. Aditya Mangaldas Independent Director Son of Mr. Harshavadan Mangaldas Business	45	12 B Ocean View, 100, Bhulabhai Desai Road, Mumbai - 400026	<ul style="list-style-type: none"> • The Victoria Mills Ltd. • Bromelia Trading Pvt. Ltd. • Morarjee Textiles Ltd • St.Jude India Child Care Centre
Mr. Aurobind Patel Independent Director Son of Mr. Ashabhai Patel Business	57	401, Anand Bhavan, Babulnath 2 nd Cross Road Lane, Mumbai 400007	Nil
Mr. Harshvardhan Piramal Independent Director Son of Mr. Ashok Piramal Business	35	61 Piramal House, Pochkhanwala Road, Worli, Mumbai 400026	<ul style="list-style-type: none"> • Ashok Piramal Enterprises Pvt. Ltd. • Ashok Piramal Management Corporation Ltd. • Crossroads shoppertainment pvt. Ltd. • Goldlife mercantile co. Pvt. Ltd • Integra apparels & textiles pvt. Ltd. • Just textiles limited • Millenium broadcast co. Pvt. Ltd. • Miranda Few Tools Pvt. Ltd. (Formerly known as Supersoft Trading Co. Pvt. Ltd.) • Morarjee Textiles Ltd. • Onestar Mercantile co. Pvt. Ltd. • Onestar Trading co. Pvt. Ltd. • Oneup Mercantile Co. Pvt. Ltd. • Peninsula Facility Management Services Pvt. Ltd. (formerly known as Jamboree Food Courts Pvt. Ltd.) • Peninsula Townships Development Private Ltd. • Peninsula Mega-City Development Private Ltd. • Peninsula SA Realty Private Limited • Peninsula Mega Properties Private Limited • PMP Components Pvt. Ltd. • Superplaza Mercantile Co. Pvt. Ltd • Supersoft Mercantile Co. Pvt. Ltd. • Topflag Trading Co. Pvt. Ltd. • Toptech Mercantile Co. Pvt. Ltd. • Men's Club SPA • Bigdeal Mercantile Pvt. Ltd • Pune Football Club Private Limited • Pune Sports Club Private Limited • Highpoint Agro Star Private Limited



			<ul style="list-style-type: none">• Lifezone Mercantile Private Limited• Omega Multitrade Private Limited• Pranit Consultants Private Limited• Fabritex Exports Private Limited• Topstar Mercantile Private Limited• Miranda Tools Private Limited• Supertime Trading Private Limited
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Brief profile of Directors [other than promoter Directors]:

Mr. Chand Arora, 55, holds a Bachelors degree in Science. He was the Managing Director of the AWL and is now the Managing Director of our Company, pursuant to the demerger of AWL with our Company. Mr. Chand Arora will look after the overall operations of our Company.

Mr. Aditya Mangaldas 45, holds a bachelors degree in Mechanical Engineering from L.D. College, Ahmedabad and holds a masters degree in Business Administration from Badson College, USA. He is on the board of several reputed companies like the Victoria Mills Ltd. A Mangaldas Apparels Private Ltd., Devadit Mangaldas Investment Company Private Ltd. And Bromelia Trading Private Ltd. He is actively associated with various social welfare and charitable Trusts in Mumbai.

Mr. Aurobind Patel 55, holds a bachelors degree in commerce from Mumbai University and MFA in Design from Southeasten Massachusetts University. He has worked as a designer in New York and has been a design consultant to Indiatoday and was a design director for the Economist, London. He also served as design consultant to leading UK Newspapers, The Daily Telegraph and The Times. His expertise lies in Graphic Design and publishing systems. He is a whole time director of Laserwords Private Ltd. Chennai.

Mr. Harshvardhan Piramal 34, Mr. Piramal has completed his Bachelor of Science with specialisation in Physics from the Kings College London, U.K. followed by MBA with specialization in Finance & Strategy from the London Business School, U.K. He began his professional career as an Analyst at Indocan Venture Advisors (now JP Morgan Chase). He has been actively involved in the Ashok Piramal Group ventures since 1996. He went on to serve as the Chief Operating Officer (Allied Pharmaceutical Businesses) at Nicholas Piramal India Limited, where he oversaw a successful growth in the Company's Vitamins, Diagnostics and Pathology Lab businesses. Mr. Harshvardhan A. Piramal has a keen interest in sports activities and has won several accolades in sports such as polo, soccer and equestrian sports. He is a co-founder of the Wildlife Conservation Trust.

Remuneration of Directors:

Details of Remuneration paid to the Directors up to 30th September, 2008 other than sitting fees

Name	Designation	Remuneration
Mr. Jaydev Mody	Chairman & Non Executive Director	--
Mr. Chand Arora	Managing Director	--
Mr. Aditya Mangaldas	Independent Director	--
Mr. Aurobind Patel,	Independent Director	--
Mr. Harshvardhan Piramal	Independent Director	--

Note: Mr. Chand Arora was appointed as Managing Director of the Company w.e.f 1st October, 2008 with Remuneration of Rs. 3,62,952 per month.



Corporate Governance

The provisions of the Listing Agreement to be entered with the Stock Exchanges with respect to Corporate Governance will be applicable to the Company immediately upon the listing of its equity shares on the stock exchanges. The Company is compliant with the clause 49 of the Listing Agreement.

Director	Category	Member of Audit Committee	Member of shareholders/ Investors' Grievance Committee	Member of Remuneration committee
Mr. Jaydev Mody,	Chairman & Non-Executive Director	--	Yes	Yes
Mr. Chand Arora	Managing Director	--	--	--
Mr. Aditya Mangaldas	Independent Director	Yes	Yes	Yes
Mr. Aurobind Patel	Independent Director	Yes	Yes	
Mr Harshvardhan Piramal	Independent Director	Yes	--	Yes

The role, power, scope of functions and duties of Audit Committee, Shareholders/ Investors' Grievance Committee and Remuneration Committee of the Board are as per the applicable provisions of the Companies Act, 1956, Clause 49 of the Listing Agreement and the Company's Corporate Governance Code of Conduct.



Shareholding of Directors

In terms of the Articles of Association, the Directors are not required to hold any qualification shares. The list of Directors holding Equity Shares is set forth below:

Names of Directors	No of Shares held as on the date of the Information Memorandum
Mr. Jaydev Mody	757204
Mr. Chand Arora	175
Mr. Aditya Mangaldas	Nil
Mr. Aurobind Patel	Nil
Mr. Harshvardhan Piramal	Nil

Payment/Interests or benefits to Directors/officers of our Company

Mr. Chand Arora is paid remuneration as Managing Director as per the terms of his appointment. No payment of any other nature is made to the other directors.

Borrowing Powers of our Board

The Shareholders vide resolution dated 29th September, 2008 empowered the Board to borrow monies up to Rs.250 Crores over and above the paid-up capital and free reserves.

Change in our Board of Directors since the Company's inception

Name of Directors	Date of appointment	Date of Resignation	Status
Mr. Jaydev Mody	30 th January, 2008	-	First Director
Mr. Chand Arora*	30 th January, 2008	-	First Director
Mr. Aditya Mangaldas	1 st October 2008	-	Additional Director
Mr. Harshvardhan Piramal	1 st October 2008	-	Additional Director
Mr. Aurobind Patel	1 st October 2008	-	Additional Director
Mr. Darius Khambatta	30 th January, 2008	1 st October 2008	-

* Mr. Chand Arora was appointed as Managing Director of the Company w.e.f. 1st October, 2008.



KEY MANAGERIAL PERSONNEL

Key managerial personnel:

The key managerial personnel of our Company are as follows:

Sr.	Name of Key Managerial Personnel	Designation	Educational Qualification	Experience in years
1.	Mr. Chand Arora	Managing Director	B. Sc.	30
2.	Mr. Amey Lotlikar	Company Secretary	M. Com, L.L.B., A.C.S.	2

Shareholding of the key managerial personnel

No key managerial personnel holds shares in our Company except as stated below:

Name of Key Managerial Personnel	No of Shares as on the date of this Information Memorandum
Mr. Chand Arora	175
Mr. Amey Lotlikar	Nil

The above persons are jointly holding 261 shares being the shares arising out of fractional entitlements as the nominees on behalf of the shareholders.

Bonus or Profit Sharing Plan for key managerial personnel

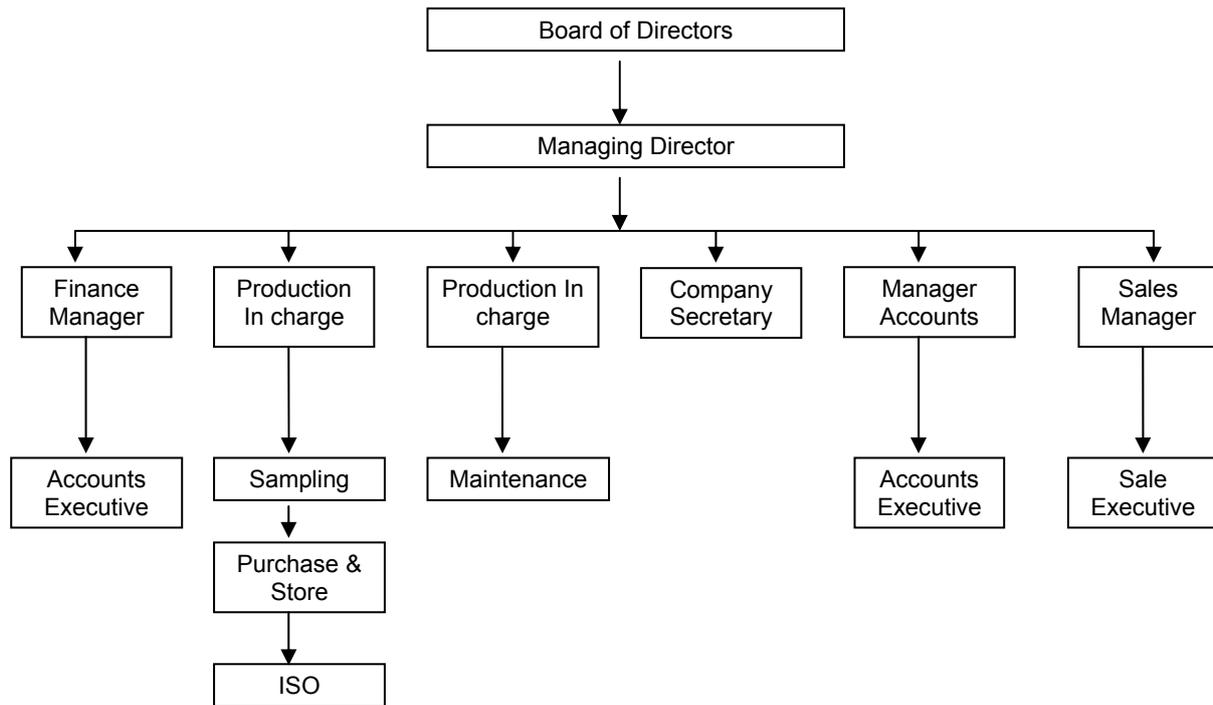
Mr. Chand Arora will be entitled to commission on net profit in accordance with his term of appointment.

Changes in key managerial personnel during last three years

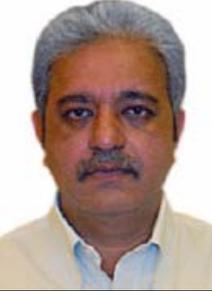
Mr. Amey Lotlikar appointed as the Company Secretary with effect from 1st October, 2008.



ORGANIZATION CHART



OUR PROMOTERS AND PROMOTER GROUP

<p>Mr. Jaydev Mody</p> 	<p>Mr. Jaydev Mody, 53, is a well known businessman. He has more than 20 years of experience in the field of real estate development and has been instrumental in building and developing Crossroads, one of the first shopping mall of international standards in India. He has been instrumental in development of several large residential complexes, office complexes and retail destinations in and around Mumbai. He is currently involved in the development of Ashok Towers, Ashok Gardens, Peninsula I.T. Park etc, and other landmark projects with international standard amenities. He is the Member of Indian Association of Amusement Park and Industries</p>
<p>Driving License No. 524932 Passport No. F3363156 PAN AFJPM 7431 F</p>	<p>Mrs. Zia Mody passed her Law from the University of Cambridge, UK in 1978. She was enrolled as an Advocate with the Bar Council of Maharashtra & Goa in 1978 and did her LLM from Harvard Law School. Zia was then admitted as a member of the New York State Bar by examination in 1980. Mrs Mody started her practice as a Corporate Associate, Baker & McKenzie, New York 1979 to 1983. Then she started her own practice from 1984 and then went into partnership and started the firm, CZB & Partners, Advocates & Solicitors between January 2002 to March 2004. CZB & Partners then merged with Ajay Bahl & Associates and was renamed as AZB & Partners, Advocates & Solicitors (Mumbai, New Delhi & Bangalore) in April 2004 onwards. The firm has approximately around 200 lawyers. Zia has been identified as a Highly Recommended lawyer by the Global Counsel 3000 in the field of Company and Corporate Transactions and Private Equity/Venture Capital.</p>
<p>Mrs. Zia Mody</p>  <p>Driving License No. 516523 Passport No. F8657819 PAN AACPM 4546 R</p>	

We confirm that the Permanent Account Number, Bank Account Numbers and Passport Numbers of the Promoters have been submitted to the Stock Exchanges at the time of filing this Information Memorandum. Further, the Promoters have not been declared as a willful defaulter by the Reserve Bank of India or any other Government authority and there are no violations of securities laws committed by the Promoters in the past or are pending against the Promoters.



Interest of our Promoters

The number of equity shares held by each of our Promoters as on the date of this Information Memorandum is as under:

Promoter	No of equity shares	% of shareholding post-merger
Mr. Jaydev Mody	757204	5.57
Mrs. Zia Jaydev Mody	6031372	44.34

Except as stated otherwise in this Information Memorandum, the Promoters do not have any interest in Company other than to the extent of any dividend payable to them and other distributions in respect of their shareholding and directorship in the Company.

Common Pursuits

None of the Promoter or the Promoter Group entities has pursuits common with us.

Apart from our Promoters, the following individuals and companies form part of our Promoter Group

GROUP COMPANIES

1. AAA Aviation Private Limited. (AAAAPL)
2. AAA Township Private Ltd. (AAATPL)
3. Aarti Management Consultancy Private Limited (AMCPL)
4. Aditi Management Consultancy Private Limited (ADMCPPL)
5. Alibagh Farming and Agriculturist Company Private Limited (AFACPL)
6. Freedom Registry Limited (Formerly Amtrac Management Services Limited (FRL)
7. Anjoss Trading Private Limited (ATPL)
8. Aero Ports & Infrastructure Projects Private Limited (APIPPL)
9. Bayside Property Developers Private Limited (BPDPL)
10. Bayside Realty Private Limited (BRPL)
11. Bayside Properties Private Limited (BPPL)
12. Blackpool Realty Private Limited (BRPL)
13. Coastal Sports Venture Private Limited (CSVPL)
14. Delta Pan Africa Limited. (DPAL) (Peninsula Kenya Limited)
15. Delta Corp East Africa Limited. (DCEAL)
16. Delta Square Limited (DSL)
17. Delta Real Estate Consultancy Private Limited (DRECPL)
18. Delta Magnets Limited (DML)
19. Delta Realities Limited (DRL)
20. Highland Resorts Private Limited (HRPL)
21. Freedom Aviation Private. Limited (FAPL)
22. Intertrade Mercantile Company Private Limited (IMCPL)
23. J M Livestock Private Limited (JMLPL)
24. J M Real Estates Private Limited (JMREPL)
25. Jayem Realty Solutions Private Limited (JRSPL)
26. J M Realty Management Private Limited (JMRMPL)
27. J M Property Management Private Limited (JMPMPL)
28. J M Township and Real Estate Private Limited (JMTREPL)
29. Newplaza Multitrade Private Limited (NMPL)
30. Outreach Mercantile Company Private Limited (OMCPL)
31. Pavurotti Finance and Investment Private Limited (PFIPL)
32. Richtime Realty Private Limited (RRPL)
33. Riteline Export Private Limited (RTEPL)
34. Seastar Trading Private Limited (STPL)
35. Delta Corp Limited (DCL) (formerly Arrow Webtex Limited)
36. Delta Hospitality Private Limited. (DHPL)
37. Highstreet Cruises and Entertainment Private Limited (HCEPL)
38. Victor Hotels And Motels Limited. (VHML)
39. Jayem Properties Private Limited (JPPL)
40. J M Mega Properties Private Limited (JMMPPPL)
41. Jayem Realty Management Private Limited. (JRMPL)



42. Jayem Real Estate Private Ltd. (JREPL)
43. AAA Real Land Developers Private Limited. (ARLDPL)
44. West Star Agro – Realities Private Limited (WSRAPL)
45. Lakeview Mercantile Company Private Limited (LMCPL)
46. Aryanish Finance and Investments Private Limited (AFIPL)
47. Delta Holding (USA) Inc
48. J M Holding (USA) Inc
49. Freedom Training Academy Private Limited (FTAPL)
50. Providence Educational Academy Private Limited (PEAPL)
51. Elixir Infotech Private Limited (EIPL)

INDIVIDUALS

Names of Individuals	Relationship with Promoters
Mrs. Urvi Piramal	Sister of Mr. Jaydev Mody
Mrs. Kalpana Singhania	Sister of Mr. Jaydev Mody
Ms. Aarti Mody	Daughter of Mr. Jaydev Mody
Ms. Anjali Mody	Daughter of Mr. Jaydev Mody
Ms. Aditi Mody	Daughter of Mr. Jaydev Mody
Mr. Soli Sorabjee	Father of Mrs. Zia Mody
Mrs. Zena Sorabjee	Mother of Mrs. Zia Mody
Mr. Hormazd Sorabjee	Brother of Mrs. Zia Mody
Mr. Jehangir Sorabjee	Brother of Mrs. Zia Mody
Mr. Jamsheed Sorabjee	Brother of Mrs. Zia Mody

The following individuals have also been considered as part of Promoter Group and their shares shall be locked-in for a suitable period as may be deemed fit by exchanges.

Names	Relationship with Promoters
Mrs. Ambika Singhania Kothari	Daughter of Mrs. Kalpana Singhania
Mrs. Gopika Singhania Verma	Daughter of Mrs. Kalpana Singhania
Mr. Chand Arora	Managing Director

Apart from the above, the following are also part of our Promoter Group and constituting Group (within the meaning of Group defined in Monopolies and Restrictive Trade Practices Act, 1969) for the purpose of claiming exemption from applicability of the provisions of Regulations 10 and 12 of the Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

Aarti J Mody Trust
Aditi J Mody Trust
Anjali J Mody Trust

None of the companies constituting our Promoter Group have their equity shares listed on any stock exchange in India except Delta Corp Limited and Delta Magnets Limited. These Listed Companies not made any rights or public issue of equity shares in the preceding three years. Further, unless otherwise stated, none of the companies constituting our Promoter Group have become sick companies within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 or are under winding up proceedings.



FINANCIAL INFORMATION OF GROUP COMPANIES

1. AAA Aviation Private Limited (AAAAPL)

AAAAPL was incorporated on July 13, 2007 to carry on the business of Aviation.

Board of Directors:

- Mr. Vijay Madan
- Mr. Darius Khambatta

Shareholding Pattern as on 31st December, 2008 :

	Category	No. of shares held	% of shareholding
A	Promoters	1800000	90
B	Non Promoters	200000	10
	Total	2000000	100

Summary of Financial Statements:

Particulars	31.12.2008 Unaudited	2007-08	Rs. in Lakhs	
			2006-07	2005-06
Sales and other income	37.13	-	N.A.	N.A.
Profit /(Loss) after tax	(174.05)	(0.61)	N.A.	N.A.
Equity capital	200.00	200.00	N.A.	N.A.
Reserves and surplus	(174.65)	(0.61)	N.A.	N.A.
Earning per share (Rs.)	-	-	N.A.	N.A.
Book value per share (Rs.)	1.16	9.85	N.A.	N.A.



2. AAA Township Private Limited. (AAATPL)

AAATPL was incorporated as on April 9, 2007 to carry on the business of Real Estate Development and Consultancy.

Board of Directors

- Mr. Jaydev Mody
- Mr. Darius Khambatta

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	9999	99.99
B	Non Promoters	1	0.01
	Total	10000	100

Summary of financial of Financial Statements

Rs. in Lakhs

Particulars	31.12.2008 Unaudited	2007-08	2006-07	2005-06
Sales and other income	-	-	N. A.	N. A.
Profit /(Loss) after tax	(0.14)	(0.12)	N. A.	N. A.
Equity capital	1.00	1.00	N. A.	N. A.
Reserves and surplus	(0.27)	(0.12)	N. A.	N. A.
Earning per share (Rs.)	-	-	N. A.	N. A.
Book value per share (Rs.)	6.73	8.11	N. A.	N. A.



3. Aarti Management Consultancy Private Limited (AMCPL)

AMCPL was incorporated on March 8, 2001 to carry on the business of Investment and Consultancy.

