

## Achal Investments Limited

The Company was incorporated on July 14, 1980 under the Companies Act, 1956 as "Achal Investments Limited" in the state of New Delhi. The Corporate Identification Number (CIN) of the Company is L65993DL1980PLC010636.

Registered Office: City Business Centre 3606, III<sup>rd</sup> floor, Chamber No-32, Daryaganj, Delhi – 110002

Tel: 91-11-32317170 Fax: 91-11-32317170

Email ID: achalinvest@yahoo.com, Website: www.achalinvest.com

Contact Person: Ms. Laxmi Joshi, Company Secretary and Compliance Officer;

Tel: 91-11-32317170 Fax: 91-11-32317170; Email ID: achalinvest@yahoo.com,

### INFORMATION MEMORANDUM FOR LISTING OF 61,49,800 EQUITY SHARES OF RS.10/-EACH FULLY PAID UP

#### GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest in the equity shares of Achal Investments 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 Achal Investments Limited. For taking an investment decision, investors must rely on their own examination of the Company including the risks involved.

#### ABSOLUTE RESPONSIBILITY OF ACHAL INVESTMENTS LIMITED

Achal Investments Limited having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to Achal Investments Limited, which is material, that the information contained in the 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 Achal Investments Limited which are listed on the Delhi Stock Exchange Limited are proposed to be listed and traded on BSE Limited.

#### REGISTRAR & SHARE TRANSFER AGENT

BEETAL FINANCIAL AND COMPUTER SERVICES PRIVATE LIMITED

Beetal House, 99, Madangir, Behind Local Shopping Centre,

Near Dada Harsukhdass Mandir, New Delhi - 110062

Tel.: 011 29961281/82, Fax: 011 29961284

Email ID: beetal@radiffmail.com, Website: www.beetalfinancial.com

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## SECTION I - DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise requires, in the Information Memorandum, all references to “Achal”, “Achal Investments”, “we”, “us”, “our” and “the Company” are to Achal Investments Limited.

Term	Description
“The Company” or “Achal” or “Achal Investments” or “we” or “us” or “our”	Achal Investments Limited having its registered Office at City Business Centre 3606, IIIrd Floor Chamber No-32, Daryaganj Delhi – 110002
AOA/Articles/Articles of Association	Article of Association of the Company, as amended from time to time, unless the context otherwise specifies
Auditors / Statutory Auditors	The Statutory Auditors of the Company, M/s Kumar Anoop & Company, Chartered Accountant.
Banker(s) to the Company	HDFC Bank
Board of Directors/ Board/ Directors	The Board of Directors of the Company or a committee constituted thereof, unless the context otherwise specifies
BSE / Bombay Stock Exchange Limited	BSE Limited
Director(s)	The director(s) of the Company, unless otherwise specified.
Equity Shares	Equity shares of the Company of face value of Rs. 10 each, fully paid up, unless otherwise specified in the context thereof
Information Memorandum	This document as filed with the Stock Exchanges is known as and referred to as the Information Memorandum
Memorandum/ Memorandum of Association	The Memorandum of Association of Achal Investments Limited
Promoters	The promoters of the Company.
Promoter Group	Includes such persons and entities constituting our promoter group in terms of Regulation 2 (1)(zb) of the SEBI ICDR Regulations
Registered Office	The registered office of the Company at City Business Centre 3606, IIIrd Floor Chamber No-32, Daryaganj Delhi – 110002
Registrar/ Registrar & Share Transfer Agent	The Registrar & Share Transfer Agent of the Company, Beetal Financial and Computer Services Private Limited

## Abbreviations

Term	Description
Act or Companies Act	The Companies Act, 1956, as amended from time to time
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BIFR	Board for Industrial and Financial Reconstruction
CG	Central government
CIN	Corporate Identification Number
CDSL	Central Depository Services (India) Limited
DSE	The Delhi Stock Exchange Limited

Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996 as amended from time to time
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary General Meeting
EPS	Earnings per Equity Share
Financial year/fiscal/ FY	Period of twelve months ended March 31 of that particular year, unless otherwise stated
HUF	Hindu Undivided Family
I. T. Act	The Income-tax Act, 1961, as amended from time to time, except as stated otherwise
Indian GAAP	Generally Accepted Accounting Principles in India
Listing Agreement	Listing agreement entered into by the Company with the Stock Exchanges
NA	Not Applicable
NAV	Net Asset Value being paid up equity share capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of Profit and Loss account, divided by number of issued Equity Shares
NSDL	National Securities Depository Limited
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
PAT	Profit after tax
PBT	Profit before tax
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
RoC	Registrar of Companies, NCT of Delhi & Haryana
Rs.	Indian Rupees
RSE	Designated Regional Stock Exchange
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992, as amended from time to time
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI Guidelines	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 including instructions and clarifications issued by SEBI from time to time.
State Government	The government of a state of the Union of India
UIN	Unique Identification Number