Board of Directors

- Mr. Jaydev Mody
- Mr. Hardik Dhebar
- Mrs. Ambika Kothari

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	20,000	100
B	Non Promoters	Nil	Nil
	Total	20,000	100

Summary of Financial Statements

Particulars	Rs. in Lakhs			
	31.12.2008 Unaudited	2007-08	2006-07	2005-06
Sales and other income	82.73	792.97	69.84	-
Profit /(Loss) after tax	(22.32)	614.50	46.49	(2.90)
Equity capital	2.00	1.00	1.00	1.00
Reserves and surplus	1040.35	1062.67	448.18	395.63
Earning per share (Rs.)	-	6145.00	495.00	-
Book value per share (Rs.)	5207.60	10628.35	4482.17	3,955.54



4. Aditi Management Consultancy Private Limited (ADDMCPL)

ADMCPL was incorporated on July 6, 1999 to carry on the business of Investment and Consultancy.

Board of Directors

- Mr. Jaydev Mody
- Mr. Hardik Dhebar
- Mrs. Ambika Kothari

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	20,000	100
B	Non Promoters	Nil	Nil
	Total	20,000	100

Summary of Financial Statements

Particulars	Rs. in Lakhs			
	31.12.2008 Unaudited	2007-08	2006-07	2005-06
Sales and other income	60.73	1872.14	56.26	-
Profit /(Loss) after tax	(21.28)	1817.06	39.65	(4.17)
Equity capital	2.00	1.00	1.00	1.00
Reserves and surplus	2010.83	2032.11	415.04	372.58
Earning per share (Rs.)	-	16170.67	396.49	-
Book value per share (Rs.)	10060.12	20323.06	4151.23	3,725.44



5. Alibagh Farming and Agriculturist Company Private Limited (AFACPL)

AFACPL was incorporated on June 23, 2003 to carry on the Agriculturist Activities.

Board of Directors

- Mr. Jaydev Mody
- Mrs. Zia Mody

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	41150	81.56
B	Non Promoters	9300	18.43
	Total	50450	100

Summary of Financial Statements

Particulars	Rs. in Lakhs			
	31.12.2008 Unaudited	2007-08	2006-07	2005-06
Sales and other income	-	-	-	-
Profit/(Loss) after tax	(0.19)	(0.15)	(0.18)	(0.37)
Equity capital	5.05	5.05	5.05	1.00
Reserves and surplus	(1.18)	(0.99)	(0.84)	(0.66)
Earning per share (Rs.)	-	-	-	-
Book value per share (Rs.)	7.42	7.77	8.03	2.66



6. Freedom Registry Limited (Formerly Amtrac Management Services Limited (FRL))

FRL was incorporated on January 4, 1994 to carry on the activities of Registrar and Transfer Agent

Board of Directors

- Mr. Jaydev Mody
- Mr. Deepak Lulla
- Mr. Hardik Dhebar
- Mr. Ashish Kapadia

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	115000	50.00
B	Non Promoters	115000	50.00
	Total	2,30,000	100

Summary of Financial Statements

Particulars	Rs. in Lakhs			
	31.12.2008 Unaudited	2007-08	2006-07	2005-06
Sales and other income	17.67	32.11	27.60	31.57
Profit /(Loss) after tax	0.39	6.93	6.67	8.29
Equity capital	23.00	23.00	23.00	23.00
Reserves and surplus	10.22	20.40	13.48	8.17
Earning per share (Rs.)	0.17	3.01	2.90	3.60
Book value per share (Rs.)	14.44	18.87	15.86	13.55



7. Anjoss Trading Private Limited (ATPL)

ATPL was incorporated on May 26, 1999 to carry on the Investment and Consultancy Business

Board of Directors

- Mr. Jaydev Mody
- Mrs. Ambika Kothari

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	20000	100
B	Non Promoters	Nil	Nil
	Total	20000	100

Summary of Financial Statements

Particulars	31.12.2008 Unaudited	2007-08	2006-07	Rs. in Lakhs
				2005-06
Sales and other income	63.53	747.70	51.54	-
Profit /(Loss) after tax	(19.89)	629.75	24.41	(5.36)
Equity capital	2.00	1.00	1.00	1.00
Reserves and surplus	1002.87	1022.80	393.05	362.96
Earning per share (Rs.)	-	6297.54	272.49	-
Book value per share (Rs.)	5020.40	10230.11	3931.41	3,639.42



8. Aero Ports & Infrastructure Projects Private Limited (APIPPL)

APIPPL was incorporated on 21st June, 2007 to carry on the business of Real Estate and Infrastructure development.

Board of Directors

- Mr. Jaydev Mody
- Mr. Prakash Chhabria
- Mr. Darius Khambatta
- Mr. Chandrashekhar Savant

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	43750	21.88
B	Non Promoters	156250	78.12
	Total	2,00,000	100

Summary of Financial Statements

Particulars	Rs. in Lakhs			
	31.12.2008 Unaudited	2007-08	2006-07	2005-06
Sales and other income	-	-	N.A.	N.A.
Profit /(Loss) after tax	(7.81)	(10.53)	N.A.	N.A.
Equity capital	20.00	1.00	N.A.	N.A.
Reserves and surplus	(8.34)	(0.53)	N.A.	N.A.
Earning per share (Rs.)	-	-	N.A.	N.A.
Book value per share (Rs.)	5.53	(1.73)	N.A.	N.A.



9. Bayside Property Developers Private Limited (BPDPL)

BPDPL was incorporated on February 5, 2007 to carry on the business of Real Estate Development.

Board of Directors

- Mr. Jaydev Mody
- Mr. Rajiv Punater

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	9000	90
B	Non Promoters	1000	10
	Total	10000	100

Summary of Financial Statements

Particulars	Rs. in Lakhs			
	31.12.2008 Unaudited	2007-08	2006-07	2005-06
Sales and other income	-	-	-	N.A.
Profit /(Loss) after tax	(0.15)	(0.15)	(0.09)	N.A.
Equity capital	1.00	1.00	1.00	N.A.
Reserves and surplus	(0.40)	(0.25)	(0.09)	N.A.
Earning per share	-	-	-	N.A.
Book value per share	4.56	5.95	7.27	N.A.



10. Bayside Realty Private Limited (BRPL)

BRPL was incorporated on February 5, 2007 to carry on the business of Real Estate Development.

Board of Directors

- Mr. Jaydev Mody
- Mr. Rajiv Punater

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	2500	25
B	Non Promoters	7500	75
	Total	10000	100

Summary of Financial Statements

Rs. in Lakhs

Particulars	31.12.2008 Unaudited	2007-08	2006-07	2005-06
Sales and other income	405.57	-	-	N.A.
Profit /(Loss) after tax	8.48	(1.26)	(0.09)	N.A.
Equity capital	1.00	1.00	1.00	N.A.
Reserves and surplus	7.12	(1.36)	(0.09)	N.A.
Earning per share (Rs.)	-	-	-	N.A.
Book value per share (Rs.)	79.72	(5.18)	7.27	N.A.



11. Bayside Properties Private Limited (BPPL)

BPPL was incorporated on February 16, 2006 to carry on the business of Real Estate Leasing and Development.

Board of Directors

- Mr. Jaydev Mody
- Mr. Prakash Chabaria
- Mr. Rajiv Punater
- Mr. Javed Tapia

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	3100	31
B	Non Promoters	6900	69
	Total	10000	100

Summary of Financial Statements

Particulars	31.12.2008 Unaudited	2007-08	2006-07	Rs. in Lakhs
				2005-06
Sales and other income	10.89	245.99	4335.74	-
Profit /(Loss) after tax	(2.83)	18.92	1176.48	-
Equity capital	1.00	1.00	1.00	1.00
Reserves and surplus	1121.02	1195.40	1176.48	-
Earning per share (Rs.)	-	189.17	11764.81	-
Book value per share (Rs.)	11206.60	11949.51	11759.53	9.10



12. Blackpool Realty Private Limited (BRPL)

BRPL was incorporated July 11, 2005 to carry on Trading and Real Estate Business

Board of Directors

- Mr. Jaydev Mody
- Mr. Javed Tapia

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	5000	50
B	Non Promoters	5000	50
	Total	10000	100

Summary of Financial Statements

Particulars	Rs. in Lakhs			
	31.12.2008 Unaudited	2007-08	2006-07	2005-06
Sales and other income	-	0.98	-	-
Profit /(Loss) after tax	0.09	0.06	-	(0.30)
Equity capital	1.00	1.00	1.00	1.00
Reserves and surplus	(0.34)	(0.24)	(0.30)	(0.30)
Earning per share (Rs.)	-	-	-	-
Book value per share (Rs.)	5.73	6.54	5.81	5.81



13. Coastal Sports Venture Private Limited (CSVPL)

CSVPL was incorporated on March 30, 2006. The main object of the company is to provide all types of services in connection with Sports Venture

Board of Directors

- Mr. Darius Khambatta
- Mr. Chand Arora

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	1000	100
B	Non Promoters	Nil	Nil
	Total	1000	100

Summary of Financial Statements

Particulars	Rs.in Lakhs			
	31.12.2008 Unaudited	2007-08	2006-07	2005-06
Sales and other income	5.60	64.33	55.40	N.A.
Profit /(Loss) after tax	(46.95)	(13.06)	1.12	N.A.
Equity capital	1.00	1.00	1.00	N.A.
Reserves and surplus	(59.16)	(11.94)	1.12	N.A.
Earning per share (Rs.)	-	-	11.20	N.A.
Book value per share (Rs.)	(582.85)	(110.71)	19.71	N.A.



14. Delta Pan Africa Limited. (DPAL)

DPAL was incorporated on March 25, 2007, under the Companies Act (chapter 486. Laws of Kenya) to carry on the business of Real Estate

Board of Directors

- Mr. Neelish Shah
- Mr. Amratlal Shah

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	889142	99.99
B	Non Promoters	1	0.01
	Total	889143	100

Summary of Financial Statements

Particulars	Kshs in Lacs			
	31.12.2008 Unaudited	2007-08	2006-07	2005-06
Sales and other income	0.38	0.81	N.A.	N.A.
Profit /(Loss) after tax	(0.59)	(94.59)	N.A.	N.A.
Equity capital	8891.43	8891.43	N.A.	N.A.
Reserves and surplus	(95.18)	(94.59)	N.A.	N.A.
Earning per share (Rs.)	-	-	N.A.	N.A.
Book value per share (Rs.)	989.29	989.36	N.A.	N.A.



15. Delta Corp East Africa Limited (DCEAL)

DCEAL was incorporated on July 01, 2007 under the Companies Act (chapter 486. Laws of Kenya) to carry on the business of Real Estate.

Board of Directors

- Mr. Neelish Shah
- Mr. Jaydev Mody
-

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	87645000	53.65
B	Non Promoters	75718998	46.35
	Total	163363998	100

Summary of Financial Statements

Particulars	Kshs in Lacs			
	31.12.2008 (Unaudited)	2007-08	2006-07	2005-06
Sales and other income	648.61	257.76	N.A.	N.A.
Profit /(Loss) after tax	380.67	36.98	N.A.	N.A.
Equity capital	16336.40	16336.40	N.A.	N.A.
Reserves and surplus	4637.59	4256.92	N.A.	N.A.
Earning per share (Rs.)	0.23	0.52	N.A.	N.A.
Book value per share (Rs.)	12.83	12.60	N.A.	N.A.



16. Delta Square Limited (DSL)

DSL was incorporated on March 03, 2008, under the Companies Act (Chapter 486. Laws of Kenya) to carry on the business of Real Estate

Board of Directors

- Mr. Neelish Shah
- Mr. Amratlal Shah

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	999	99.90
B	Non Promoters	1	0.10
	Total	1000	100

Summary of Financial Statements

Particulars	Kshs in Lacs			
	31.12.2008 (Unaudited)	2007-08	2006-07	2005-06
Sales and other income	0.16	-	N.A.	N.A.
Profit /(Loss) after tax	(1.21)	(1.43)	N.A.	N.A.
Equity capital	1.00	1.00	N.A.	N.A.
Reserves and surplus	(2.64)	(1.43)	N.A.	N.A.
Earning per share (Rs.)	-	-	N.A.	N.A.
Book value per share (Rs.)	(164.25)	(43.40)	N.A.	N.A.



17. Delta Real Estate Consultancy Private Limited (DRECPL)

DRECPL was incorporated on 3rd April, 2008 to carry on the business of Real Estate

Board of Directors

- Mr. Jaydev Mody
- Mr. Ashish Kapadia

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	9999	99.99
B	Non Promoters	1	0.01
	Total	10000	100

Summary of Financial Statements

Particulars	Rs. in Lakhs			
	31.12.2008 Unaudited	2007-08	2006-07	2005-06
Sales and other income	-	N.A.	N.A.	N.A.
Profit /(Loss) after tax	(0.01)	N.A.	N.A.	N.A.
Equity capital	1.00	N.A.	N.A.	N.A.
Reserves and surplus	(0.01)	N.A.	N.A.	N.A.
Earning per share (Rs.)	-	N.A.	N.A.	N.A.
Book value per share (Rs.)	8.80	N.A.	N.A.	N.A.



18. Delta Magnets Limited (DML) (formerly G.P. Electronics Limited)

DML was incorporated on 23rd September, 1982 as a Private Limited Company in the name of G. P. Electronics Private Limited. It was converted into Public Limited Company on 16th July, 1984 and the name was changed to G.P. Electronics Limited. On 31st October, 2008 the name of the company further changed to Delta Magnets Limited. The main business of the Company is of manufacturing arc magnets for automobile sector and isotropic rings, disc for various applications. The Equity Shares of Delta Magnets Limited is listed on BSE and NSE.

Board of Directors

- Mr. Jaydev Mody
- Mrs. Urvi Piramal
- Mr. Javed Tapia
- Mr. Mahesh Gupta
- Mr. Ratnakar Barick
- Mr. Ashish Kapadia

Shareholding Pattern as on 31st December, 2008

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares	
					As a percentage of (A+B) ¹	As a percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group²					
1	Indian					
(a)	Individuals/ Hindu Undivided Family	1	1125	1125	0.02	0.02
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00
(c)	Bodies Corporate	6	3017937	3012519	62.09	62.09
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00
(e)	Any Others(Specify)	0	0	0	0.00	0.00
	Sub Total(A)(1)	7	3019062	3013644	62.11	62.11
2	Foreign					
A	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0.00
B	Bodies Corporate	0	0	0	0.00	0.00
C	Institutions	0	0	0	0.00	0.00
D	Any Others(Specify)	0	0	0	0.00	0.00
	Sub Total(A)(2)	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	7	3019062	3013644	62.11	62.11
(B)	Public shareholding					
1	Institutions					
(a)	Mutual Funds/ UTI	5	7375	225	0.15	0.15
(b)	Financial Institutions / Banks	3	2275	525	0.05	0.05
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00



(d)	Venture Capital Funds	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00
(h)	Any Other (specify)	0	0	0	0.00	0.00
	Sub-Total (B)(1)	8	9650	750	0.20	0.20
B 2	Non-institutions					
(a)	Bodies Corporate	92	256928	256252	5.29	5.29
(b)	Individuals					
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	4372	1321157	978959	27.18	27.18
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	12	249407	223407	5.13	5.13
(c)	Any Other (specify)	11	4649	4424	0.10	0.10
I	NRI	10	4649	4424	0.10	0.10
ii	Clearing Member	1	10	0	0	0
	Sub-Total (B)(2)	4487	1832151	1463042	37.69	37.69

(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	4495	1841801	1463792	37.89	37.89
	TOTAL (A)+(B)	4502	4860863	4477436	100	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0		0.00
	GRAND TOTAL (A)+(B)+(C)	4502	4860863	4477436	-	100

Summary of Financial Statements

Rs in Lakhs

Particulars	31.12.2008 Unaudited	2007-08	2006-07	2005-06
Sales and other income	682.85	956.61	831.47	810.51
Profit /(Loss) after tax	(118.96)	16.43	(0.27)	(396.06)
Equity capital	486.09	486.09	486.09	486.09
Reserves and surplus	294.85	413.80	410.54	676.10
Earning per share (Rs.)	-	0.34	-	-
Book value per share (Rs.)	16.07	18.51	18.45	23.91



Highest and lowest market price of shares during the preceding six months

Months	High Price (in Rs.)	Low Price (in Rs.)
July 2008	19.70	14.55
August 2008	20.65	15.45
September 2008	21.80	14.75
October 2008	15.39	12.64
November 2008	12.01	9.95
December 2008	10.40	8.95

Source: BSE website

The Company has not changed its capital structure during the preceding six months from the date of this information memorandum.

The Company has not made any Public and Right issue in the preceding three years from the date of this information memorandum.

The Market value (last traded price) of the Equity shares of the Company is Rs.12.80 on BSE and Rs. 12.10 on NSE as on 7th January, 2009.



19. Delta Realities Limited (DRL)

DRL was incorporated on 1st February, 2008 to carry on the business of Real Estate

Board of Directors

- Mr. Chand Arora
- Mr. Darius Khambatta
- Mr. Sunil Nair

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoter	49999	99.99
B	Non Promoter	1	0.01
	Total	50000	100

Summary of Financial Statements

Particulars	31.12.2008 Unaudited	2007-08	2006-07	Rs. in Lakhs
				2005-06
Sales and other income	-	-	N.A.	N.A.
Profit /(Loss) after tax	(0.10)	(0.12)	N.A.	N.A.
Equity capital	5.00	5.00	N.A.	N.A.
Reserves and surplus	(0.22)	(0.12)	N.A.	N.A.
Earning per share (Rs.)	-	-	N.A.	N.A.
Book value per share (Rs.)	8.79	9.75	N.A.	N.A.



20. Highland Resorts Private Limited (HRPL)

HRPL was incorporated on November 3, 1983 for carrying on the business of Real Estate Development.

Board of Directors

- Mr. Jaydev Mody
- Mr. Darius Khambatta

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	250	25
B	Non Promoters	750	75
	Total	1000	100

Summary of Financial Statements

Particulars	Rs. in Lakhs			
	31.12.2008 Unaudited	2007-08	2006-07	2005-06
Sales and other income	1.08	1.36	0.78	0.11
Profit /(Loss) after tax	0.92	0.35	0.71	0.04
Equity capital	1.00	1.00	1.00	1.00
Reserves and surplus	(1.68)	(2.60)	(2.94)	(3.65)
Earning per share (Rs.)	92.00	34.52	70.59	3.52
Book value per share (Rs.)	(67.73)	(157.33)	(191.85)	(264.44)



21. Freedom Aviation Private Limited (FAPL)

FAPL was incorporated on February 15, 2008 to carry on the business of Aviation.

Board of Directors

- Mr. Jaydev Mody
- Mr. Vijay Madan
- Mr. Darius Khambatta

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	12000000	100
B	Non Promoters	Nil	Nil
	Total	12000000	100

Summary of Financial Statements

Rs. in Lakhs

Particulars	31.12.2008 Unaudited	2007-08	2006-07	2005-06
Sales and other income	-	-	N.A.	N.A.
Profit /(Loss) after tax	0.83	(1.73)	N.A.	N.A.
Equity capital	1200.00	1200.00	N.A.	N.A.
Reserves and surplus	(2.57)	(1.73)	N.A.	N.A.
Earning per share (Rs.)	-	-	N.A.	N.A.
Book value per share (Rs.)	9.91	9.91	N.A.	N.A.



22. Intertrade Mercantile Company Private Limited (IMCPL)

IMCPL was incorporated on November 10, 2003 to carry on the Trading Business

Board of Directors

- Mr. Jaydev Mody
- Mr. Javed Tapia

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	250000	100
B	Non Promoters	Nil	Nil
	Total	250000	100

Summary of Financial Statements

Rs. in Lakhs

Particulars	31.12.2008 Unaudited	2007-08	2006-07	2005-06
Sales and other income	-	-	-	-
Profit /(Loss) after tax	(8.02)	(3.14)	(2.97)	(0.38)
Equity capital	25.00	25.00	25.00	25.00
Reserves and surplus	(14.71)	(6.69)	(3.55)	(0.59)
Earning per share (Rs.)	-	-	-	-
Book value per share (Rs.)	3.98	7.18	8.41	9.57



23. J M Livestock Private Limited (JMLPL)

JMLPL was incorporated on December 1, 2005 to carry on the business of breeding, developing & nursing for commercial use all types of animals and livestock such as cow, ox, bull, buffaloes, dogs etc

Board of Directors

- Mr. Jaydev Mody
- Mr. Darius Khambatta

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	9990	99.99
B	Non Promoters	10	0.1
	Total	10000	100

Summary of financial statements

Particulars	Rs. in Lakhs			
	31.12.2008 Unaudited	2007-08	2006-07	2005-06
Sales and other income	34.17	93.49	15.71	-
Profit /(Loss) after tax	(57.80)	(65.50)	(46.00)	(10.66)
Equity capital	1.00	1.00	1.00	1.00
Reserves and surplus	(179.97)	(122.26)	(56.66)	(10.66)
Earning per share (Rs.)	-	-	-	-
Book value per share (Rs.)	(1790.26)	(1213.20)	(557.28)	(97.32)



24. J M Real Estates Private Limited (JMREPL)

JMREPL was incorporated on December 22, 2006 to carry on the business of Real Estate Development.

Board of Directors

- Mr. Jaydev Mody
- Mr. Javed Tapia
- Mr. Azim Tapia
- Mr. Darius Khambatta

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	25001	50.01
B	Non Promoters	24999	49.99
	Total	50000	100

Summary of Financial Statements

Particulars	Rs. in Lakhs			
	31.12.2008 Unaudited	2007-08	2006-07	2005-06
Sales and other income	-	-	-	N.A.
Profit /(Loss) after tax	(1.29)	(0.69)	(0.10)	N.A.
Equity capital	5.00	5.00	1.00	N.A.
Reserves and surplus	35.91	38.00	(0.10)	N.A.
Earning per share (Rs.)	-	-	-	N.A.
Book value per share (Rs.)	81.83	84.00	6.62	N.A.



25. Jayem Realty Solutions Private Limited (JRSPL)

JRSPL was incorporated on 20th July, 2007 to carry on the business of Real Estate Development

Board of Directors

- Mr. Jaydev Mody
- Mr. Darius Khambatta

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	5001	50.01
B	Non Promoters	4999	49.99
	Total	10000	100.00

Summary of Financial Statements

Particulars	Rs. in Lakhs			
	31.12.2008 Unaudited	2007-08	2006-07	2005-06
Sales and other income	-	-	N.A.	N.A.
Profit /(Loss) after tax	(0.14)	(0.26)	N.A.	N.A.
Equity capital	1.00	1.00	N.A.	N.A.
Reserves and surplus	(0.40)	(0.26)	N.A.	N.A.
Earning per share (Rs.)	-	-	N.A.	N.A.
Book value per share (Rs.)	4.89	6.16	N.A.	N.A.



26. J M Realty Management Private Limited (JMRMPL)

JMRMPL was incorporated on March 20, 2007 to carry on the business of Real Estate Management.

Board of Directors

- Mr. Darius Khambatta
- Mr. Chand Arora

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	2500	25
B	Non Promoters	7500	75
	Total	10000	100

Summary of Financial Statements

Particulars	31.12.2008 Unaudited	2007-08	2006-07	Rs. in Lakhs
				2005-06
Sales and other income	-	-	-	N.A.
Profit /(Loss) after tax	(0.49)	(0.49)	(0.08)	N.A.
Equity capital	1.00	1.00	1.00	N.A.
Reserves and surplus	(1.06)	(0.57)	(0.08)	N.A.
Earning per share (Rs.)	-	-	-	N.A.
Book value per share (Rs.)	(1.07)	3.80	8.60	N.A.



27. J M Property Management Private Limited (JMPMPL)

JMPMPL was incorporated on December 22, 2006 to carry on the business of Property Management.

Board of Directors

- Mr. Jaydev Mody
- Mr. Darius Khambatta

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	2400000	80
B	Non Promoters	600000	20
	Total	3000000	100

Summary of Financial Statements

Particulars	Rs. in Lakhs			
	31.12.2008 Unaudited	2007-08	2006-07	2005-06
Sales and other income	-	-	-	N.A.
Profit /(Loss) after tax	(0.64)	(3.74)	(0.10)	N.A.
Equity capital	300.00	300.00	(1.00)	N.A.
Reserves and surplus	(4.48)	(3.84)	(0.10)	N.A.
Earning per share (Rs.)	-	-	-	N.A.
Book value per share (Rs.)	9.84	9.86	6.61	N.A.



28. J M Township and Real Estate Private Limited (JMTREPL)

JMTREPL was incorporated on December 27, 2006 to carry on the business of Real Estate Development.

Board of Directors

- Mr. Darius Khmbatta
- Mr. Chand Arora

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	175000	15
B	Non Promoters	825000	85
	Total	1000000	100

Summary of Financial Statements

Particulars	Rs. in Lakhs			
	31.12.2008 Unaudited	2007-08	2006-07	2005-06
Sales and other income	11.54	7.29	-	N.A.
Profit /(Loss) after tax	8.73	(12.32)	(0.10)	N.A.
Equity capital	100.00	100.00	1.00	N.A.
Reserves and surplus	(3.69)	(12.42)	(0.10)	N.A.
Earning per share (Rs.)	-	-	-	N.A.
Book value per share (Rs.)	9.63	8.74	0.07	N.A.



29. Newplaza Multitrade Private Limited (NMPL)

NMPL was incorporated on March 3, 2006 to carry on Trading Activities.

Board of Directors

- Mr. Jaydev Mody
- Mr. Darius Khambatta
- Mr. Ashish Kapadia

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	9990	99.99
B	Non Promoters	10	0.01
	Total	10000	100

Summary of Financial Statements

Particulars	Rs. in Lakhs			
	31.12.2008 Unaudited	2007-08	2006-07	2005-06
Sales and other income	-	-	-	-
Profit /(Loss) after tax	(5.70)	(0.13)	(0.10)	(0.05)
Equity capital	1.00	1.00	1.00	1.00
Reserves and surplus	(5.99)	(0.29)	(0.16)	(0.05)
Earning per share (Rs.)	-	-	-	-
Book value per share (Rs.)	(50.58)	6.41	7.61	9.45



30. Outreach Mercantile Company Private Limited (OMCPL)

OMCPL was incorporated on December 20, 2005 to carry on Trading Activities.

Board of Directors

- Mr. Jaydev Mody
- Mr. Darius Khambatta

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	10000	100
B	Non Promoters	Nil	Nil
	Total	10000	Nil

Summary of Financial Statements

Particulars	Rs. in Lakhs			
	31.12.2008 Unaudited	2007-08	2006-07	2005-06
Sales and other income	-	-	-	-
Profit /(Loss) after tax	(0.04)	(0.27)	(0.12)	(0.05)
Equity capital	1.00	1.00	1.00	1.00
Reserves and surplus	(0.48)	(0.44)	(0.17)	(0.05)
Earning per share (Rs.)	-	-	-	-
Book value per share (Rs.)	4.50	4.89	7.49	8.55



31. Pavurotti Finance and Investment Private Limited (PFIPL)

PFIPL was incorporated on January 3, 1995 to carry on Finance and Investment Activities.

Board of Directors

- Mr. Jaydev Mody
- Mr. Javed Tapia
- Mr. Rajendra Agarwal

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	43000	43
B	Non Promoters	57000	57
	Total	100000	100

Summary of Financial Statements

Particulars	31.12.2008 Unaudited	Rs. in Lakhs		
		2007-08	2006-07	2005-06
Sales and other income	-	0.19	-	-
Profit /(Loss) after tax	(1.61)	(0.36)	(0.01)	(0.07)
Equity capital	10.00	10.00	1.00	1.00
Reserves and surplus	(2.63)	(1.02)	(0.66)	(0.65)
Earning per share (Rs.)	-	-	-	-
Book value per share (Rs.)	7.36	8.97	3.24	3.31



32. Richtime Realty Private Limited (RRPL)

RRPL was incorporated on February 3, 2006 to carry on Trading and Real Estate Business.

Board of Directors

- Mr. Jaydev Mody
- Mr. Javed Tapia
- Mrs. Ambika Kothari
- Mr, Sunil Shinde

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	5001	50.01
B	Non Promoters	4999	49.99
	Total	10000	100

Summary of Financial Statements

Particulars	31.12.2008 Unaudited	2007-08	2006-07	Rs. in Lakhs
				2005-06
Sales and other income	3215.04	3491.88	0.65	-
Profit /(Loss) after tax	998.60	444.40	0.27	(0.05)
Equity capital	1.00	1.00	1.00	1.00
Reserves and surplus	1106.77	444.62	0.22	(0.05)
Earning per share (Rs.)	9986.00	4444.05	2.16	-
Book value per share (Rs.)	11077.08	4455.50	11.36	8.55



33. Riteline Export Private Limited (RTEPL)

RTEPL was incorporated on April 26, 2006, to carry on Trading and Real Estate Business.

Board of Directors

- Mr. Jaydev Mody
- Mr. Darius Khambatta

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	5100	51
B	Non Promoters	4900	49
	Total	10000	100

Summary of Financial Statements

Particulars	Rs. in Lakhs			
	31.12.2008 Unaudited	2007-08	2006-07	2005-06
Sales and other income	-	-	-	-
Profit /(Loss) after tax	(0.03)	(0.14)	(0.09)	-
Equity capital	1.00	1.00	1.00	-
Reserves and surplus	(0.26)	(0.23)	(0.09)	-
Earning per share (Rs.)	-	-	-	-
Book value per share (Rs.)	6.15	6.41	7.62	-



34. Seastar Trading Private Limited (STPL)

STPL was incorporated on February 9, 2005 to carry on Trading and Real Estate Related business.

Board of Directors

- Mr. Jaydev Mody
- Mrs. Urvi Piramal
- Mr. Rajeev Piramal

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	9950	99.50
B	Non Promoters	50	0.50
	Total	10000	100

Summary of Financial Statements

Particulars	Rs. in Lakhs			
	31.12.2008 Unaudited	2007-08	2006-07	2005-06
Sales and other income	9.96	7.47	-	-
Profit /(Loss) after tax	9.76	7.32	(1.29)	(28.39)
Equity capital	1.00	1.00	1.00	1.00
Reserves and surplus	(12.66)	(22.42)	(29.74)	(28.45)
Earning per share (Rs.)	97.57	73.24	-	-
Book value per share (Rs.)	(117.31)	(214.95)	(288.32)	(275.54)



35. Delta Corp Limited (DCL) (formerly Arrow Webtex Limited)

Delta Corp Limited was originally incorporated on 5th November, 1990 as Creole Holding Company Private Limited. On 14th December, 2006 the name of the company changed from Creole Holding Company Private Limited to Creole Holding Company Limited, consequent to conversion from Private Limited Company to Public Limited Company. On 18th May, 2007 the name of the Company further changed from Creole Holding Company Limited to Arrow Webtex Limited. On 31st October, 2008 the name of the company further changed from Arrow Webtex Limited to Delta Corp Limited. The principal business of the company is in the area of Real Estate Consultancy and Advisory Services. The Equity shares of the Company are listed on BSE, NSE, ASE and DSE.

Board of Directors

- Mr. Jaydev Mody
- Mr. Rajeev Piramal
- Mr. Mahesh Gupta
- Mr. Vrajesh Udani
- Mr. Rajesh Jaggi
- Mrs. Ambika Kothari
- Mr. Sudarshan Bajoria
- Mr. Ashish Kapadia

Shareholding Pattern as on 31st December, 2008

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares	
					As a percentage of (A+B) ¹	As a percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group²					
1	Indian					
(a)	Individuals/ Hindu Undivided Family	16	73117950	71661070	53.95	53.95
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00
(c)	Bodies Corporate	6	2462240	2190110	1.82	1.82
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00
(e)	Any Others(Specify)	0	0	0	0.00	0.00
	Sub Total(A)(1)	26	75580190	73851180	55.77	55.77
2	Foreign					
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0.00
b	Bodies Corporate	0	0	0	0.00	0.00
c	Institutions	0	0	0	0.00	0.00
d	Any Others(Specify)	0	0	0	0.00	0.00



	Sub Total(A)(2)	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	26	75580190	73851180	55.77	55.77
(B)	Public shareholding					
1	Institutions					

(a)	Mutual Funds/ UTI	0	0	0	0.00	0.00
(b)	Financial Institutions / Banks	1	7870	7870	0.01	0.01
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	2	181000	181000	0.13	0.13
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00
(h)	Any Other (specify)	0	0	0	0.00	0.00
	Sub-Total (B)(1)	3	188870	188870	0.14	0.14
B 2	Non-institutions					
(a)	Bodies Corporate	261	36110861	36049641	26.64	26.64
(b)	Individuals					
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	10029	17059121	11794391	12.59	12.59
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	16	5036138	5036138	3.72	3.72
(c)	Any Other (specify)	0	0	0		
(c-i)	OCBs				0.00	0.00
(c-ii)	Other Foreign entities				0.00	0.00
(c-iii)	NRIs	80	1545900	1531040	1.14	1.14
(c-iv)	Clearing Members	10	7050	7050	0.01	0.01
	Sub-Total (B)(2)	10396	59759070	54418260	44.09	44.09
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	10399	59947940	54607130	44.23	44.23
	TOTAL (A)+(B)	10421	135528130	128458310	100	100



(C)	Shares held by Custodians and against which Depository Receipts have been issued					0.00
	GRAND TOTAL (A)+(B)+(C)	10421	135528130	128458310		100.00

Summary of Financial Statements

Particulars	Rs. in Lakhs			
	31.12.08 Unaudited	2007-08	2006-07	2005-06
Sales and other income	4677.80	6965.75	3844.52	5232.88
Profit /(Loss) after tax	1234.34	1557.97	2011.84	131.24
Equity capital	1355.28	1355.28	1050.48	1050.48
Reserves and surplus	15061.05	14451.20	2146.66	1770.05
Earning per share (Rs.)	0.91	1.33	1.81	1.25
Book value per share (Rs.)	12.10	11.65	30.25	26.84

Highest and lowest market price of shares during preceding six months

Months	High Price (in Rs.)	Low Price (in Rs.)
July 2008	42.50	28.40
August 2008	47.00	38.50
September 2008	45.00	30.35
October 2008	33.40	14.80
November 2008	24.90	19.05
December 2008	33.40	20.65

Source: BSE website

The Company has changed its authorised capital by way of shareholders resolution passed in the extra ordinary general meeting held on 28th June, 2008. Details of pre and post changes in authorised capital are given below:

Particulars	Pre Changes (number of shares)	Post changes (number of shares)
Equity shares (face value Re. 1/-)	16,00,00,000	18,00,00,000
10% Preference Shares (face Value Rs. 10/-)	10,00,000	10,00,000
8% Preference shares (face Value Rs. 10/-)	1,30,00,000	1,30,00,000
Authorised capital (in Rs.)	30,00,00,000	32,00,00,000

The Company has not made any Public and Right issue in the preceding three years from the date of this information memorandum.

The Market value (last traded price) of the Equity shares of the company is Rs.37.00 on BSE and Rs.36.50 on NSE as on 7th January, 2009





36. Delta Hospitality Private Limited. (DHPL) [Formerly Fasttrack Impex Private Limited]

Delta Hospitality incorporated on 18th January, 2006, to carry on the business of Hospitality & Development of Hotels.

Board of Directors

- Mr. Chand Arora
- Mr. Bharat Sanghavi
- Mr. Darius Khambatta

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	740000	74
B	Non Promoters	260000	26
	Total	1000000	100

Summary of Financial Statements

Particulars	Rs. in Lakhs			
	31.12.2008 Unaudited	2007-08	2006-07	2005-06
Sales and other income	86.50	1074.83	26.17	N.A.
Profit /(Loss) after tax	(360.48)	469.70	7.57	N.A.
Equity capital	100.00	100.00	100.00	N.A.
Reserves and surplus	116.59	477.07	7.37	N.A.
Earning per share (Rs.)	-	46.97	0.76	N.A.
Book value per share (Rs.)	21.30	57.31	10.29	N.A.



37. Highstreet Cruises and Entertainment Private Limited (HCEPL)

HCEPL was incorporated on February 16, 2006 to carry on the business of Live Gaming.

Board of Directors

- Mr. Ashish Kapadia
- Mr. Rajesh Jaggi
- Mr. Chand Arora
- Mr. Darius Khambatta

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	12000000	80
B	Non Promoters	3000000	20
	Total	15000000	100

Summary of Financial Statements

Particulars	Rs. in Lakhs			
	31.12.2008 Unaudited	2007-08	2006-07	2005-06
Sales and other income	1080.70	-	-	-
Profit /(Loss) after tax	139.05	(3.61)	(8.81)	(0.05)
Equity capital	1500.00	1500.00	1.00	1.00
Reserves and surplus	4514.46	4375.41	(8.87)	(0.05)
Earning per share (Rs.)	0.92	-	-	-
Book value per share (Rs.)	40.08	39.15	(107.54)	8.55



38. Victor Hotels and Motels Limited (VHML)

VHML was incorporated on March 16, 1995 to carry on the business of Hospitality and Development of Hotels

Board of Directors

- Mr. Deepak Lulla
- Mr. Chand Arora
- Mr. Chandrashekhar Savant
- Mr. Darius Khambatta

Shareholding pattern on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	150000	100
B	Non Promoters	Nil	Nil
	Total	150000	100

Summary of Financial Statements

Particulars	Rs. in Lakhs			
	31.12.2008 Unaudited	2007-08	2006-07	2005-06
Sales and other income	266.40	-	-	
Profit /(Loss) after tax	(138.56)	(0.46)	(0.49)	(0.66)
Equity capital	150.00	150.00	150.00	150.00
Reserves and surplus	(287.04)	(148.47)	(148.02)	(147.53)
Earning per share (Rs.)	-	-	-	-
Book value per share (Rs.)	(9.14)	1.02	1.32	1.64



39. Jayem Properties Private Limited (JPPL)

JPPL was incorporated on September 19, 2007 to carry on the business of Real Estate.

Board of Directors

- Mr. Deepak Lulla
- Mr. Rajiv Punater

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	Nil	0
B	Non Promoters	10000	100
	Total	10000	100

Summary of Financial Statements

Particulars	Rs. in Lakhs			
	31.12.2008 Unaudited	2007-08	2006-07	2005-06
Sales and other income	-	-	N.A.	N.A.
Profit /(Loss) after tax	(0.06)	(0.13)	N.A.	N.A.
Equity capital	1.00	1.00	N.A.	N.A.
Reserves and surplus	(0.19)	(0.13)	N.A.	N.A.
Earning per share (Rs.)	-	-	N.A.	N.A.
Book value per share (Rs.)	6.89	7.51	N.A.	N.A.



40. J M Mega Properties Private Limited (JMMPPL)

JMMPPL was incorporated on October 09, 2007 to carry on the business of Real Estate.

Board of Directors

- Mr. Darius Khambatta
- Mr. Sunil Nair

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	9999	99.99
B	Non Promoters	1	0.01
	Total	10000	100

Summary of Financial Statements

Particulars	Rs. in Lakhs			
	30.09.08 Un-audited	2007-08	2006-07	2005-06
Sales and other income	-	-	N.A.	N.A.
Profit /(Loss) after tax	(0.07)	(0.13)	N.A.	N.A.
Equity capital	1.00	1.00	N.A.	N.A.
Reserves and surplus	(0.20)	(0.13)	N.A.	N.A.
Earning per share (Rs.)	-	-	N.A.	N.A.
Book value per share (Rs.)	6.96	7.61	N.A.	N.A.



41. Jayem Realty Management Private Limited (JRMPL)

JRMPL was incorporated on April 07, 2008 to carry on the business of Real Estate.

Board of Directors

- Mr. Darius Khambatta
- Mr. Sunil Nair

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	9999	99.99
B	Non Promoters	1	0.01
	Total	10000	100

Summary of Financial Statements

Particulars	Rs. in Lakhs			
	31.12.08 Unaudited	2007-08	2006-07	2005-06
Sales and other income	-	N.A.	N.A.	N.A.
Profit/(Loss) after tax	(0.01)	N.A.	N.A.	N.A.
Equity capital	1.00	N.A.	N.A.	N.A.
Reserves and surplus	(0.01)	N.A.	N.A.	N.A.
Earning per share (Rs.)	-	N.A.	N.A.	N.A.
Book value per share (Rs.)	8.60	N.A.	N.A.	N.A.



42. Jayem Real Estate Private Limited (JREPL)

JREPL was incorporated on April 07, 2008 to carry on the business of Real Estate.

Board of Directors

- Mr. Darius Khambatta
- Mr. Sunil Nair

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	9999	99.99
B	Non Promoters	1	0.01
	Total	10000	100

Summary of Financial Statements

Particulars	Rs. in Lakhs			
	31.12.08 Unaudited	2007-08	2006-07	2005-06
Sales and other income	-	N.A.	N.A.	N.A.
Profit /(Loss) after tax	(0.01)	N.A.	N.A.	N.A.
Equity capital	1.00	N.A.	N.A.	N.A.
Reserves and surplus	(0.01)	N.A.	N.A.	N.A.
Earning per share (Rs.)	-	N.A.	N.A.	N.A.
Book value per share (Rs.)	8.60	N.A.	N.A.	N.A.



43. AAA Real Land Developers Private Limited (ARLDPL)

ARLDPL was incorporated on April 27, 2007 to carry on the business of real estate development and consultancy.

Board of Directors

- Mr. Jaydev Mody
- Mr. Darius Khambatta

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	10000	100
B	Non Promoters	Nil	Nil
	Total	10000	100

Summary of Financial Statements

Particulars	Rs. in Lakhs			
	31.12.2008 Unaudited	2007-08	2006-07	2005-06
Sales and other income	-	-	N.A.	N.A.
Profit/(Loss) after tax	(106.94)	(62.85)	N.A.	N.A.
Equity capital	1.00	1.00	N.A.	N.A.
Reserves and surplus	(169.80)	(62.85)	N.A.	N.A.
Earning per share (Rs.)	-	-	N.A.	N.A.
Book value per share (Rs.)	(1688.66)	(619.25)	N.A.	N.A.