## SECTION II – GENERAL

### PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

#### Certain Conventions

Unless otherwise specified or the context otherwise requires, all references to “India” in this Information Memorandum are to the Republic of India, together with its territories and possessions. Unless the context otherwise requires, all references to the "Company", "we", "us" and "our" refers to Achal Investments Limited.

#### Financial Data

Unless indicated otherwise, the financial data in this Information Memorandum is derived from our financial statements prepared in accordance with the Generally Accepted Accounting Principles in India (“Indian GAAP”) and the Companies Act, 1956, as amended (“Companies Act”) included elsewhere in this Information Memorandum.

The financial year commences on April 1 and ends on March 31, so all references to a particular financial year are to the twelve-month period ended March 31 of that year. In this Information Memorandum, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

#### Currency of Presentation

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

#### Industry and Market Data

Unless stated otherwise, industry data and the market data used throughout this Information Memorandum have been obtained from industry publications, websites and other authenticated published data. Industry publications generally state that the information contained in those publications 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, the Company believes that industry data used in this Information Memorandum is reliable, it has not been independently verified. Similarly, internal company reports, while believed by us to be reliable, have not been verified by any independent sources.

The extent to which the market and industry data used in this Information Memorandum is meaningful depends on the readers familiarity with the understanding of the methodologies used in compiling such data. There are no standard valuation methodologies or accounting policies in the said industry in India and methodologies and assumptions may vary widely among different industry sources.

## FORWARD LOOKING STATEMENTS

This Information Memorandum contains certain words or phrases, including, “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “would”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are forward-looking statements. 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.

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: -

- General economic and business conditions in India and other countries.
- Our ability to successfully implement our strategy, our growth and expansion, our exposure to market risks that have an impact on our business activities or investments.
- The changes in monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices.
- The performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry.
- Changes in the value of the Rupee and other currencies.
- The occurrence of natural disasters or calamities.
- Change in political and social conditions in India.
- The Loss or shutdown of operations of the Company at any time due to strike.
- The Loss of our key employees and Staff.
- Our ability to respond to technological changes.

### Absolute Responsibility of Achal Investments Limited

Achal Investments Limited having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to the Company, which is material, that the information contained in the 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 are intentions misleading in any material respect.

### SECTION III - RISK FACTORS AND MANAGEMENT PERCEPTIONS THEREOF

#### Risk Factors

The Company being is currently engaged in the financial activities. The business of the Company largely depends on the policies framed by government well as Global volatility in the financial market.

Recession in the economies of the abroad countries affects the economy of India which further results in the Financial Market performance. Our business is dependent on the performance of the Securities Market viz; Primary as well as Secondary Market in India, and our operations could be adversely affected if market conditions deteriorate.

Any adverse trend in the industry, adverse trends in domestic/global business environment will have adverse impact on the performance of the Company.

Any adverse changes in political and economic environment in India will have negative impact on business and performance of the Company.

Changes in government policies national or state wise will have adverse consequences on the business of the Company.

#### Management Perception

The Company, at present follows such rules, regulations and guidelines as may be applicable to a Company. It follows and regularly complies with the guidelines issued by SEBI, Companies Act from time to time and will always strive to take due care to follow the same. Thus the applicability of such laws will have limited consequences upon business and performance of the Company.

The Company follows a systematic process for planning and implementation of its strategies. The Company is exposed to specific risks that are particular to its business and the environment within which it operates. The measurement, monitoring management of risk remains key focus areas for the company.

The Company has in built balancing business strategy/approach so as to ensure minimum effect on the business of the company in the adverse situations of political, economic scenario and government policies.

## SECTION IV - INTRODUCTION

### SUMMARY OF BUSINESS

In this section, unless the context requires otherwise, any reference to “we”, “our” and “us” refers to the Company.