44. West Star Agro – Realities Private Limited (WSRAPL)

WSRAPL was incorporated on 24th October, 1985, to carry on business of Agriculture

Board of Directors

- Mr. Jaydev Mody
- Mr. Chand Arora
- Mr. Bezan Chenoy

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	700	70
B	Non Promoters	300	30
	Total	1000	100

Summary of Financial Statements

Particulars	31.12.2008 Unaudited	2007-08	Rs. in Lakhs	
			2006-07	2005-06
Sales and other income	-	-	-	-
Profit /(Loss) after tax	(2.30)	(1.67)	(0.16)	(0.10)
Equity capital	1.00	1.00	1.00	1.00
Reserves and surplus	(9.77)	(7.47)	(5.80)	(5.63)
Earning per share (Rs.)	-	-	-	-
Book value per share (Rs.)	(877.52)	(646.77)	(479.71)	(463.23)



45. Lakeview Mercantile Company Private Limited (LMCPL)

LMCPL was incorporated on 16th February, 2006, to carry on the Real Estate Business

Board of Directors

- Mr. Prakash Chhabria
- Mr. Darius Khambatta
- Mrs. Ambika Kothari

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	7000	70
B	Non Promoters	3000	30
	Total	10000	100

Summary of Financial Statements

Particulars	Rs. in Lakhs			
	31.12.2008 Unaudited	2007-08	2006-07	2005-06
Sales and other income	0.00	0.00	0.00	0.00
Profit /(Loss) after tax	(1.62)	(0.49)	(0.21)	(0.09)
Equity capital	1.00	1.00	1.00	1.00
Reserves and surplus	(2.42)	(0.80)	(0.31)	(0.09)
Earning per share (Rs.)	-	-	-	-
Book value per share (Rs.)	(28.26)	(12.92)	(9.88)	7.71



46. Aryanish Finance and Investments Private Limited (AFIPL)

AFIPL was incorporated on 3rd January, 1995, to carry on the financial business

Board of Directors

- Mr. Deepak Lulla
- Mr. Ashish Kapadia

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	10000	100
B	Non Promoters	Nil	Nil
	Total	10000	100

Summary of Financial Statements

Particulars	Rs. in Lakhs			
	31.12.2008 Unaudited	2007-08	2006-07	2005-06
Sales and other income	0.00	0.00	0.00.	0.00
Profit /(Loss) after tax	(0.11)	(0.12)	(0.12)	(0.13)
Equity capital	1.00	1.00	1.00	1.00
Reserves and surplus	(1.03)	(0.92)	(0.79)	(0.67)
Earning per share (Rs.)	-	-	-	-
Book value per share (Rs.)	(0.37)	0.71	1.96	3.17



47. Delta Holding (USA) Inc

Delta Holding (USA) Inc was incorporated on 4th March, 2008, to carry on the business of Real Estate.

Board of Directors

- Mr. Jaydev Mody
- Ms. Anjali Mody
- Mr. Rajeev Kaul

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	100000	100
B	Non Promoters	Nil	Nil
	Total	100000	100

Summary of Financial Statements

Particulars	Rs. in Lakhs			
	31.12.2008 Unaudited	2007-08	2006-07	2005-06
Sales and other income	0.00	N.A.	N.A.	N.A.
Profit /(Loss) after tax	(25.73)	N.A.	N.A.	N.A.
Equity capital	497.18	N.A.	N.A.	N.A.
Reserves and surplus	(27.09)	N.A.	N.A.	N.A.
Earning per share (Rs.)	-	N.A.	N.A.	N.A.
Book value per share (Rs.)	470.08	N.A.	N.A.	N.A.



48. J M Holding (USA) Inc

J M Holding (USA) Inc was incorporated on 5th March, 2008 to carry on business of Real Estate.

Board of Directors

- Mr. Jaydev Mody
- Ms. Anjali Mody
- Mr. Rajeev Kaul

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	30000	100
B	Non Promoters	Nil	Nil
	Total	30000	100

Summary of financial statements

Particulars	Rs. in Lakhs			
	31.12.2008 Unaudited	2007-08	2006-07	2005-06
Sales and other income	-	N.A.	N.A.	N.A.
Profit /(Loss) after tax	(0.33)	N.A.	N.A.	N.A.
Equity capital	3.00	N.A.	N.A.	N.A.
Reserves and surplus	(0.33)	N.A.	N.A.	N.A.
Earning per share	-	N.A.	N.A.	N.A.
Book value per share	8.89	N.A.	N.A.	N.A.



49. Freedom Training Academy Private Limited (FTAPL)

FTAPL was incorporated on 3rd July, 2008, to carry on the business of imparting training in the field of Aviation, Hotels and Hospitality.

Board of Directors

- Mr. Hardik Dhebar
- Mr. Ashish Kapadia

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	10000	100
B	Non Promoters	Nil	Nil
	Total	10000	100

Summary of Financial Statements

Particulars	Rs. in Lakhs			
	31.12.2008 Unaudited	2007-08	2006-07	2005-06
Sales and other income	-	N.A.	N.A.	N.A.
Profit /(Loss) after tax	(0.08)	N.A.	N.A.	N.A.
Equity capital	1.00	N.A.	N.A.	N.A.
Reserves and surplus	(0.08)	N.A.	N.A.	N.A.
Earning per share (Rs.)	-	N.A.	N.A.	N.A.
Book value per share (Rs.)	9.03	N.A.	N.A.	N.A.



50. Providence Educational Academy Private Limited (PEAPL)

PEAPL was incorporated on 31st October, 2007. The main object of the company is to provide education by establishing schools, colleges, educational centers etc.

Board of Directors

- Mr. Jaydev Mody
- Mr. Darius Khambatta

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	9999	99.99
B	Non Promoters	1	0.01
	Total	10000	100

Summary of Financial Statements

Rs. in Lakhs

Particulars	31.12.2008 Unaudited	2007-08	2006-07	2005-06
Sales and other income	0.00	0.00	N.A.	N.A.
Profit /(Loss) after tax	(0.07)	(0.12)	N.A.	N.A.
Equity capital	1.00	1.00	N.A.	N.A.
Reserves and surplus	(0.19)	(0.12)	N.A.	N.A.
Earning per share	-	-	N.A.	N.A.
Book value per share	6.93	7.61	N.A.	N.A.



51. Elixir Infotech Private Limited (EIPL)

EIPL was incorporated on 10TH March, 1999, to carry on the Computer Software business.

Board of Directors

- Mr. Ashish Kapadia
- Mr. Shashi Tanna

Shareholding Pattern as on 31st December, 2008

	Category	No. of shares held	% of shareholding
A	Promoters	60000	40
B	Non Promoters	90000	60
	Total	150000	100

Summary of Financial Statements

Particulars	Rs. in Lakhs			
	31.12.2008 Unaudited	2007-08	2006-07	2005-06
Sales and other income	-	0.06	0.43	7.66
Profit /(Loss) after tax	(6.30)	(11.98)	(15.58)	(13.71)
Equity capital	15.00	15.00	15.00	15.00
Reserves and surplus	(120.73)	(114.43)	(100.74)	(85.15)
Earning per share	-	-	-	-
Book value per share	(70.55)	(66.37)	(57.27)	(46.76)



DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements including those required for Expansion, New Projects and overall financial condition.

No dividend is declared by ATL since incorporation.



FINANCIAL INFORMATION

AUDITORS' REPORT TO THE MEMBERS OF ARROW TEXTILES LIMITED

We have audited the attached Balance Sheet of Arrow Textiles Limited as at 31st December, 2008, the Profit & Loss Account and also the Cash Flow Statement for the period ended on that date annexed thereto.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

I. As required by the Companies (Auditors' Report) Order, 2003 and amended by Companies (Auditors' Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks of the books and records as we considered appropriate and according to the information and explanations given to us, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable to the Company.

II. Further to our comments in the Annexure referred to in paragraph I above:

- a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
- c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of the written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st December, 2008 from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of information and according to the explanations given to us, the said accounts, give the information required by Companies Act, 1956, in the manner so required, read together with the notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in case of the Balance Sheet, of the state of affairs of the Company as at 31st December, 2008,
 - ii) in case of the Profit & Loss Account, of the loss of the Company for the period ended on that date, and
 - iii) In the case of Cash Flow Statement, of the cash flows for the period ended on that date.

For Amit Desai & Co
Chartered Accountants

(Amit Desai)
Proprietor

17th April 2009
Mumbai:



Annexure to Auditors' Report
To the Members of Arrow Textiles Limited
(Referred to in Paragraph 3 our report of even date)

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) As explained to us, the Company has a policy to carry out a physical verification of fixed assets in a phased manner at regular intervals which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. We are informed that no material discrepancies were noticed on such verification.
- (c) In our opinion, the Company has not disposed off a substantial part of fixed assets during the period and the going concern status of the Company is not affected.
- (ii) (a) The management carried out physical verification of the inventory at reasonable intervals during the period.
(b) In our opinion, and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
(c) The Company maintains proper records of inventory. Discrepancies noticed on physical verification of inventory as compared to the book records were not material and these have been properly dealt with in the books of account.
- (iii) In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, we report that :
- (a) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) According to information and explanations given to us, the Company has taken unsecured loans from one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the period was Rs.27,775.50 thousand and the on date of balance sheet balance was Rs. 15,000 thousand.
- (c) According to the information and explanation given to us, in our opinion, the rate of interest and other terms and conditions of the above loans taken are not prima-facie prejudicial to the interest of the Company.
- (d) Since there is no stipulation as to the time period for repayment of the principal amount and interest of unsecured loans, we are unable to comment on the regularity of repayment of the same.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) (a) According to the information and explanations given to us, the particulars of contracts or arrangement referred to in section 301 of the Companies Act, 1956, have been entered in the register maintained under that Section.
- (b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.



- (vi) The Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956, and the rules framed there under are applicable.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) As informed to us, the Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956.
- (ix) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues as applicable to it during the period with the appropriate authorities and there were no such outstanding dues as at 31st December, 2008 for a period exceeding six months from the date they became payable.

(b) According to the information and explanation given to us there were no dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited on account of any dispute.
- (x) The Company does not have any accumulated losses which exceed 50% of its net worth at the end of the financial period under reporting and has incurred nominal cash losses during the immediately preceding financial period.
- (xi) On the basis of our examination of records and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any Bank or any Financial Institution.
- (xii) In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) Clause (xiii) relating to applicability of provisions for special statute applicable to Chit Fund, or relating to Nidhi, Mutual Benefit Funds/Societies, is not applicable to the Company.
- (xiv) In our opinion, the company is not a dealer or trader, in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, and on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the Company has not, prima facie, used short term funds for long term purposes or vice versa.
- (xviii) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment of share to parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued debentures during the period.
- (xx) The Company has not raised any monies by way of public issue during the period.



(xxi) To the best of our knowledge and according to the information and explanations given to us, there have been no cases of fraud on or by the Company noticed or reported during the period.

For Amit Desai & Co
Chartered Accountants

17th April 2009
Mumbai:

(Amit Desai)
Proprietor



Arrow Textiles Limited
Balance Sheet as at 31st December, 2008

(Rs. In thousand)

Particulars	Sch.	December 31, 2008	March 31, 2008
Sources Of Funds:			
Shareholders' Funds:			
Equity Share Capital	1	136,028.13	500.00
Loan Funds:			
Secured Loans	2	112,615.06	-
Unsecured Loans	3	18,554.73	-
Deferred Tax Liability		14,390.94	-
Total....		281,588.86	500.00
Application Of Funds:			
Fixed Assets:			
Gross Block	4	149,407.35	-
Less: Depreciation		(9,794.74)	-
Net Block		139,612.61	-
Goodwill (Acquired):	5	62,116.73	-
Current Assets, Loans And Advances:			
Inventories	6	39,103.12	-
Sundry Debtors	7	44,785.31	-
Cash & Bank Balances	8	2,922.55	500.00
Loans & Advances	9	6,542.82	-
Total Of Current Assets (A)		93,353.80	500.00
Less: Current Liabilities And Provisions:			
Current Liabilities	10	19,940.93	303.19
Provisions	11	2,938.97	-
Total Of Current Liabilities (B)		22,879.90	303.19
Net Current Assets (A-B)		70,473.90	196.81
Miscellaneous Expenditure:			
(To The Extent Not W/Off Or Adjusted)	12		
Miscellaneous Expenditure		3,012.78	290.77
Profit & Loss Account:			
Total....		6,372.84	12.42
		281,588.86	500.00
Notes Forming Parts of Accounts	21		

As per Our Report of Even Date
For Amit Desai & Co
Chartered Accountants

For Arrow Textiles Limited

(Amit Desai)
Proprietor

17th April 2009
Mumbai:

(Jaydev Mody) (Chand Arora) (Amey Lotlikar)
Chairman Managing Director Company Secretary



Arrow Textiles Limited			
Profit & Loss Account for the Period Ended 31st December, 2008			
(Rs. in thousand)			
Particulars	Sch.	December 31, 2008	March 31, 2008
<u>INCOME:</u>			
Sales	-	135,711.83	-
Increase / (Decrease) in Stocks	13	3,836.60	-
Other Income	14	3,419.29	-
Total....	15	142,967.71	-
<u>EXPENSES:</u>			
Raw Materials Consumed	-	60,738.75	-
Personnel Cost	16	24,191.74	-
Operating Cost	17	38,972.69	12.42
Depreciation	18	9,794.74	-
Finance Charges	4	12,623.92	-
Total....	19	146,321.84	12.42
Profit Before Tax		(3,354.13)	(12.42)
Less: Provision for Taxation	20	(3,006.29)	-
Net Profit after Tax		(6,360.42)	(12.42)
Balance Brought Forward		(12.42)	-
Balance Carried Forward		(6,372.84)	(12.42)
Basic / Diluted Earning Per Share (Share Of Rs. 10/- Each)		(0.47)	(1.24)
Notes Forming Parts of Accounts	21		
As per Our Report of Even Date For Amit Desai & Co Chartered Accountants		For Arrow Textiles Limited	
(Amit Desai) Proprietor 17th April 2009 Mumbai:		(Jaydev Mody) (Chand Arora) (Amey Lotlikar) Chairman Managing Director Company Secretary	



Arrow Textiles Limited

Cash Flow Statement for the period from 01.04.2008 to 31.12.2008

(Rs.in thousand)

	PARTICULARS	December 31, 2008	March 31, 2008
A.	<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
	Net Profit Before Tax and Extraordinary Items	(3,354.13)	(12.42)
	<u>Adjustments for :</u>		
	Depreciation	9,794.74	-
	Profit on Sales of Fixed Assets	(307.20)	-
	Goodwill Written Off	10,961.78	-
	Amortisation of Expenses	276.48	0.68
	Interest Paid	12,213.49	-
	Interest Income	(2.07)	-
	Operating Profit before Working Capital Changes	29,583.08	(11.74)
	Adjustments For :		
	Trade and Other Receivables	(2,324.93)	-
	Inventories	(3,715.14)	-
	Loans & Advances	(987.86)	-
	Trade Payables	1,731.87	303.19
	Other Liabilities	630.72	-
	Miscellaneous Expenditure	(2,998.48)	(40.90)
	Taxes paid	(422.30)	-
	Net Cash generated from Operating Activities	21,496.96	250.55
B.	<u>CASHFLOW FROM INVESTING ACTIVITIES</u>		
	Purchase of Fixed Assets	(22,850.97)	-
	Sales of Fixed Assets	333.97	-
	Pre operative Expenses	-	(250.55)
	Interest Income	2.07	-
	Net Cash generated from Investing Activities	(22,514.92)	(250.55)
C.	<u>CASH FLOW FROM FINANCING ACTIVITES</u>		
	Proceeds from Issuance of Share Capital	-	500.00
	Interest Paid	(12,213.49)	-
	Proceeds from Long Term Borrowing	3,877.64	-
	Proceeds from Short Term Borrowing	8,518.06	-
	Net Cash generated from Financing Activities	182.21	500.00



	PARTICULARS	December 31, 2008	March 31, 2008
	Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	(835.75)	500.00
	Balance received under Scheme (Refer Notes to Accounts a& b)	3,258.31	-
	Cash & Cash Equivalents as at beginning of year	500.00	-
	Cash & Cash Equivalents as at end of the year	2,922.55	500.00

Note :

- 1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statement issued by ICAI.
- 2) Previous Year's figures have been regrouped wherever necessary to confirm the current year's classification.
- 3) The above Cash Flow Statement excludes assets (other than Cash and Cash Equivalents)/liabilities received under scheme.

For Amit Desai & Co
Chartered Accountants

For Arrow Textiles Limited

(Amit Desai)

Proprietor

17th April 2009

Mumbai:

(Jaydev Mody)

Chairman

(Chand Arora)

Managing Director

(Amey Lotlikar)

Company Secretary



Arrow Textiles Limited

Schedule Forming Part Of The Accounts as at 31st December, 2008

(Rs.in thousand.)

Particulars	December 31, 2008	March 31, 2008
<u>Schedule No. 1</u>		
<u>Share Capital:</u>		
<u>Authorised:</u>		
1,60,00,000 Equity Shares Of Rs.10/- Each. (50,000 Equity Shares Of Rs.10/- Each)	160,000.00	500.00
	160,000.00	500.00
<u>Issued, Subscribed And Paid-Up:</u>		
1,36,02,813 Equity Shares Of Rs.10/- Each Fully Paid Up (50,000 Equity Shares Of Rs.10/- Each) (1,35,52,813 Equity Shares of Rs.10/- each fully paid up allotted to the share holders of Delta Corp Ltd, pursuant to the Scheme of Arrangement without payment being received in cash)	136,028.13	500.00
TOTAL....	136,028.13	500.00



Arrow Textiles Limited

Schedule Forming Part Of The Accounts as at 31st December, 2008

(Rs.in thousand)

Particulars	December 31, 2008	March 31, 2008
<u>Schedule No. 2</u>		
<u>Secured Loans:</u>		
Axis Bank Ltd.		
- Cash Credit	39,729.58	-
- Term Loan	72,433.74	-
(Secured against Immovable Properties, Plant and Machineries, Electric Installation, Debtors and Inventories of the Company)	112,163.32	-
ICICI Bank Ltd.	451.74	-
(Secured against Vehicles)		
Total....	112,615.06	-
<u>Schedule No. 3</u>		
<u>Unsecured Loans:</u>		
<u>From SICOM</u>		
Sales Tax Loan	3,554.73	-
<u>Inter-Corporate Deposit</u>		
Delta Corp Limited	15,000.00	-
Total....	18,554.73	-

Arrow Textiles Limited

Schedule No. 4

Schedule Forming Part of the Account as at 31st December'2008

**Fixed Assets /
Depreciation**

(Rs.in thousand)

Particulars	S.L.M (%)	Gross Block					Depreciation				Net Block	
		As on 01.04.08	Acquired on 01.04.08	Addition	Deduction	As on 31.12.08	As on 01.04.08	Addition	Deduction	As on 31.12.08	As on 31.12.08	As on 31.03.08
Lease Hold Land	-	-	742.80	-	-	742.80	-	-	-	-	742.80	-
Factory Buildings	3.34%	-	19,568.13	1,134.42	-	20,702.55	-	506.21	-	506.21	20,196.35	-
Plant & Machineries	10.34%	-	99,396.01	20,970.63	24.38	120,342.26	-	8,743.73	-	8,743.73	111,598.53	-
Electrical Installations	10.34%	-	2,124.98	280.48	-	2,405.47	-	174.81	-	174.81	2,230.66	-
Office Equipments	4.75%	-	766.59	144.65	2.39	908.85	-	28.72	-	28.72	880.14	-
Furniture And Fittings	6.33%	-	259.30	331.35	-	590.65	-	27.32	-	27.32	563.33	-
Vehicles	9.50%	-	1,900.11	8.20	-	1,908.31	-	135.90	-	135.90	1,772.41	-
Computers	16.21%	-	1,411.76	394.69	-	1,806.45	-	178.06	-	178.06	1,628.39	-
Total....		-	126,169.69	23,264.43	26.77	149,407.35	-	9,794.74	-	9,794.74	139,612.61	-
Previous Year		-	-	-	-	-	-	-	-	-	-	-

Arrow Textiles Limited

(Rs. in thousand)

Particulars	(Rs. in thousand)	
	December 31,2008	March 31,2008
<u>Schedule No. 5</u>		
Goodwill (Acquired)	73,078.50	-
<u>Less :</u> Amortised	10,961.78	-
Total....	62,116.73	-
<u>Schedule No. 6</u>		
<u>Inventories:</u> (At Cost/Net Realisable Value whichever is lower and as certified by one of the Director)		
Raw Materials	22,340.57	-
Work-In-Process	1,483.23	-
Finished Goods	11,882.42	-
Machinery Spares & Stores	3,183.99	-
Packing Materials	212.90	-
Total....	39,103.12	-
<u>Schedule No. 7</u>		
<u>Sundry Debtors (Unsecured and Considered Good):</u>		
a) Outstanding For Over Six Months	4,340.82	-
b) Others	40,444.49	-
Total....	44,785.31	-
<u>Schedule No. 8</u>		
<u>Cash and Bank Balances:</u>		
Cash on Hand	218.70	0.02
Balances with Schedule Banks In Current Account	1,904.44	499.98
Balances with Schedule Banks In Fixed Deposit Account	799.42	-
Total....	2,922.55	500.00



Schedule Forming Part Of The Accounts as at 31st December, 2008

(Rs. in thousand)

Particulars	December 31,2008	March 31,2008
<u>Schedule No. 9</u>		
<u>Loans & Advances:</u>		
(Recoverable in cash or in kind or for value to be received)		
<u>Unsecured and Considered Good:</u>		
Advances	5,881.32	-
Deposits	661.50	-
Total....	6,542.82	-
<u>Schedule No. 10</u>		
<u>Current Liabilities:</u>		
Sundry Creditors	8,259.68	-
Sundry Creditors for Expenses	895.77	303.19
Interest Accrued & Not Due	2,671.55	-
Other Liabilities	8,113.94	-
Total....	19,940.93	303.19
<u>Schedule No. 11</u>		
<u>Provisions:</u>		
Tax Provision	1,084.97	-
Leave Encashment etc.	1,853.99	-
Statutory Dues Payable	-	-
Total....	2,938.97	-
<u>Schedule No. 12</u>		
<u>Miscellaneous Expenditure:</u>		
Miscellaneous Expenditure	2,975.12	250.55
Preliminary Expenses	37.66	40.22
(To the extent not written off or adjusted)		
Total....	3,012.78	290.77



Arrow Textiles Limited		
Schedule Forming Part Of The Accounts as at 31st December, 2008		
(Rs. in thousand.)		
Particulars	December 31, 2008	March 31, 2008
<u>Schedule No. 13: Sales</u>		
Sale Of Elastic Tape	33,999.84	-
Export Sales	12,895.05	-
Sale Of Woven Labels	55,081.92	-
Sale Of Fabric Printed Labels	33,735.02	-
Total....	135,711.83	-
<u>Schedule No. 14: Increase / (Decrease) In Stocks</u>		
Stocks Acquired	9,529.06	-
<u>Less</u> : Closing Stocks	13,365.66	-
Total....	3,836.60	-
<u>Schedule No. 15 : Other Income</u>		
Interest (Tuf) Refund Received	2,011.00	-
Fixed Deposit Interest	58.37	-
Profit On Sale Of Fixed Assets	307.20	-
Insurance Refund	71.70	-
Foreign Exchange Fluctuation Gains	971.01	-
Total....	3,419.29	-
<u>Schedule No. 16: Raw Materials Consumed</u>		
Stock Acquired	22,525.44	-
<u>Add</u> : Material Purchased	60,553.87	-
<u>Less</u> :Closing Stocks	(22,340.57)	-
Total....	60,738.75	-
<u>Schedule No. 17: Personnel Expenses</u>		
<u>Payments To Workers</u>		
Salaries, Wages and Bonus	22,665.99	-
Contribution to Provident Fund and other Funds	1,147.73	-
Welfare Expenses	378.03	-
Total....	24,191.74	-



Particulars	December 31, 2008	March 31, 2008
<u>Schedule No. 18 : Operating & Other Expenses</u>		
<u>Machinery Spares</u>		
Stocks Acquired	2,584.89	-
Purchases	3,329.48	-
	5,914.37	-
Less : Closing Stocks	(3,183.99)	-
	2,730.38	-
<u>Packing Material</u>		
Stock Acquired	326.29	-
Purchases	1,277.71	-
	1,604.00	-
<u>Less:</u> Closing Stocks	(212.90)	-
	1,391.10	-
Processing Charges	1,697.22	-
Labour Charges	1,403.31	-
Electricity Charges	5,487.34	-
Insurance	318.00	-
Demat Charges	86.00	-
Audit Fees	161.41	11.24
Foreign Travelling Expenses	112.99	-
Travelling Expenses	786.14	-
Postage & Telegram	206.70	-
Telephone Expenses	553.25	-
Vehicle Expenses	319.88	-
Legal & Professional Fees	1,274.12	-
Licence Fees	502.82	-
Water Charges	62.86	-
Conveyance	430.86	-
Miscellaneous Expenses	1,575.63	-
Books & Periodicals	54.63	-
Professional Tax Of Company	3.38	-
Office & Factory Maintenance	336.68	-
Repairs & Maintenance	209.28	-
Advertisement	40.17	-
Rent, Rates & Taxes	1,265.06	-
Stationery & Printing	204.65	0.50
Goodwill Written Off	10,961.78	-
Preliminary Expenses Written off	2.29	-



Particulars	December 31, 2008	March 31, 2008
Miscellaneous Expenses Written off	274.19	0.68
Freight & Forwarding Charges	3,272.04	-
Octroi Charges	7.48	-
Commission on Sales	2,907.76	-
Cash Discount on Sales	312.51	-
Bad Debts	20.81	-
Total....	38,972.69	12.42
<u>Schedule 19 : Finance Charges</u>		
<u>Interest paid to Axis Bank, Mumbai</u>		
Term Loan	7,087.54	-
Cash Credit	2,421.29	-
Interest on Inter Corporate Deposit	2,671.55	-
Interest on Hire Purchase	33.12	-
Bank Charges	410.43	-
Total....	12,623.92	-
<u>Schedule 20 : Provision for Tax</u>		
Deferred Tax	1,921.32	-
Fringe Benefit Tax	254.97	-
Income Tax	830.00	-
Total....	3,006.29	-



ARROW TEXTILES LIMITED

Schedule No. 21

Schedule Annexed To and Forming Part of the Balance Sheet and Profit And Loss Account for the Period December 31, 2008

1. Statement of Significant Accounting Policies

(a) Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention, on accrual basis and in accordance with the generally accepted accounting principles in India ("GAAP"), the Accounting Standards ("AS") issued by the Institute of Chartered Accountants of India and the applicable relevant provisions of the Companies Act, 1956.

(b) Revenue Recognition

- i. Sale of Product and material are recognized when significant risks and rewards of ownership of products are passed on to customers or when the full / complete services have been provided. Sales are stated at contractual realizable value and net of goods returned.
- ii. Full provision is made for any loss in the year in which when it is first foreseen.
- iii. Interest income is generally recognized on a time proportion method.
- iv. Claims for price variation/exchange rate variation in case of contracts are accounted for on acceptance.
- v. Interest refund on loan under 'TUF' scheme is accounted on receipt basis.

(c) Goodwill

On the acquisition of an undertaking, the difference between the purchase consideration and the value of the net assets acquired is considered as Goodwill. Value of Goodwill is amortized over a period of five years on straight line basis from the year of creation.

(d) Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Exchange differences on repayment transaction of foreign currency liabilities relating to acquisition of assets from a country outside India are adjusted to the carrying cost of the respective assets.

Financing costs relating to acquisition of fixed assets are included to the extent they relate to the period till such assets are ready to put to use.

Capital Work-In-Progress

In respect of supply-cum-erection contracts, the value of supplies received at site and accepted and not installed is treated as Capital Work-in-Progress.

Expenditure during construction period including development cost incurred on the projects under implementation are treated as pre-operative expenses pending allocation to the assets, and are included under "Capital Work in Progress". These expenses are apportioned to fixed assets on commencement of operation. Capital Work in Progress is stated at the amount expended up to the date of Balance Sheet.

(e) Depreciation

Depreciation on assets is provided on Straight Line Method at the rates and in the manner as prescribed in Schedule XIV of the Companies Act, 1956. Depreciation is provided from the date of acquisition till the date of sale of assets or last day of the period.



(f) Inventories

Inventories are valued as follows:

- | | |
|--|---|
| <ul style="list-style-type: none">• Raw materials• Components, stores and spares, packing materials• Work in Progress• Finished goods | <p>Cost of Raw Materials is determined on FIFO basis.</p> <p>At cost or net realizable value whichever is lower.</p> <p>Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Includes cost of conversion and other cost incurred in bringing the inventories to their present location and conditions.</p> |
|--|---|

(g) Foreign Currency Transactions

The reporting currency of the company is the Indian rupee.

Exchange differences arising on foreign currency transactions settled during the year are recognized in the profit and loss account for the year, other than exchange differences related to the liabilities for acquisition of fixed assets that are adjusted to the cost of the related fixed assets.

All outstanding foreign currency denomination monetary assets and liabilities are translated at the exchange rates prevailing on the Balance Sheet date.

(h) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of asset till such time as the asset is ready for its intended use or sale. Other borrowing costs are recognized as an expense in the period in which they are incurred.

(i) Accounting for Taxes on Income

Provision for current tax and fringe benefit tax is made, at the current rate of tax, based on assessable income computed on the basis of relevant tax rates and tax laws. Deferred tax resulting from timing differences between the book profits and the tax profits is accounted to the extent that the timing differences are expected to crystallize. Deferred tax assets are not recognized unless there is sufficient assurance with respect to reversal of the same in the future.

(j) Impairment of Assets

Asset that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the assets net selling price and its value in use for the purpose of opening impairment assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(k) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each balance sheet date.

(l) Segment Accounting

There is only one Segment so separate disclosure not applicable.

(m) Employee Benefits

Retirement benefit in the form of contribution to Provident Fund is charged to the Profit and Loss Account of the period when the contributions to the respective funds are due.



The company has gratuity scheme with Life Insurance Corporation of India. The premium thereof is paid in terms of the policy and charged to Profit and Loss Account. Leave encashment and other benefit are provided on the basis of actuarial valuation at the year end.

(n) Earning Per Share (EPS)

The earning considered in ascertaining the company's EPS comprises of the net profit after tax. Basic earnings per share is computed and disclosed using the weighted average number of common shares outstanding during the year. Diluted earnings per share is computed and disclosed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except when the results would be anti-dilutive.

2. Notes to Accounts

- a) The textiles business consisting of manufacturing textile products having net assets value of Rs.62,449.63 thousand has been transferred to the company on 'as is where is basis' on 1st April, 2008 at book value.
- b) The Scheme of Arrangement (the Scheme) under Section 391 to 394 of the Companies Act, 1956, between the Arrow Webtex Limited (AWL) (now known as Delta Corp Limited) and Arrow Textiles Limited ('ATL') ('the Company') and their respective shareholders is sanctioned by the honorable High Court of Judicature at Bombay vide Order dated August 22, 2008, and copy of the Order has been filed with the Registrar of Companies, Mumbai, Maharashtra on September 16, 2008. Pursuant to the Scheme, Textiles business of Arrow Webtex Limited is transferred to and vested with the Company on appointed date i.e. April, 1, 2008 on a going concern basis. This Scheme has been given effect to in the financial statements for the period ended December 31, 2008.

This demerged undertaking is engaged in carrying on the business of manufacture and sale of textile products and related activities. In terms of the scheme, all the assets and liabilities of the demerged undertaking have been accounted for at their carrying amounts on April 1, 2008. As per the Scheme and in consideration of the above, the Company has issued 13,552,813 number of equity shares of Rs.10 each aggregating to Rs.1,35,528.13 thousand. These shares has been be issued in the ratio of one equity share for every ten equity share held by the shareholders of Arrow Webtex Limited (AWL) (now known as Delta Corp Limited).

Consequent upon giving effect to the Scheme of Demerger, an amount of Rs.73,078.50 thousand arising as Goodwill, being the difference between the aggregate value of equity shares allotted and net book value of assets of the demerged undertaking as on April 1, 2008, has been disclosed under "Goodwill". Goodwill amount also includes deferred tax liability amount pertaining to textile division transferred in pursuant to the scheme. Goodwill arising on demerger has been amortized over a period of five years.

Pursuant to the Scheme, the following assets & liabilities are transferred and vested in the Company on appointed date i.e. 1st April, 2008, on a going concern basis.

Particulars	Rupees in thousand
Gross Block of Fixed Assets	2,44,969.75
Less: Depreciation	1,18,800.06
Net Block of Fixed Assets	1,26,169.69
Capital Work in Progress	413.46
Current Assets, Loans and Advances	86,239.33
Total – (A)	2,12,822.48
Loan Funds	1,18,774.08
Deferred Tax Liability	12,469.62
Current Liabilities and Provisions	19,129.15
Total – (B)	1,50,372.85
Net Balance (A) –(B)	62,449.63



- c) The transaction of textile business undertaking between the appointed date and the effective date, carried out by Arrow Webtex Limited (now known as Delta Corp Limited) are deemed to be made on behalf of Arrow Textiles Limited. Accordingly all assets, liabilities, income and expenditure of the de-merged undertaking for the said period accounted in the books of Arrow Webtex Limited (now known as Delta Corp Limited) are taken over by Arrow Textiles Limited and given effect in these financial statements.
- d) Miscellaneous expenses include provision for Rs. 2,906 thousand being stamp duty payable on transfer of business to the Company pursuant to the Scheme.

e) **Contingent Liabilities**

(Rupees in thousand)

Particulars	December 31, 2008	March 31, 2008
Guarantees outstanding in favor of the Government and other parties	638	-
against the Company not acknowledged as debts	5,028.28	-

- f) The Company has imported capital goods under the Export Promotion Capital Goods (EPCG) Scheme, of the Government of India, at concessional rates of duty on an understanding to fulfill quantified exports against which future obligation aggregates to Rs. 16,655.11 thousand, over a period of eight years. Non-fulfillment of such future obligations, if any, entails options/rights to the Government to confiscate capital goods under the said licenses and other penalties under the above referred scheme.

g) **Segment Reporting**

The Company is engaged in the business of manufacturing of textile labels and elastic tape primarily in India. As the Company primarily operates in a single segment, the reporting requirement of primary and secondary segment disclosures prescribed by Accounting Standard – 17 (Segment Reporting) issued by the Institute of Chartered Accountants of India, have not been provided in these financial statement as it is not applicable.

h) **Related Party Disclosures**

- (A) Related parties and transactions with them during the year as identified by the Management are given below:

(i) Parties where control exists:

Subsidiaries: - Nil

(ii) Key Management Personnels and their Relatives:

- Mr. Jaydev Mody – Chairman
- Mr. Chand Arora – Managing Director (appointed from 01.10.2008)

(iii) Enterprises over which persons or their relatives mentioned in (ii) above exercise significant influence :

- Delta Corp Limited
- Lark Enterprises



- (B) Details of transactions carried out with related parties in the ordinary course of business (excluding reimbursements):

(Rs. in thousand)

Sr No.	Nature of transactions	Key Management Personal and their Relatives	Enterprises over/which Individuals/ Directors exercise significant influence and Associates	Total
1	Sales	-	124.50	124.50
2	Expenses:			
	Interest Paid	-	2,671.54	2,671.54
	Remuneration/Commission	1,112.02	-	1,112.02
3	Loan Received	-	3,000.00	3,000.00
4	Loan Repaid	-	15,775.50	15,775.50
5	Net Assets Received pursuant to scheme of arrangement with Delta Corp Limited	-	62,449.63	62,449.63
6	<u>Outstanding as on December 31,2008</u>			
	Payables:			
	Loans	-	15,000.00	15,000.00
	Interest Payable	-	2,671.54	2,671.54
	Receivables:			
	Debtors	-	124.50	124.50

Note: In consideration of the net assets received from Arrow Webtex Limited (now known as Delta Corp Limited) as per the Scheme, equity shares has been issued to the related party are not disclosed under the related party transaction in above table.

- i) Warrant Holder of Arrow Webtex Limited (now known as Delta Corp Limited) had the option that upon payment of 'Balance Payment Amount' as defined in the Scheme (i.e. Rs.9/- per Equity Shares of Rs.10/- each of Arrow Textiles Limited) on Record date (i.e. 6th November 2008), to get 1 Equity Share of Rs.10/- each fully paid against every warrant held in the Demerged Company i.e. Arrow Webtex Limited (now Delta Corp Limited). But, said warrant holder did not exercise his option by the due date and accordingly the said option has lapsed.
- j) Balances of various debit and credit parties are subject to confirmations/reconciliation and consequent adjustments, if any. The Company is of the view that reconciliation(s), if any, arising out of final settlement of accounts with these parties is not likely to have any material impact on the accounts.
- k) In accordance with Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has accounted for Deferred Tax during the year.

The components of Deferred Tax Assets to the extent recognized and Deferred Tax Liabilities as on December 31, 2008, are as follows:

(Rs. in thousand)

Particulars	December 31, 2008	March 31, 2008
Deferred Tax Liability:		
Difference between Book and Tax WDV	42,338.75	-
Deferred Tax Asset:		
Net Deferred Tax Adjustments	42,338.75	-
Net Deferred Tax Liability (A)	14,390.94	-
Net Deferred Tax Liability received under scheme (B)	12,469.62	-
Net Deferred Tax Adjustments Recognized in P&L (A-B)	1,921.32	-



- l) Total amount outstanding towards Small Scale Industries as on the date of the Balance Sheet is Rs. 492.40 thousand. Total outstanding dues to Small Scale Industries have been estimated to the extent such parties have been identified on the basis of the information available with the Company

The list of such Entities / Companies is as follow:

(Rs. in thousand)

Sr.No.	The Name of the Companies	December 31, 2008	March 31, 2008
1	Avdhoot Enterprises, Nasik	4.49	-
2	Mukesh Industries, Nasik.	69.58	-
3	Pavan Plasic, Nasik.	27.97	-
4	Shweta Print Pack Pvt. Limited., Nasik.	5.71	-
5	Tirupati Enterprises, Mumbai.	330.51	-
6	Mayur Vidyut, Nasik.	0.67	-
7	Flexo Fabs, Mumbai.	7.45	-
8	S.S.Engineering Works, Nasik.	3.12	-
9	Sahyog Industrial Manufacturing Co., Thane	27.00	-
10	Shree Rubber Rollers, Nasik.	16.00	-
	Total	492.50	-

The above information regarding Small Scale Industrial Undertaking has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

- m) The immoveable property, factory building, land etc transferred pursuant to the scheme of arrangement and transfer of business is in the process of registration / transfer in the name of Company from the Transferor Company.

n) Details of Managerial Remuneration:

(Rs. in thousand)

Sr. No	Particulars	December, 31,2008	March,31, 2008
i.	Salaries	883.32	-
ii.	Commission to Managing Director	150.00	-
iii.	Contribution to PF	78.70	-
	Total	1,112.02	-

Mr. Chand Arora was appointed as a Managing Director of the Company w.e.f. 1st October, 2008 on such remuneration as disclosed above. The Company has applied for the approval of Central Government for the remuneration to be paid to him by filing necessary forms with Ministry of Corporate Affairs pursuant to Section 198, 269, 309 and other applicable provisions read with Schedule XIII of the Companies Act, 1956.

o) Auditors Remuneration (including Service Tax):

(Rs. in thousand)

Particulars	December, 31,2008	March,31, 2008
Audit Fees	95.00	6.24
In Other Capacities :		
- Tax Audit	15.00	-
- Taxation	20.00	5.00
- Certification and Other Services	17.15	-
- Out of Pocket Expenses	14.26	-
Total	161.41	11.24



p) **Earnings Per Share:**

(Rs. in thousand) except EPS and Share Nominal Value

Particulars	December, 31, 2008	March, 31, 2008
Numerator used for calculating basic and diluted earnings per share – Profit after Prior Period Adjustment and Proposed Dividend and Tax	(6,360.43)	(12.42)
Weighted average number of equity shares used as denominator for calculating basic and diluted earnings per share	13,602.81	10.00
Nominal value per equity share (Rs)	10	10
Basic and Diluted Earnings Per Share (Rs)	(0.47)	(1.24)

q) Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956

Licensed Capacity, Installed Capacity and Actual Production :

(As certified by the Management and relied upon by the Auditors)

Class of Goods	Unit	Licensed Capacity		Installed capacity		Actual Production Nos. in thousand)	
		2008	2007	2008	2007	2008	2007
Fabrics		NA	NA	51 ooms	-	7,991	-
Label		NA	NA	18 ooms	-	181,145	-
Printing		NA	NA	12 achines	-	69,977	-

Value of Imported and Indigenous Material Consumed:

Percentage of Total Consumption

(Rs. in thousand)

		December, 31, 2008		March 31, 2008	
			(%)		(%)
Materials : Imported Indigenous		8,356	13.76	-	-
		52,383	86.24	-	-
	Total	60,739	100.00	-	-
Materials: (Indigenous).		1,391	100.00	-	-
Parts and Components: Imported Indigenous		1,329	48.68	-	-
		1,401	51.32	-	-
	Total	2,730	100.00	-	-

Value of Imports on CIF Basis:

Value of Imports on CIF Basis	(Rs. in thousand)	
	December, 31, 2008	March 31, 2008
Raw Material	8,402	-
Components and Spare Parts	1,226	-
Plant and Machinery	14,915	-

Expenditure in Foreign Currency :	(Rs. in thousand)	
	December, 31, 2008	March 31, 2008
Traveling Expenses	23.00	-



Receipt in Foreign Currency :	(Rs. in thousand)	
	December,31, 2008	March 31,2008
Net Receipts including on previous year FOB Sales	12,895	-

Quantitative Details of Principal items of Raw Materials Consumption during the period:

(Figures in bracket indicate figures for previous year)

Description	Unit	Opening Stock	Purchase/ Acquired	Consumption/ Adjustment	Closing Stock	Consumption Value in Rs. In thousand
Rubber	Kgs	- (-)	25,099 (-)	23,811 (-)	1,288 (-)	4,800 (-)
Nylon	Kgs	- (-)	15,478 (-)	10530 (-)	4,948 (-)	3,000 (-)
Cotton	Kgs	- (-)	26,161 (-)	12,685 (-)	13,476 (-)	5,700 (-)
Polyester	Kgs	- (-)	1,93,773 (-)	1,42,050 (-)	51,723 (-)	25,600 (-)
Satin Acstate Cotton Tape	Mtrs	- (-)	1,31,83,819 (-)	93,57,997 (-)	38,25,822 (-)	19,039 (-)
Others						2600 (-)
Value	Rs. in thousand	- (-)	827 (-)	604 (-)	223 (-)	60,739 (-)

Particulars of Finished Goods and Sales during the Period :
(Figures in bracket indicates figures for previous year)

(Quantity and Value in Thousands)

Particulars	Unit	Opening Stock		Production / Purchase Acquired Qty	Sales		Shortage\ Wastage Qty	Closing Stock	
		Qty	Value		Qty	Value		Qty	Value
1 Elastic Tape	Mtrs	-	-	9,021	7,146	33,999	136	1,739	5,024
	Mtrs	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
2 Woven Labels	Nos	-	-	1,94,107	169,176	55,082	1,708	23,223	5,573
	Nos	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
3 Printed Labels	Nos	-	-	65,788	56,888	33,735	2,415	6,485	1,285
	Nos	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
4 Export Sales	Nos	-	-	8,650	8,650	12,895	-	-	-
	Nos	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total		- (-)	- (-)			1,35,711 (-)			11,882 (-)

r) Previous Year Comparatives

The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Current period balance sheet and Profit & Loss figures are not really comparable due to the acquisition of textile business under the scheme of arrangement (refer note (a) & (b) above) and further current year financials are for nine months while previous year figures are for three months only.