#### OVERVIEW

The Company was incorporated on July 14, 1980 under the Companies Act, 1956 as "Achal Investments Limited" in the state of Delhi. The Corporate Identification Number (CIN) of the Company is L65993DL1980PLC010636. The Registered Office of the Company is situated at City Business Centre 3606, IIIrd Floor Chamber No-32, Daryaganj Delhi - 110002. The Company made an Initial Public Offering of Shares in the year 1981. The shares of the Company are listed on Delhi Stock Exchange Limited.

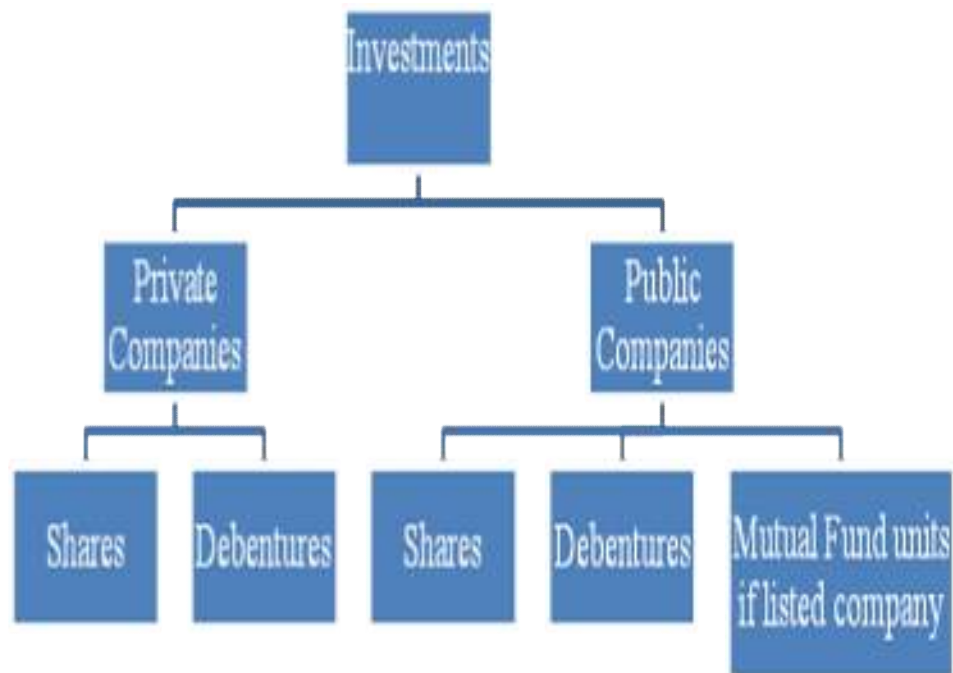
Company’s major activities are carried out at its Delhi offices.

Existing and proposed activities of the Company are within the scope of the Object Clause of our Memorandum of Association.



## AREAS OF ACTIVITY OF THE COMPANY

**The Company is mainly operating under Investments in shares and securities:**



The company is mainly into investing in and acquiring and holding shares, stocks, debentures, debenture stocks, bonds, warrants, obligations/and/or other securities issued or guaranteed by any company constituted or carrying on business in India and/or by any Government, state, public body-or authority.

It is also into acquisition of shares, stocks, debentures, debenture stocks, bonds, warrants, obligations and/or other securities, by original subscription, participation in- syndicates, tender, purchase, exchange or otherwise and to subscribe the same, either conditionally or otherwise, and to exercise and powers conferred by or incidental to the ownership thereof.

## SUMMARY OF FINANCIAL INFORMATION

The following table provides a summary of financial information derived from the financial statements as of and for the financial year 2014, 2013, 2012 and 2011. These financial statements have been prepared in accordance with the Indian GAAP and the Companies Act, 1956. The summary of financial information presented below should be read in conjunction with the financial statements, the notes and annexures thereto on page no 34.

## Summary Statement of Assets and Liabilities

(Rs. In Lacs)