As per our report of even date
For Amit Desai & Co
Chartered Accountants

For Arrow Textiles Limited

(Amit Desai)
Proprietor
17th April 2009
Mumbai :

(Jaydev Mody)
Chairman

(Chand Arora)
Managing Director

(Amey Lotlikar)
Company Secretary



MANAGEMENT DISCUSSION AND ANALYSIS

You should read the following discussion and analysis of our Company's financial condition and results of operations together with our restated financial statements included in this Information Memorandum, along with the section titled "Financial Information" beginning on page 106 of this Information Memorandum. You should also read the section titled "Risk Factors" beginning on page 7 of this Information Memorandum, which discusses a number of factors and contingencies that could impact our Company's financial condition, results of operations and cash flows.

The following discussion relates to our Company and is based on our Company's restated financial statements, which have been prepared in accordance with Indian accounting standards referred to in Section 211(3C) of the Companies Act and the other applicable provisions of the Companies Act.

Certain industry, technical and financial terms used in this discussion shall have the meanings ascribed to them in the section entitled "Definitions and Abbreviations" beginning on page 3 of this Information Memorandum.



OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Outstanding litigations against Arrow Textiles Limited

There is no outstanding litigation and default against Arrow Textiles Limited except the following:

One case is pending in the Nashik Co-op. Court details of same are as follows.

LABOUR DISPUTES

Sr. No	Suit no.	Filed by	Filed against	Issue
1.	11/ 08 dt.14.01.2008 for recovery of Rs.19,493/- plus interest etc and 12/08 dt.14.01.2008 for recovery of Rs.38,990/- plus interest etc.	Mr. Tanaji Appaji Chavan	Arrow Textiles Limited	Recovery of Loan under Section 91 of The Maharashtra Co-op Society Act, 1960.

Outstanding Litigations against Directors of Arrow Textiles Limited

There are no outstanding litigations against our Directors.

Outstanding Litigations against the Promoters/ Promoters Group of Arrow Textiles Limited

Pending Litigation of Delta Cop Limited (formerly Arrow Webtex Limited)

Income Tax Disputes

Sr. No	Suit no.	Filed by	Filed against	Issue
1.	CIT Appeal No. NO/PN/CIT(A)/III/ Circle 8/20/07-08	Delta Corp Limited	Income Tax officer	Income Tax Liabilities for the A.Y 2004-05 up to Rs. 6.06 Lacs.

Pending Litigation of Delta Magnets Limited (formerly G.P Electronics Limited)

Excise Disputes

Sr. No.	Suit No.	Filed by	Filed against	Issue
1	OIO NO.24/2002 dated 28.08.2002	Central Excise	G.P. Electronics Limited	Modvat disallowed for FY-1997-98 and 1998-99, an appeal has been filed before Appellate Commissioner Excise



Service Tax Disputes

1	NSK/IV/S.Tax/GPL/C E/03 dated 14.07.2003	Central Excise	G.P. Electronics Limited	Service Tax not paid on Plant set up services provided by TDK Japan
2	NSK/IV/S.Tax/GPL/C E/04 dated 12.03.2004	Central Excise	G.P. Electronics Limited	Service Tax not paid on Plant set up services provided by TDK Japan

Income Tax Disputes

1	A.Y.1990-91	Income Tax	G.P. Electronics Limited	Deduction u/s 80 HHC for the purpose of section 115J & Allowability of depreciation
2	A.Y.1994-95	Income Tax	G.P. Electronics Limited	Deduction u/s 80 HHC - whether to include excise duty and sales tax as part of turnover
3	A.Y.1995-96	Income Tax	G.P. Electronics Limited	Deduction of claim of doubtful debts

Additional Litigations

1	SCC No. 7108/2005	G.P. Electronics Limited	Delhi Electronics	Towards dishonour of Cheque amounting to Rs.5.33 Lacs.
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GOVERNMENT APPROVALS

Our Company was incorporated under Companies Act, 1956 bearing Registration No:11-17838.
(CIN U51494MH2008PLC17838)

- PAN No. AAGCA8907P
- TAN No. MUMA32159B
- Service Tax Registration No. AAGCA8907PST001
- Provident Fund Registration No: MH/23583



OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for Listing

The Hon'ble High Court of Bombay, vide its Order dated 22nd August 2008 has approved the Scheme of Demerger between AWL and ATL and their respective members & creditors (the "Scheme"). In accordance with the said Scheme, the Equity Shares allotted to the shareholders of ATL Shall, subject to applicable regulations, be listed and admitted to trading on Bombay Stock Exchange Ltd., Mumbai ("BSE") and National Stock Exchange of India Limited. ("NSE").

Eligibility Criteria

The Equity Shares of ATL are eligible to be listed in terms of Clause 8.3.5 of SEBI (DIP) Guidelines, 2000.

Prohibition by SEBI

The Company, its Directors, its promoters, other companies promoted by the promoters and companies with which the Company's Directors are associated as Directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

Caution

The Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisements to be published in terms of Clause 8.3.5.4 of SEBI (DIP) Guidelines, 2000 or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Disclaimer Clause of BSE

As required, a copy of this Information Memorandum has been submitted to BSE. BSE has vide its letter dated 28th April 2008 approved the scheme under clause 24(f) of the Listing Agreement and by virtue of this approval the name of BSE has been included as one of the stock exchanges in which Company's securities are proposed to be listed.

The BSE does not in any manner:

- warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or
- warrant that this Company's securities will be listed or will continue to be listed on the BSE; or
- take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed to mean that this Information Memorandum has been cleared or approved by the BSE. Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of NSE

As required, a copy of this Information Memorandum has been submitted to NSE. NSE has vide its letter dated 11th April 2008 approved the scheme under clause 24(f) of the Listing Agreement and by virtue of this approval the name of NSE has been included as one of the stock exchanges in which Company's securities are proposed to be listed.

It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed to mean that this Information Memorandum has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; nor does it warrant that this Company's securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of the Company. Every person who desires to apply for or otherwise acquire any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.



Filing

Copies of this Information Memorandum have been filed with BSE, NSE, on [●] in due compliance with the directive issued by SEBI vide its letter bearing Reference No. CFD / DIL / PB / MS / 160750 / 2009 dated April 20, 2009.

Listing

Applications will be made to BSE and NSE, for permission to deal in and for an official quotation of the Equity Shares of the Company. Our Company has nominated BSE as the Designated Stock Exchange for the aforesaid listing of the shares.

Our Company shall ensure that all steps for the completion of necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above within such period as approved by SEBI.

Demat Credit

New Equity Shares were allotted in demat form to the shareholders who have provided necessary details to the Company and/or who were holding their shares in AWL in demat form as on the Record Date. For listing of the equity shares we have made listing application to the BSE vide our letter dated 19th January, 2009 and NSE vide our letter dated 5th February, 2009.

We have executed tripartite agreement with the Registrar and the Depositories i.e. NSDL and CDSL for admitting securities in demat form and have been allotted ISIN NO. INE933J01015

Physical share certificates

The Company has issued and dispatched share certificates to those shareholders who were holding the equity shares in physical form in AWL (now Delta Corp Limited) on Record Date.

Share Transfer Agent

Freedom Registry Limited
(Formerly Amtrac Management Services Limited)

Mumbai Address:
106, Peninsula Centre,
Dr. S. S. Rao Road
Parel, Mumbai 400012

Nasik Address:
Plot No.101/102
19th Street, MIDC
Satpur, Nasik 422007

Company Secretary & Compliance Office

Mr. Amey Lotlikar
Investors can contact the Compliance Officer in case of any share transfer related problem.

Stock Market Data for Equity Shares of ATL

Equity Shares of ATL are not listed on any stock exchanges. ATL is seeking approval for listing of its shares through this Information Memorandum.

Particulars Regarding Previous Public or Rights Issues during the Last Five Years

ATL has not made any previous public or rights issue during the last five years.

Companies under the Same Management

There are no companies under the same management within the meaning of Section 370(1B) of the Companies Act, other than the ones disclosed elsewhere in the Information Memorandum.



Disclosure on negative net worth/winding up/sick/BIFR/disassociation/strike off from ROC

Unless stated otherwise in this Information Memorandum, none of the companies constituting our Promoter Group have become sick companies within the meaning of SICA or are under winding up.

Further, none of Group Companies have applied for striking off their name from the ROC.



MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

INCREASE REDUCTION AND ALTERATION OF CAPITAL

6. The Company may from time to time in general meeting increase its share capital by the issue of new shares of such amounts as it thinks expedient.
7. (a) Subject to the provisions of Sections 80, 81 and 85 to 90 of the Act, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto by the general meeting creating the same as shall be directed and if no direction be given as the Directors shall determine and in particular such shares may be issued subject to the provisions of the said sections with a preferential or qualified right to dividends and in distribution of assets of the Company and subject to the provisions of the said sections with special or without any right of voting and subject to the provisions of section 80 of the Act any preference shares may be issued on the terms that they are or at the option of the Company are to be liable to be redeemed.
- (b) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unissued share capital or out of the increased share capital,
 - (i) such further shares shall be offered to the persons who at the date of offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date.
 - (ii) the offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined,
 - (iii) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice shall contain a statement of this right,
 - (iv) after the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company.
- (c) Notwithstanding anything contained in the preceding sub-clause, the Company may:-
 - (i) by a special resolution; or
 - (ii) where no such special resolution is passed if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company, offer further shares to any person or persons, and such person or persons may or may not include the person/s who at the date of the offer, are holders of the equity shares of the Company.
- (d) Notwithstanding anything contained in sub-clause (a) above, but subject, however, to Section 81 (3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares or to subscribe for shares in the Company.



- (e) Subject to the provisions of the Act and these Articles, the Directors may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up or partly paid up otherwise than in cash, and if so issued, shall be deemed to be fully paid up or partly paid up shares as the case may be.
 - (f) Except so far as otherwise provided by the conditions of Issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls, installments, transfers, transmission, forfeiture, lien, surrender, voting and otherwise.
8. (a) Subject to the provisions of Section 80 of the Act and subject to the provisions on which any shares may have been issued, the Company may issue preference shares which are or at the option of the Company are to be liable to be redeemed:

Provided that:-

- (i) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of Shares made for the purpose of redemption;
 - (ii) no such shares be redeemed unless they are fully paid;
 - (iii) the premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's share premium account before the shares are redeemed;
 - (iv) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividends, be transferred to a reserve fund, to be called "the capital redemption reserve account", a sum equal to the nominal amount of the shares redeemed; and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act, apply as if the capital redemption reserve account were paid-up share capital of the Company.
- (b) Subject to the provisions of Section 80 of the Act and subject to the provisions on which any shares may have been issued, the redemption of preference shares may be effected on such terms and in such manner as may be provided in these Articles or by the terms and conditions of their issue and subject thereto in such manner as the Directors may think fit.
 - (c) The redemption of preference shares under these provisions by the Company shall not be taken as reducing the amount of its authorised Share Capital.
 - (d) Where in pursuance of this Article, the Company has redeemed or is about to redeem any preference shares, it shall have power to issue shares upto the nominal amount of the shares redeemed or to be redeemed as if those shares had never been issued; and accordingly the Share Capital of the Company shall not, for the purpose of calculating the fees payable under Section 611 of the Act, be deemed to be increased by the issue of shares in pursuance of this clause.

Provided that where new shares are issued before the redemption of the old shares, the new shares shall not so far as relates to stamp duty be deemed to have been issued in pursuance of this clause unless the old shares are redeemed within one month after the issue of the new shares.

- (e) The Capital Redemption Reserve Account may, notwithstanding anything in this article, be applied by the Company, in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares.
9. The Company shall be at liberty at any time as the Company shall think fit, by giving notice in writing, as may be specified by the terms of issue approved by the Board to the holders of the preference shares to redeem at par the whole or part of the preference shares for the time being outstanding, by payment of the nominal amount thereof with dividend calculated upto the date or dates notified for payment (and for this purpose the dividend shall be deemed to accrue and due from day to day) and in the case of redemption of part of the preference shares the following provisions shall take effect:-



- (a) The shares to be redeemed shall be determined by drawing of lots which the Company shall cause to be made at its registered office in the presence of one Director at least; and
- (b) Forthwith after every such drawing, the Company shall notify to the shareholders whose shares have been drawn for redemption its intention to redeem such shares by payment at the registered office of the Company at the time and on the date to be named against surrender of the Certificates in respect of the shares to be so redeemed and at the time and date so notified each such shareholder shall be bound to surrender to the Company the Share Certificates in respect of the Shares to be redeemed and thereupon the Company shall pay the amount payable to such shareholders in respect of such redemption. The shares to be redeemed shall cease to carry dividend from the date named for payment as aforesaid. Where any such certificate comprises any shares which have not been drawn for redemption, the Company shall issue to the holder thereof a fresh certificate therefor.
10. The Company may from time to time by special resolution, subject to confirmation by the Court and subject to the provisions of sections 78, 80 and 100 to 104 of the Act, reduce its share capital and any Capital Redemption Reserve Account or Securities Premium account in any manner for the time being authorised by law and in particular without prejudice to the generality of the foregoing power may by:
- (a) extinguishing or reducing the liability on any of its shares in respect of Share Capital not paid up;
- (b) either with or without extinguishing or reducing liability on any of its shares, cancel paid up share capital which is lost or is unrepresented by available assets; or
- (c) either with or without extinguishing or reducing liability on any of its shares, pay off any paid up share capital which is in excess of the wants of the Company;
- and may, if and so far as is necessary, alter its Memorandum, by reducing the amount of its share capital and of its shares accordingly.
11. Subject to the provisions of Section 94 of the Act, the Company in general meeting may by an ordinary resolution alter the conditions of its Memorandum as follows, that is to say, it may:-
- (a) consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares;
- (b) sub-divide its shares or any of them into shares of smaller amount than originally fixed by the Memorandum subject nevertheless to the provisions of the Act in that behalf and so however that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived and so that as between the holders of the shares resulting from such sub-division one or more of such shares may, subject to the provisions of the Act, be given any preference or advantage over the others or any other such shares.
- (c) convert all or any of its fully paid up shares into stock, and re-convert that stock into fully paid up shares of any denomination.
- (d) cancel shares which at the date of such general meeting 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.
12. (a) If the Company has:-
- (i) consolidated and divided its Share Capital into shares of larger amount than its existing shares;
- (ii) converted any shares into stock;
- (iii) reconverted any stock into shares;
- (iv) sub-divided its share or any of them;
- (v) redeemed any redeemable preference shares; or
- (vi) cancelled any shares otherwise than in connection with a reduction of Share Capital under Sections 100 to 104 of the Act,



the Company shall within one month after doing so, give notice thereof to the Registrar specifying as the case may be, the shares consolidated, divided, converted, sub-divided, redeemed or cancelled or the stocks reconverted.

- (b) The Company shall thereupon request the Registrar to record the notice and make any alterations which may be necessary in the Company's Memorandum or Articles or both.
13. If at any time the Share Capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 106 and 107 of the Act, and whether or not the Company is being wound up, be varied, modified, commuted, affected or abrogated with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. This Article shall not derogate from any power which the Company would have if this Article were omitted. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate meeting but so that if at any adjourned meeting of such holders a quorum as defined in Article 94 is not present, those persons who are present shall be the quorum.

SHARES AND CERTIFICATES

14. The rights or privileges conferred upon the holders of the shares of any class issued with preference or other rights, shall not unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied or modified or affected by the creation or issue of further shares ranking pari passu therewith.
15. The provisions of Sections 85 to 88 of the Act in so far as the same may be applicable shall be observed by the Company.
17. Subject to the provisions of Section 81 of the Act and these Articles the shares in the Capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in general meeting to give to any person the option to call for any shares either at par or at a premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the Capital of the Company on payment in full or part for any property sold and transferred or for services rendered to the Company in the conduct of its business; and any shares which may be so allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.
20. If and whenever, as a result of issue of new or further shares or any consolidation or sub-division of shares, any shares are held by members in fractions, the Directors shall, subject to the provisions of the Act and the Articles and to the directions of the Company in general meeting, if any, sell those shares, which members hold in fractions, for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion, the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Directors may authorise any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
24. (a) The issue of certificates of shares or of duplicate or renewal of certificates of shares shall be governed by the provisions of Section 84 and other provisions of the Act, as may be applicable and by the Rules or notifications or orders, if any, which may be prescribed or made by competent authority under the Act or Rules or any other law. The Directors may also comply with the provisions of such rules or regulations of any stock exchange where the shares of the Company may be listed for the time being.
- (b) The certificate of title to shares shall be issued under the Seal of the Company and shall be signed by such Directors or Officers or other authorised persons as may be prescribed by the Rules made under the Act from time to time and subject thereto shall be signed in such manner and by such persons as the Directors may determine from time to time.



25. (a) Every member shall be entitled, without payment, to one Certificate for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such Certificates within the time provided by Section 113 of the Act unless the conditions of issue thereof otherwise provide. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of the shares in respect of which it is issued and the amount paid up thereon and shall be in such form as the Directors shall prescribe or approve provided that in respect of a Share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a Certificate of shares to one of several joint holders shall be sufficient delivery to all such holders.
- (b) The Company shall not entertain any application for split of share/debenture certificate for less than 10 shares/debentures (all relating to the same series) in market lots as the case may be.
26. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate be lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Re. 1/- for each certificate) as the Directors shall prescribe. Out of pocket expenses incurred by the Company in investigating the evidence as to the loss or destruction shall be paid to the Company if demanded by the Directors.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the Rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or Rules applicable in this behalf.

27. The provisions of the Article under this heading shall mutatis mutandis apply to debentures of the Company.

¹27A. DEMATERIALISATION OF SECURITIES

Dematerialization of Securities

- (ii) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its securities and to offer securities in a Company in a materialized form pursuant to the Depositories Act, 1956.

Options for Investors

- (i) Every person subscribing to securities offered by the Company shall have the option to receive security certificate 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 law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time present bed, issue to the beneficial owner the required Certificate of securities.

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.

Securities held by Depositories to be in fungible form

- (ii) All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in section 153, 153A, 187A, 187C and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

Rights of Depositories & beneficial owner

- (iii) (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered to be the registered owner for the purpose 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.

Services of Documents

- (iv) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronics mode or by delivery of floppies or discs.

Transfer of Securities

- (v) Nothing contained in section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of who are entered as beneficial owners in the records of a depository.

Allotment of Securities Dealt with in a depository

- (vi) Notwithstanding anything in the Act or these Articles, where securities dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

Distinctive number of securities held in a depository

- (vii) Nothing contained in the Act or these Articles regarding the necessity of having distinctive number for securities issued by the company shall apply to securities held with depository.

Register and index of beneficial owners

- (viii) The Register and Index of beneficial owners maintained by a depository under the Depositories Act 1956 shall be deemed to be the Register and Index of members and Securities holder for the purposes of these Articles.

CALLS

28. The Directors may from time to time and subject to Section 91 of the Act and subject to the terms on which any shares / debentures may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such calls as they think fit upon the members / debenture holders in respect of all moneys unpaid on the shares / debentures held by them respectively and each member / debenture holders shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine.

LIEN

41. The Company shall have a first and paramount lien upon all the shares and/or debentures (other than fully paid-up shares and/or debentures) registered in the name of each Member and/or Debenture holder (whether held singly or jointly with others) in respect of all monies, whether presently payable or not and shall extend to all dividends, interest rights and bonuses from time to time declared in respect of such shares and/or debentures. Unless otherwise agreed the registration of transfer of shares and/or debentures shall operate as a waiver of company's lien, if any, on such shares and/or debentures. The Directors may at any time declare any share and/or debenture wholly or in part exempt from the provisions of this Article. Notwithstanding anything contained hereinabove, Company shall have lien on fully paid shares or debentures and such lien shall extend only in respect of payment of excess dividend/interest or any sums owing to the Company by a member/ debenture holder.

FORFEITURE



44. (a) If any member or debenture holder fails to pay the whole or any part of any call or installment or any money due in respect of any share or debenture either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Directors may at any time thereafter, during such time as the call or any installment or any part thereof or other moneys remain unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such member or debenture holder or on the person (if any) entitled to the share by transmission requiring him to pay such call or installment or such part thereof or other moneys as remain unpaid 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 .
- (b) The notice shall name a day not being less than 14 (fourteen) days from the date of the notice and a place or places, on and at which such call, or installment or such part or other moneys as aforesaid and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non payment of call amount with interest at or before the time and at the place appointed, the shares or debentures in respect of which the call was made or installment or such part or other moneys is or are payable will be liable to be forfeited.

TRANSFER AND TRANSMISSION OF SHARES AND DEBENTURES

56. The instrument of transfer shall be in writing and all the provisions of Section 108 of the Act, shall be duly complied with in respect of all transfer of shares and registration thereof.
57. (a) Subject to the provisions of Section 111 of the Act, the Directors may, at their own absolute and uncontrolled discretion and without assigning any reason, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases Directors shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except the Company has a lien on the shares.
- (b) Nothing in Sections 108, 109 and 110 of the Act shall prejudice this power to refuse to register the transfer of, or the transmission by operation of law of the rights to, any shares or interest of a member in, or debentures of the Company.
58. (a) An application of registration of the transfer of shares 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 partly paid shares be effected unless the Company gives notice of the application to the transferee and subject to the provisions of Clause (d) of this Article, the Company shall unless objections made by the transferee, within two weeks from the date of receipt of the notice, enter in the Register of members the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.
- (b) For the purpose of clause (a) above notice to the transferee shall be deemed to have been duly given if sent by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered to him in the ordinary course of post.
- (c) It shall not be lawful for the Company to register a transfer of shares unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee has been delivered to the Company alongwith the Certificate relating to the shares and if no such Certificate is in existence, alongwith the letter of allotment of shares. The Directors may also call for such other evidence as may reasonably be required to show the right of the transferor to make the transfer, provided that where it is proved to the satisfaction of the Directors of the Company that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Directors think fit, on an application in writing made by the transferee and bearing the stamp required



by an instrument of transfer register the transfer on such terms as to indemnity as the Directors may think fit.

- (d) Nothing in clause (c) above shall prejudice any power of the Company to register as share holder any person to whom the right to any share has been transmitted by operation of law.
 - (e) Nothing in this Article shall prejudice any power of the Company to refuse to register the transfer of any share.
 - (f) Nothing contained in the foregoing Article shall apply to transfer of security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the records of a Depository.
 - (g) In the case of transfer of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form, the provisions of the Depositories Act, shall apply.
 - ¹(h) No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.
59. The instrument of transfer shall after registration be retained by the Company and shall remain in their custody. All instruments of transfer which the Directors may decline to register, shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine.
60. Only fully paid shares or debentures shall be transferred to a minor acting through his/her legal or natural guardian. Under no circumstances, shares or Debentures be transferred to any insolvent or a person of unsound mind.
61. The executors or administrators of a deceased member (not being one or two or more joint holders) or the holder of a Succession Certificate or the legal representatives of a deceased member (not being one or two or more joint holders) shall be the only persons whom the Company will be bound to recognise as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognise such executors or administrators or the legal representatives unless they shall have first obtained probate or Letters of Administration or a Succession Certificate, as the case may be, from a duly constituted competent court in India, provided that in any case where the Directors in their absolute discretion think fit, the Directors may dispense with the production of probate or Letters of Administration or a Succession Certificate upon such terms as to indemnity or otherwise as the Directors in their absolute discretion may think necessary and under Article 63 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.
62. Subject to the provisions of Articles 61 and 71 (d), any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these present, may with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such titles as the Directors shall think sufficient, either be registered himself as a member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as a member in respect of such shares. Provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be free from any liability in respect of such shares.
63. A transfer of the share or other interest in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.
64. The person becoming entitled to a share by reason of the death, lunacy, bankruptcy or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled as if he were registered holder of the shares except that he shall not before being registered as a member in respect of the share, be entitled in respect of it, to exercise any right conferred by membership in relation to the meeting of the Company provided that the Board may at any time give notice requiring any such persons to elect either to be registered himself or to transfer shares and if the notice is not complied within



sixty days, the Board may thereafter withhold payment of all dividends, interests, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.

65. (a) A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends, bonuses or moneys as hereinafter provided be entitled to receive, and may give a discharge for any dividends, bonuses or other moneys payable in respect of the share/debenture.
- (b) This Articles shall not prejudice the provisions of Articles 41 and 52.
66. The Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration.
67. Every transmission of a share shall be verified in such manner as the Directors may require, and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.
68. A fee not exceeding 50 (fifty) paise per share may be charged in respect of the transfer or transmission to the same party, of any number of shares of any class or denomination, subject to the such maximum fee on any one transfer or on transmissions as may from time to time be fixed by the Directors. Such maximum fee may be single fee payable on any one transfer or transmission of any number of shares of one class or denomination or may be on grades scale varying with the number of shares of any one class comprised in one transfer or transmission or may be fixed in any other manner as the Directors in their discretion determine.

The Directors shall have discretion (which they may exercise from time to time and for any period of time) not to charge any fee in respect of the transfer or transmission of Shares, and the Directors shall also comply with rules, regulations of Stock Exchange or the statute concerned.

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

JOINT HOLDERS

71. Where two or more persons are registered as the holders of any share/debentures, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles.
- (a) The Joint holders of any share/debenture shall be liable severally upto four persons as the holders of any share/debenture.
- (b) In the case of a transfer of shares/debentures held by joint holders, the transfer will be effective only if it is made by all the joint holders.
- (c) The Joint holders of any share/debenture shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share/debenture.
- (d) On the death of any one or more of such joint holders the survivor or survivors shall be the only person or persons recognised by the Company as having any title to the share/debenture, but the Directors



may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares/debentures held by him jointly with any other person.

- (e) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share/debenture.
- (f) Only the person whose name stands first in the Register of Members/debenture holders as one of the joint holder of any shares/debentures shall be entitled to the delivery of the certificate relating to such share/debenture or to receive notice (which expression shall be deemed to include all documents as defined in Article (2) (a) hereof and any document served on or sent to such person shall be deemed service on all the joint holders.
- (g)
 - (i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the Register in respect of such share shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to be present at the meeting provided always that joint-holder present at any meeting personally shall be entitled to vote in preference to a joint-holder present by Attorney or by proxy although the name of such joint-holder present by any Attorney or proxy stands first or higher (as the case may be) in the Register in respect of such shares.
 - (ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands shall for the purpose of this clause be deemed joint holders.

BORROWING POWERS

72. (a) The Board of Directors of the Company 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 to do any act or thing which is directed or required, whether by this or any other Act or by the memorandum or articles of the Company or otherwise, to be exercised or done by the Company in general meeting
- (b) The Board of Directors shall not, except with the consent of the Company in general meeting
- (i) sell, lease or otherwise dispose of the whole or substantially whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole, or substantially the whole, of any such undertaking.
 - (ii) remit, or give time for the repayment of any debt due by a Director.
 - (iii) invest, otherwise than in trust securities [the amount of compensation received by the Company in respect of the compulsory acquisition after the commencement of this Act], of any such undertaking as is referred to in clause (i) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time.
 - (iv) borrow moneys where the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose.
 - (v) contribute, to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed fifty thousand rupees or five percent, of its average net profits as determined in accordance with the provisions of Section 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater.



Explanation:-Every resolution passed by the Company in general meeting in relation to the exercise of the power referred to in clause (iv) or in clause (v) shall specify the total amount upto which money may be borrowed by the Board of Directors under clause(iv) or as the case may be, the total amount which may be contributed to charitable and other funds in any financial year under clause(v).

SHARE WARRANTS

80. The Company may issue share warrants subject to and in accordance with the provisions of Sections 114 and 115 of the Act and accordingly, the Board may, in its discretion, with respect to any share which is fully paid upon application in writing signed by the persons registered as holder of the share and authenticated by such evidence (if any) as the Board may, from time to time require as to the identity of the person signing the application, and on receiving the certificate (if any) of the share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.
81. (a) The bearer of a share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting, and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from time to time of deposit, as if his name were inserted in the Register of members as the holder of the share included in the deposited warrant.
- (b) Not more than one person shall be recognised as depositor of the Share Warrant.
- (c) The Company shall on two days' written notice return the deposited share warrant to the depositor.
82. (a) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.
- (b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of members as the holders of the shares included in the warrant and he shall be a member of the Company.
83. The Board may, from time to time, make rules as the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

GENERAL MEETINGS

86. Subject to the provisions contained in Section 166 and 210 of the Act, as far as applicable, the Company shall in each year hold, in addition to any other meetings, a general meeting as its annual general meeting, and shall specify, the meeting as such in the Notice calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next.
- Provided that if the Registrar for any special reason, extends the time within which any annual general meeting shall be held, then such annual general meeting may be held within such extended period.
87. Every annual general meeting shall be called at any time during business hours, on a day that is not a public holiday, and shall be held either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situate, and the notice calling the meeting shall specify it as the annual general meeting.
88. Sections 171 to 186 of the Act with such adaptations and modifications, if any, as may be prescribed, shall apply with respect to meetings of any class of members or debentureholders of the Company in like manner as they apply with respect to general meeting of the Company.
89. The Directors may call an extraordinary general meeting of the Company whenever they think fit.



90. (a) The Board of Directors of the Company shall on the requisition of such number of members of the Company as is specified in clause (d) of this Article, forthwith proceed duly to call an Extra ordinary general meeting of the Company.
- (b) The requisition shall set out the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists, and shall be deposited at the registered office of the Company.
- (c) The requisition may consist of several documents in like form, each signed by one or more requisitionists.
- (d) The number of members entitled to requisition a meeting in regard to any matter shall be such number of them as hold at the date of the deposit of the requisition not less than one-tenth of such of the paid-up share capital of the Company as at that date carried the right of voting in regard to that matter.
- (e) Where two or more distinct matters are specified in the requisition the provisions of clause (d) above, shall apply separately in regard to each such matter; and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that clause is fulfilled.
- (f) If the Board does not, within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters then on a day not later than forty-five days from the date of the deposit of the requisition, the meeting may be called:
- (i) by the requisitionists themselves;
- (ii) by such of the requisitionists as represent either a majority in value of the paid up share capital held by all of them or not less than one tenth of such of the paid-up share capital of the Company as is referred to in clause (d) above, whichever is less.
- Explanation: For the purpose of this clause, the Board shall in the case of a meeting at which resolution is to be proposed as a Special Resolution, be deemed not to have duly convened the meeting if they do not give such notice thereof as is required by sub-section (2) of Section 189 of the Act.
- (g) A meeting, called under clause (f) above, by the requisitionists or any of them:-
- (i) shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board; but
- (ii) shall not be held after the expiration of three months from the date of the deposit of the requisition.
- Explanation: Nothing in clause (g) (ii) above, shall be deemed to prevent a meeting duly commenced before the expiry of the period of three months aforesaid, from adjourning to some day after the expiry of that period.
- (h) Where two or more persons hold any shares or interest in the Company jointly, a requisition, or a notice calling a meeting, signed by one or some of them shall, for the purposes of this Article, have the same force and effect as if it had been signed by all of them.
- (i) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company; and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.
91. (a) A general meeting of the Company may be called by giving not less than twenty one day's notice in writing.
- (b) A general meeting of the Company may be called after giving shorter notice than that specified in clause (a) above, if consent is accorded thereto:
- (i) in the case of an annual general meeting by all the members entitled to vote thereat; and



- (ii) in the case of any other meeting, by members of the Company holding not less than 95 (Ninety Five) percent of such part of the paid-up capital of the Company as gives a right to vote at the meeting;

Provided that where any members of the Company are entitled to vote only on some resolution or resolutions to be moved at the meeting and not on the others, those members shall be taken into account for the purposes of this clause in respect of the former resolution or resolutions and not in respect of the latter.

- 92. (a) Every notice of a meeting of the Company shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat
- (b) Notice of every meeting of the Company shall be given:
 - (i) to every member of the Company, in any manner authorised by sub-sections (1) to (4) of Section 53 of the Act;
 - (ii) to the persons entitled to a share in consequence of the death or insolvency of a member, by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of deceased, or assignees of the insolvent, or by any like description, at the address if any, in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred;
 - (iii) to the Auditor or Auditors for the time being of the Company in any manner authorised by Section 53 of the Act in the case of any member or members of the Company; and
 - (iv) to all the Directors of the Company.

Provided that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the registered office of the Company under sub-section (3) of Section 53 of the Act, the statement of material facts referred to in section 173 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.

- (c) The accidental omission to give notice to, or the non-receipt of notice by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.
- 93. (a) For the purpose of this article:
 - (i) in the case of an annual general meeting, all business to be transacted at the meeting shall be deemed special with the exception of business relating to
 - (a) the consideration of the accounts, balance sheet and the reports of the Board of Directors and auditors,
 - (b) the declaration of a dividend,
 - (c) the appointment of directors in the place of those retiring, and
 - (d) the appointment of and the fixing of the remuneration of the auditors, and
 - (ii) in the case of any other meetings, all business shall be deemed special
 - (b) Where any items of business to be transacted at the meeting are deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including in particular the nature of the concern or interest, if any, therein of every Director, and the manager, if any.

Provided that where any item of special business as aforesaid to be transacted at a meeting of the Company relates, to or affects, any other Company, the extent of shareholding interest in that other



Company of any such person shall be set out in the circumstances specified in the proviso to sub-section (2) of Section 173 of the Act.

- (c) Where any item of business consists of the according of approval to any document by the meeting, the time and place where the documents can be inspected shall be specified in the statement aforesaid.
- 94 (a) Five members personally present shall be the quorum for a meeting of the Company.
- (b) (i) If within half an hour from the time appointed for holding a meeting of the Company, a quorum is not present, the meeting, if called upon by requisition of members, shall stand dissolved.
- (ii) In any other case, the meeting 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 other time and place, as the Board may determine.
- (c) If at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be the quorum.
- 95 (a) No business shall be transacted at any general meeting unless the requisite quorum be present at the commencement of the business.
- (b) No business shall be discussed or transacted at any general meeting except the election of a Chairman whilst the Chair is vacant.
- (c) (i) The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting. If there be no Chairman or if at any meeting he shall not be present within 15 (fifteen) minutes after the time appointed for holding such meeting or is unwilling to act, the Directors present may choose one of themselves to be the Chairman and in default of their doing so, the members present shall choose one of the Directors to be Chairman and if no Directors present be willing to take the chair, the members present shall choose one of themselves to be the Chairman.
- (ii) If at any meeting a quorum of members shall be present, and the Chair shall not be taken by the Chairman or Vice-Chairman of the Board or by a Director at the expiration of 15 minutes from the time appointed for holding the meeting or if before the expiration of that time all the Directors shall decline to take the Chair, the members present shall choose one of their member to be the Chairman of the meeting.
- (d) The Chairman with the consent of the meeting may adjourn any, meeting from time to time and from place to place in the city, town or village where the registered office of the Company is situate.
- (e) No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.
- (f) When a meeting is adjourned only for thirty days or more, notice of the adjourned meeting shall be given as in the case of original meeting.
- (g) Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment shall be taken at the meeting forthwith, save as aforesaid, any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.
96. (a) Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint any other person (whether a member or not) as his proxy to attend and vote instead of himself. A member (and in case of joint holders all holders) shall not appoint more than one person as proxy. A proxy so appointed shall not have any right to speak at the meeting.

Provided that unless where the proxy is appointed by a body corporate a proxy shall not be entitled to vote except on a poll.

- (b) In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and that a proxy need not be a member.



- (c) The instrument appointing a proxy or any other document necessary to show the validity or otherwise relating to the appointment of a proxy shall be lodged with the Company not less than 48 (forty-eight) hours before the meeting in order that the appointment may be effective thereat.
- (d) The instrument appointing a proxy shall:
 - (i) be in writing, and
 - (ii) be signed by the appointer or his attorney duly authorised in writing or, if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.
- (e) Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in usual common form or in such other form as the Directors may approve from time to time.
- (f) An instrument appointing a proxy, if in any of the forms set out in Schedule IX to the Act shall not be questioned on the ground that it fails to comply with any special requirements specified for such instrument by these Articles.
- (g) Every member entitled to vote at a meeting of the Company, or on any resolution to be moved thereat, shall be entitled during the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged at any time during the business hours of the Company, provided not less than 3 (three) days' notice in writing of the intention so to inspect is given to the Company.

VOTE OF MEMBERS

- 97. No member shall exercise any voting right 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.
- 98. A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in Article 97.
- 99. Any shareholder whose name is entered in the Register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other shareholders of the same class.
- 100. At any general meeting a resolution put to vote at the meeting shall unless a poll is demanded under Section 179 of the Act be decided on a show of hands.
- 101. (a) Subject to the provisions of the Act, upon show of hands every member entitled to vote and present in person shall have one vote, and upon a poll every member entitled to vote and present in person or by proxy shall have one vote, for every share held by him.
 - (b) No member not personally present shall be entitled to vote on a show of hands unless such member is a body corporate present by proxy or by a representative duly authorised under Sections 187 or 187A of the Act, in which case such proxy or representative may vote on a show of hands as if he were a member of the Company.
 - (c) A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll by his committee or other legal guardian and any such committee or guardian may, on poll vote by proxy; if any member be a minor the vote in respect of his share or shares shall be by his guardians or any one of his guardians, if more than one, to be selected in case of dispute by the Chairman of the meeting.
 - (d) Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposed to vote, he shall



satisfy the Directors of his right to such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

- (e) If any such instrument of appointment be confined to the object of appointing proxy or substitute for voting at meetings of Company, it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof examined with the original, shall be delivered to the Company to remain in the custody of the Company.
 - (f) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or of any power of attorney under which such proxy was signed or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the registered office of the Company before the meeting.
 - (g) No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every one whether given personally or by an agent or proxy or representative not disallowed at such meeting or poll shall be deemed valid for all purpose or such meeting or poll whatsoever.
 - (h) The Chairman of any meeting shall be sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
102. A declaration by the Chairman in pursuance of Section 177 of the Act that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books 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 such resolution.
103. (a) Before on the declaration of the result of the voting on any resolution on a show of hands, poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares, in the Company which confer a power to vote on the resolution, not being less than one tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than fifty thousand rupees has been paid up.
- (b) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
104. (a) A poll demanded on a question of adjournment shall be taken forthwith.
- (b) A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 175 of the Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct.
105. On a poll taken at a meeting of the Company a member 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.
106. (a) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him.
- (b) The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and to fill vacancies in the office of scrutineer arising from such removal or from any other cause.
- (c) Of the two scrutineers appointed under this article, one shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed.
107. (a) Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken.
- (b) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.



108. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.
109. A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 187 of the Act authorise such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company.
110. (a) The President of India or the Governor of a state if he is a member of the Company may appoint such person as he thinks fit to act as his representative at any meeting of the Company or at any meeting of any class of members of the Company in accordance with provisions of Section 187A of the Act or any other statutory provision governing the same.
- (b) A person appointed to act as aforesaid shall for the purposes of the Act be deemed to be a member of such a Company and shall be entitled to exercise the same rights and powers (including the right to vote by proxy) as the President or as the case may be the Governor could exercise, as a member of the Company.
111. The Company shall comply with provisions of Section 188 of the Act, relating to circulation of members' resolutions.
112. The Company shall comply with provisions of Section 190 of the Act relating to resolution requiring special notice.
113. The provisions of Section 191 of the Act shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date.
114. The Company shall comply with the provisions of Section 192 of the Act relating to registration of certain resolutions and agreements.
115. (a) The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.
- (b) Each page of every such book shall be initialled or signed and the last page of the record or proceedings of each meeting in such books shall be dated and signed:
- (i) in the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
- (ii) in the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.
- (c) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (d) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (e) All appointments of officers made at any of the meeting aforesaid shall be included in the minutes of the meeting.
- (f) in the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:
- (i) the names of the Directors present at the meetings, and



- (ii) in the case of each resolution passed at the meeting the names of the Directors, if any, dissenting from or not concurring in the resolution.
- (g) Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:
 - (i) is, or could reasonably be regarded, as defamatory of any person;
 - (ii) is irrelevant or immaterial to the proceedings; or
 - (iii) is detrimental to the interests of the Company.

The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this clause.

- (h) The minutes of meetings kept in accordance with the provision of Section 193 of the Act shall be evidence of the proceedings recorded therein.
116. Where minutes of the proceedings of any general meeting of the Company or of any meeting of its Board of Directors or of a Committee of the Board have been kept in accordance with the provisions of Section 193 of the Act then, until the contrary is proved, the meeting shall be deemed to have been duly called and held, and all proceedings thereat to have duly taken place and in particular all appointments of Directors or Liquidators made at the meeting shall be evidence of the proceedings recorded therein.
117. (a) The books containing the minutes of the proceedings of any general meeting of the Company shall:-
- (i) be kept at the registered office of the Company, and
 - (ii) be open, during the business hours to the inspection of any member without charge, subject to such reasonable restrictions as the Company may, in general meeting impose so however that not less than two hours in each day are allowed for inspection.
- (b) Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in Clause (a) above, on payment of thirty-seven paise for every one hundred words or fractional part thereof required to be copied.
118. No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 193 of the Act to be contained in the Minutes of the proceedings of such meeting.

MANAGERIAL PERSONNEL

119. The Company shall duly observe the provisions of Section 197A of the Act regarding prohibition of simultaneous appointment of different categories of managerial personnel therein referred to.

BOARD OF DIRECTORS

120. Unless otherwise determined by the Company in General Meeting, the number of Directors shall not be less than 3 (Three) and not more than twelve.
- (a) Subject to the provisions of the Act and within the overall limit prescribed under the Articles for the number of Directors on the Board, the Board may appoint any Senior Executive of the Company as a wholetime Director of the Company for such period and upon such terms and conditions as the Board may decide. The Senior Executive so appointed shall be governed by the following provisions:
- (i) He shall be liable to retire by rotation as provided in the Act but shall be eligible for reappointment. His reappointment as a Director shall not constitute a break in his appointment as wholetime Director.
 - (ii) He shall be reckoned as Director for the purpose of determining and fixing the number of Directors to retire by rotation.



- (iii) He shall cease to be a Director of the Company on the happening of any event specified in Section 283 and 314 (2C) of the Act. He shall cease to be a Director of the Company, if for any reason whatsoever, he ceases to hold the position of Senior Executive in the Company or ceases to be in the employment of the Company.
 - (iv) Subject to what is stated hereinabove he shall carry out and perform all such duties and responsibilities as may, from time to time, be conferred upon or entrusted to him by the Managing Director/s and/or the Board, shall exercise such powers and authorities subject to such restrictions and conditions and/or stipulations as the Managing Director/s and/or the Board may, from time to time determine.
 - (v) His remuneration shall be fixed by the Board and shall be subject to the approval of the Company in general meeting and of the central Government as may be required under the provisions of the Act.
- (b) Nothing contained in this Article shall be deemed to restrict or prevent the right of the Board to revoke, withdraw, alter, vary or modify all or any of such powers, authorities, duties and responsibilities conferred upon or vested in or entrusted to such wholetime Directors.

ROTATION OF DIRECTORS

139. Not less than two thirds of the total number of Directors shall

- (a) be persons whose period of office is liable to determination by retirement of Directors by rotation, and
- (b) save as otherwise expressly provided in the Act, be appointed by the Company in general meeting.

The remaining Directors shall, in default of and subject to any regulations in the Articles of the Company, also be appointed by the Company, in general meeting.

PROCEEDINGS OF DIRECTORS

140. The Directors may meet together as a Board for the despatch of business from time to time and shall so meet at least once in every three months and at least four such meetings shall be held in every year and they may adjourn and otherwise regulate their meetings and proceedings as they deem fit. The provisions of this Article shall not be deemed to be contravened merely by reason of the fact that meetings of the Board, which had been called in compliance with the terms herein mentioned could not be held for want of quorum.

141. Any Director of the Company may and the Manager or Secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.

142. Notice of every meeting of the Board of the Company shall be given in writing to every Director for the time being in India and at his usual address in India.

143. Question arising at any time at a meeting of the Board shall be decided by majority of votes and in case of equality of votes, the Chairman, in his absence the Vice Chairman or the Director presiding shall have a second or casting vote.

144. (a) The Directors may elect a Chairman of their meetings and determine the period for which he is to hold office. The Directors may also appoint a Vice-Chairman of the Board of Directors to preside at the meetings of the Board of Directors at which the Chairman shall not be present and determine the period for which he is to hold office.

- (b) All the meetings of the Directors shall be presided over by the Chairman, if present, but if at any meeting of Directors the Chairman be not present at the time appointed for holding the same, the Vice-Chairman, if present, shall preside and if he be not present at such time then and in that case the Directors shall choose one of the Directors then present to preside at the meeting.

145. (a) The quorum at a meeting of the Directors shall be as prescribed by Section 287 of the Act.



- (b) A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations or the Articles of the Company for the time being vested in or exercisable by the Directors generally.
- (c) If a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned till the same day in the next week, at the same time and place, or if that day is a Public holiday, till the next succeeding day which is not a public holiday, at the same time and place.
146. Subject to the provisions of Section 292 and other provisions of the Act and Article 148 the Directors may delegate all or any of their powers to committees consisting of such member or members of their body as they think fit, and they may, from time to time revoke and discharge any such Committee either wholly or in part, and either as to persons or purposes, but every Committee so formed shall in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Directors. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purpose of their appointments but not otherwise, shall have the like force and effect as if done by the Board. Subject to the provisions of the Act the Board may from time to time fix the remuneration to be paid to any member or members of that body constituting a Committee appointed by the Board in terms of these Articles, and may pay the same.
147. Subject to the provisions of Section 289 of the Act, a resolution passed without any meeting of Directors, or of a Committee of Directors appointed under these Articles and evidenced by writing under the hands of all the Directors or members of such Committee as aforesaid, for the time being in India, be as valid and effectual as a resolution duly passed at a meeting of the Directors or of such committee called and held in accordance with the provisions of these articles.
- Provided that the resolution has been circulated in draft, together with the necessary papers, if any, to such Directors, or members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or the Committee as the case may be) and all other Directors or members at their usual address in India and has been approved by such Directors as are then in India or by majority of such of them, as are entitled to vote on the resolution.
148. Subject to the provisions of Sections 252, 255 and 259 of the Act, the Company in general meeting may, by ordinary resolution, increase or reduce the number of Directors within the limits fixed in that behalf by the Articles.
149. All acts done by any meeting of the Directors or by a Committee of Directors, or by any person acting as a Director, shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid, or they or any of them were or was disqualified or that their or his appointment had terminated by virtue of any provisions contained in the Articles or the Act, be as valid as if every such person has been duly appointed and was qualified to be a Director.
150. The Directors shall cause minutes to be duly entered in a book or books provided for the purpose in accordance with the Articles and Section 193 of the Act.
151. Minutes of any meeting of the Board of Directors or of any Committees of the Board if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting shall be for all purposes whatsoever prima facie evidence of the actual passing of the resolutions recorded and the actual and regular transaction or occurrence of the proceedings so recorded and the regularity of the meeting at which the same shall appear to have taken place.

POWER OF DIRECTORS

152. Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorised to exercise and do and not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and other Act and of the Memorandum of Association and these articles and to any regulations, not being inconsistent with the Memorandum of Association and these articles or the Act, from time to time made by the Company in general meeting provided that no such



regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

153. Without prejudice to the general powers conferred by Article 152 and the other powers conferred by these presents and so as not in any way to limit any or all of those powers, it is hereby expressly declared that the Directors shall have the following powers:-

- (i) to pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company;
- (ii) To pay and charge to the capital account of the Company any interest law-fully payable thereon under the provisions of Sections 76 and 208 of the Act;
- (iii) Subject to the provisions of the Act and these Articles to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this Company is authorised to carry on, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may believe or may be advised to be reasonably satisfactory;
- (iv) Subject to the provisions of the Act to purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;
- (v) To erect, construct, enlarge, improve, alter, maintain, pull down rebuild or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company;
- (vi) To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 293 of the Act, any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit;
- (vii) At their discretion 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, debenture-stock or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture-stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;
- (viii) To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any part of the building, machinery, goods, stores, produce and other movable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies or assurance effected in pursuance of this power;
- (ix) Subject to Section 292 of the Act, to open accounts with any bank or bankers or with any Company, firm or individual and to pay money into and draw money from any account from time to time as the Directors may think fit;
- (x) To secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit;
- (xi) To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit;
- (xii) To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act;



- (xiii) To appoint any person or persons (whether incorporated or not), to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;
- (xiv) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company and also subject to the provisions of Section 293 of the Act to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company;
- (xv) To refer, subject to the provisions of Section 293 of the Act, any claims or demands by or against the Company to arbitration and observe and perform the awards;
- (xvi) To act on behalf of the Company in all matters relating to bankrupts and insolvents;
- (xvii) To make and give receipts, release and other discharge for moneys payable to the Company and for the claims and demands of the Company subject to the provisions of Section 293 of the Act;
- (xviii) To determine from time to time as to who shall be entitled to sign bills, notices, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents on the Company's behalf;
- (xix) Subject to the provisions of Section 292, 293, 370 and 372 of the Act, to invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such shares, securities, or investments (not being shares in this Company) and in such manner as they may think fit, and from time to time to vary or realise such investments;
- (xx) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company, such mortgages of the Company's property (present and future) as they may think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed on;
- (xxi) Subject to such sanction as may be necessary under the Act or the Articles, to give to any Director, Officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company.
- (xxii) To provide for the welfare of employees or ex-employees of the Company and their wives., widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chawls or by grants of money, pensions, allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds, institutions, or trust and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit;
- (xxiii) To subscribe, or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public or any other useful institutions, object or purposes for any exhibition;
- (xxiv) To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such Subsidiary Company, or who are or were at any time Directors or Officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidise and subscribe to any institutions, associations, clubs or funds collected to be for the benefit or to advance the interests and well being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid;



(xxv) To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.

(xxvi) Before recommending any dividend, to set aside out of profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund or Reserve Fund or Sinking Fund or any other special fund to meet contingencies or to repay redeemable preference shares, debentures, or debenture stock or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any part of the property of the Company, and for such other purposes as the Directors may, in their absolute discretion, think conducive to the interests of the Company and to invest the several sums so set aside or so much thereof as required to be invested upon such investments (subject to the restrictions imposed by Section 292 and 293 and other provisions of the Act) as the directors may think fit, and from time to time, to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company in such manner and for such purposes as the Directors (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interests of the Company notwithstanding that the matters to which the Directors apply or upon which they may expend the same or any part thereof may be matters to or upon which the Capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund into such special funds as the Directors think fit, and to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in repayment or redemption of redeemable preference shares, debentures or debenture-stock and that without being bound to keep the same separate from other assets or to pay interest on the same, with power, however to the Directors at their discretion to pay or allow to the credit of such fund interest at such rate as the Directors may think proper.

(xxvii) To appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, Agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit, and from time to time to provide for the management and transactions of the affairs of the Company in any special locality in India in such manner as they may think fit. The provisions contained in the clause following shall be without prejudice to the general powers conferred by this clause.

(xxviii) At any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and any such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities, and discretions for the time being vested in them.

(xxix) Subject to the provisions of the Act, generally and from time to time and at any time to authorise, empower or delegate to (with or without powers of sub-delegation) any Director, Officer or Officers or Employee for the time being of the Company and/or any other person, firm or Company all or any of the Powers, authorities and discretions for the time being vested in the Directors by these presents, subject to such restrictions and conditions, if any as the Directors may think proper.

(xxx) To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

MANAGING DIRECTORS

154. (a) Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any of its members as Managing Director or Managing Directors and/or Wholetime



Directors and/or Special Directors like Technical Director, Finance Director etc. of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing Director(s), Wholetime Director(s), Technical Director(s), Finance Director(s) and Special Director(s) such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine. Unless otherwise determined by the Company in General Meeting, the number of Managing Directors shall not be more than 2 (two). The remuneration of such Directors may be by way of monthly remuneration and/or fee for each meeting and/or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act.

- (b) The Directors, whenever they appoint more than one Managing Director, may designate one or more of them as Managing Directors, Joint Managing Directors or Deputy Managing Directors, as the case may be.
- (c) Subject to the provisions of Sections 198, 269, 309, 310 and 311 of the Act, the appointment and payment of remuneration to the above Director shall be subject to approval of the members in general meeting and of the Central Government.

SEAL

- 156. (a) The Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and the Directors shall provide for the safe custody of the Seal for the time being and the Seal shall never be used except by or under the authority of the Directors or a Committee of Directors previously given and every deed or other instrument to which the Seal of the Company is required to be affixed shall, be affixed in the presence of atleast one Director or the Manager or the Secretary or such other person as the Board/Committee of the Board may appoint for the purpose, who shall sign every instrument to which the Seal is so affixed in his presence; Provided that the certificates of shares or debentures shall be sealed in the manner and in conformity with the provisions of the Companies (Issue of Share Certificate) Rules, 1960 or any statutory modification thereof for the time being in force.
- (b) The Company shall also be at liberty to have an official seal in accordance with Section 50 of the Act for use in any territory, district or place outside India and such power shall accordingly be vested in the Directors or by or under the authority of the Directors granted, in favour of any person appointed for the purpose in that territory, district or place outside India.

INTEREST OUT OF CAPITAL

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

DIVIDENDS

- 158. The profits of the Company subject to any special rights relating thereto created or authorised to be created by these presents shall be divisible among the members in proportion to the amount of Capital paid up or credited as paid up on the shares held by them respectively.
- 159. No dividend shall be paid by the Company in respect of any share except to the registered holder of such share or to his order or to his banker.
- 160. Where a dividend has been declared by the Company it shall be paid within the period provided in Section 205 of the Act.
- 161. Where the Capital is paid up in advance of calls upon the footing that the same shall carry interest, such Capital shall not, whilst carrying interest confer a right to dividend or to participate in profits.



162. (a) The Company shall pay dividends in proportion to the amount paid up or credited as paid up on each share, when a larger amount is paid-up or credited as paid -up on some shares than on others. Nothing in this Article shall be deemed to affect in any manner the operation of Section 208 of the Act.
- (b) Provided always that any Capital paid up on a share during the period in respect of which a dividend is declared, shall, unless the terms of issue otherwise provide, only entitle the holder of such share to an apportioned amount of such dividend proportionate to the capital from time to time paid during such period on such share.
163. The Company in general meeting may declare a dividend to be paid to the members according to their respective rights and interests in the profits and may fix the time for payment.
164. No larger dividend shall be declared than is recommended by the Directors but the Company in general meeting may declare a smaller dividend.
165. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.
166. The Directors may, from time to time, pay to the members such interim dividends as in their judgement the position of the Company justifies.
167. The Directors may retain the Dividends payable upon shares in respect of which any person is under the Transmission clause of these articles entitled to become a member or which any person under that clause is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same.
168. Subject to the provisions of the Act, no member shall be entitled to receive payment of any interest or dividend in respect of his share(s) whilst any money may be due or owing from him to the Company in respect of such share(s) or debenture(s) or otherwise however either alone or jointly with any other person or persons and the Directors may deduct from the interest or dividend payable to any member, all sums of moneys so due from him to the Company.
169. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
170. Unless otherwise directed any dividend may be paid by cheque or warrant or a pay-slip or receipt having the force of a cheque for warrant sent through ordinary post to the registered address of the member or person entitled or in the case of joint holders to that one of them first named in the Register of Members in respect of the joint holding. Every such cheque or warrant so sent shall be made payable to the registered holder of shares or to his order or to his bankers. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost, to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means.
171. (a) Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 30 days, transfer the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted, to a special account with the words "Unpaid Dividend" as part of the name of account, to be opened by the Company in that behalf in any scheduled bank.
- (b) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund of the Central Government and the provisions of Section 205C of the Act shall apply in respect thereof.
- (c) No unpaid dividend shall bear interest as against the Company.
172. Any general meeting declaring a dividend may on the recommendation of the Directors make a call on the members for such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members, be set off against the calls.



173. No dividend shall be payable except in cash. Provided that nothing in this Article 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 any shares held by the members of the Company.
174. Subject to the provisions of Section 205 of the Act and if and in so far as may not be prohibited by that section or any of the provisions of the Act, any general meeting sanctioning or declaring a dividend in terms of these articles may direct payment or such dividend, wholly or in part, by the distribution of partly or fully paid up shares, and the Directors shall give effect to such direction and where any difficulty arises in regard to the distribution, they may settle the same as they think expedient, and in particular may issue fractional certificates or that fractions of less value than Rupee one may be disregarded, in order to adjust the rights of the parties and may vest any such shares, in trustees upon such trusts for the person entitled to the dividend as may seem expedient to the Directors, where required the Directors shall comply with Section 75 of the Act and the Directors may appoint any person to sign any contract thereby required on behalf of the persons entitled to the dividend and such appointment shall be effective.

CAPITALISATION

175. (a) Any general meeting may resolve that any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account of any moneys, investments or other assets forming part of the undivided profits (including profits or surplus moneys arising from the realisation and where permitted by law, from the appreciation in value of any capital assets of the Company) standing to the credit of the General Reserve, Reserve or any Reserve Fund or any other fund of the Company or in the hands of the Company and available for dividend may be capitalised. Any such amount (excepting the amount standing to the credit of the Share Premium Account and/or the Capital Redemption Reserve Account) may be capitalised:-

- (i) by the issue and distribution as fully paid shares, debentures, debenture-stock, bonds or obligations of the Company, or
- (ii) by crediting the shares of the Company which may have been issued and are not fully paid, with the whole or any part of the sum remaining unpaid thereon.

Provided that any amounts standing to the credit of the Share Premium Account may be applied on;

- (1) paying up un-issued shares of the Company to be issued to members of the Company as fully paid bonus shares;
 - (2) in writing off the preliminary expenses of the Company;
 - (3) in writing off the expenses of, or the commission paid or discount allowed on any issue of shares or debentures or the Company; or
 - (4) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company. Provided further that any amount standing to the credit of the Capital Redemption Reserve Account shall be applied only in paying up un-issued shares of the Company to be issued to the members of the Company as fully paid bonus shares.
- (b) Such issue and distribution under Sub-clause (a) (i) above and such payment to the credit of unpaid share capital under sub-clause (a) (ii) above shall be made to among and in favour of the members of any class of them or any or them entitled thereto and in accordance with their respective rights and interests and in proportion to the amount of capital paid up on the shares held by them respectively in respect of which such distribution under sub-clause (a) (i) or payment under sub-clause (a) (ii) above shall be made on the footing that such members become entitled thereto as capital.
- (c) The Directors shall give effect to any such resolution and apply portion of the profits, General Reserve Fund or any other fund or account as aforesaid as may be required for the purpose of making payment in full for the shares, debentures or debenture-stock, bonds or other obligations of the Company so distributed under sub-clause (a) (i) above or (as the case may be) for the purpose of paying, in whole or in part, the amount remaining unpaid on the shares which may have been issued and are not fully paid-up under sub-clause (a) (ii) above provided that no such distribution and payment shall be accepted by such members as aforesaid in full satisfaction of their interest in the said capitalised sum.



- (d) For the purpose of giving effect to any such resolution the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates or coupons and fix the value for distribution of any specific assets and may determine that such payments be made to any members on the footing of the value so fixed and may vest any such cash, shares, fractional certificates or coupons, debentures, debenture-stock, bonds, or other obligations in trustees upon such trusts for the persons entitled thereto as may seem expedient to the Directors and generally may make such arrangement for the acceptance, allotment and sale of such shares, debentures, debenture-stock, bonds or other obligations and fractional certificates or coupons or otherwise as they may think fit.
- (e) Subject to the provisions of the Act and these Articles, in cases where some of the shares of the Company are fully paid and others are partly paid only, such capitalisation may be effected by the distribution of further shares in respect of the fully paid shares, and by crediting the partly paid shares with the whole or part of the unpaid liability thereon but so that as between the holders of fully paid shares, and the partly paid shares the sums so applied in the payment of such further shares and in the extinguishment or diminution of the liability on the partly paid shares shall be so applied pro rata in proportion to the amount then already paid or credited as paid on the existing fully paid and partly paid shares respectively.
- (f) When deemed requisite a proper contract shall be filed with the Registrar of Companies in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the members entitled as aforesaid and such appointment shall be effective.

ACCOUNTS

176. The provisions of Section 209 to 222 of the Act shall be complied with in so far as the same be applicable to the Company.

WINDING UP

- 190. (a) Subject to the provisions of the Act, if the Company shall be wound up and the assets available for distribution among the members as such shall be less than sufficient 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 winding up, on the shares held by them respectively. And if in 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 to the Capital at the commencement of the winding up or which ought to have been paid up on the shares held by them respectively.
 - (b) But this clause will not prejudice the rights of the holders of shares issued upon special terms and conditions.
191. Subject to the provisions of the Act,
- (a) If the Company shall be wound up whether voluntarily or otherwise, the liquidators may with the sanction of a special resolution and other sanction required by the Act, divide amongst the contributories, in specie or kind the whole or any part of the assets of the Company, and may, with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them as the liquidators with the like sanction shall think fit.
 - (b) If thought expedient, any such division may, subject to the provisions of the Act, be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given (subject to the provisions of the Act) preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined or any contributory who would be prejudiced thereby shall have the right, if any to dissent and ancillary rights as if such determination were a special resolution passed pursuant to section 494 of the Act.
 - (c) In case any shares to be divided as aforesaid involves a liability to call or otherwise, any person entitled under such division to any of the said shares may within ten days after the passing of the



special resolution, by notice in writing direct the liquidators to sell his proportion and pay him the net proceeds and the liquidators shall, if practicable act accordingly.

192. Subject to the provisions of the Act, a special resolution sanctioning a sale to any other Company duly passed may, in like manner as aforesaid, determine that any shares or other consideration receivable by the Liquidators be distributed amongst the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent, if any, if such right be given by the Act.



DOCUMENTS FOR INSPECTION

These documents have been delivered to the Stock Exchanges along with this Information Memorandum.

Documents for Inspection:

1. Memorandum and Articles of Association of ATL, as amended from time to time.
2. Certificate of Incorporation dated 30th January 2008.
3. The order by Hon'ble High Court of Judicature at Bombay dated 22nd August 2008 sanctioning the Scheme of Arrangement.
4. Letters from BSE, NSE, ASE and DSE dated 28th April 2008, 11th April 2008, 8th May 2008, 21st May 2008 respectively according their no objection to the Scheme.
5. Copies of Tripartite Agreement with National Securities Depository Ltd. dated 4th November, 2008 and Central Depository Services (India) Limited dated 7th November, 2008.
6. Reports of Statutory Auditors of the Company dated 29th November, 2008 prepared as per Indian Accounting Standard and mentioned in this Information Memorandum.
7. Copy of Annual Report of our Company for financial year 2007-08.
8. Certificate of Statutory Auditor to the Statement of possible Tax Benefits mentioned in this Information Memorandum.
9. SEBI Letter No. CFD / DIL / PB / MS / 160750 / 2009 dated April 20, 2009 granting relaxation from the applicability of Rule 19(2)(b) of the Securities Contract Regulation (Rules) 1975 for listing of the shares of the Company.



DECLARATION

No statement made in this Information Memorandum contravenes any of the provisions of the Companies Act, 1956 and the rules made thereunder. All the legal requirements connected with the issue as also the guidelines, instructions etc. issued by SEBI, Government and any other competent authority in this issue have been duly complied with.

All the information contained in this Information Memorandum is true and correct.

**SIGNED ON BEHALF OF THE BOARD OF DIRECTORS
OF ARROW TEXTILES LIMITED**

Sd/-

**JAYDEV MODY
CHAIRMAN**

Place: Mumbai

Date : 24th April , 2009