Sr. No.	Particulars	As at March 31,			
		2014	2013	2012	2011
1	Non-Current Assets				
	Fixed Assets				
	(i) Tangible Assets Gross Block	3.74	4.10	-	-
	Less: Depreciation	1.21	0.36	-	-
	Net Block	2.53	3.74	-	-
	Non-current Investment	-	-	-	-
	Deferred Tax Assets	-	-	-	-
	Long Term Loans & Advances	436.20	139.12	139.12	139.12
	Other Non-Current Assets	4.49	-	-	-
	Total Non-Current Assets	443.22	142.86	139.12	139.12
2	Current Assets				
	Inventories		-	-	-
	Trade Receivables	46.00	6.64	-	-
	Cash and CashEquivalents	5.40	2.60	12.20	12.07
	Short-term Loans & Advances	479.63	-	-	-
	Other Current Assets	0.67	0.23	-	-
	Total Current Assets	531.70	9.47	12.20	12.07
3	Non-current Liabilities				
	Long-term Borrowings	-	-	-	-
	Deferred TaxLiabilities (Net)	-	0.10	-	-
	Long-term Provisions	-	-	-	-
	Other Long Term Liabilities	974.39	9.74	9.74	9.74
	Total Non-Current Liabilities	974.39	9.84	9.74	9.74
4	Current Liabilities				
	Short-term Borrowings		-	-	-
	Trade Payables		-	-	-
	Other Current Liabilities	6.19	1.74	2.25	2.17
	Short-term Provisions	3.87	3.59	3.36	3.36
	Total CurrentLiabilities	10.06	5.33	5.61	5.53
	Net Worth	329.35	137.16	135.97	135.92
1.	Networth Represented by				
	Share Capital	614.98	424.32	424.25	424.25
	Reserves and Surplus	(285.63)	(287.16)	(288.28)	(288.33)
	Net Worth	329.35	137.16	135.97	135.92

## Summary Statement of Profit and Loss Account

(Rs. In Lacs)

Sr. No.	Particulars	As at March 31,			
		2014	2013	2012	2011
I	Income				
	Revenue from Operations	222.32	6.90	-	-
	Other Income	4.88	4.82	0.78	0.10
	Total Revenue	227.20	11.72	0.79	0.10
II	EXPENSES				
	Cost of Materials Consumed	-	-	-	-
	Purchase of Stock-in Trade	196.83	-	-	-
	Changes in Inventories of FG & WIP and Stock in Trade	-	-	-	-
	Employee Benefit Expenses	9.05	3.60	-	0.60
	Finance Costs	0.00	-	-	-
	Depreciation and amortisation expense	1.21	0.37	-	-
	Other Expenses	18.04	6.53	0.73	0.85
	Total Expenses	225.14	10.50	0.73	1.45
III	Profit before Exceptional and Extraordinary Items and Tax (I - II)	2.07	1.22	0.05	(1.35)
IV	Exceptional Items	-	-	-	-
V	Profit before Extraordinary Items and Tax (III - IV)	2.07	1.22	0.05	(1.35)
VI	Extraordinary Items	-	-	-	-
VII	Profit before tax (V - VI)	2.07	1.22	0.05	(1.35)
VIII	Tax Expense :				
	(1) Current Tax	0.75	-	-	-
	(2) Deferred Tax Liability/ (Assets)	(0.21)	0.10	-	-
	Total Tax Expense	0.54	0.10	-	-
IX	Profit (Loss) for the period (VII - VIII)	1.53	1.12	0.05	(1.35)
X	Earnings Per Share (Basic & Diluted)	0.025	0.026	0.0012	-

## Summary Statement of Cash Flow

(Rs. In Lacs)

Particulars	As at March 31,			
	2013	2012	2011	
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit / (Loss) before Extraordinary Items and Tax	2.07	1.22	0.05	(1.35)
Adjustments for -				
Add: Depreciation and Amortisation	2.33	0.37	-	-
Add: Interest Received		-	-	-
Operating Profit before Working Capital Changes	4.40	1.59	0.05	-
Adjusted for:				
Decrease / (Increase) in Inventories	-	-	-	-
Decrease / (Increase) in Trade Receivables and Other Receivables	(39.35)	(6.64)	-	-
Increase / (Decrease) in Current Liabilities and Provisions	(0.43)		-	-
Increase / (Decrease) in Other Liabilities	4.22	(0.51)	0.08	-
Cash generated from Operations	(31.18)	(5.56)	0.13	(1.35)
Taxes Paid	0.23	-	-	-
Net Cash Generated from Operations	(31.41)	(5.56)	0.13	(1.35)
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	-	(4.11)	-	-
(Increase)/ Decrease in Other Long Term loans & Advances	(297.08)	-	-	-
(Increase)/ Decrease in Other Short Term loans & Advances	(479.62)	-	-	-
Interest Received	(338.77)	-	-	-
Net cash used in Investing Activities	(1115.47)	(4.11)	-	-
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Shares Issue during the year	190.66	-	-	-
Call in Arrears Received	-	0.07	-	-
Proceeds from Long-term Borrowings	964.65	-	-	-
Proceeds from other Short-term borrowings	(5.62)	-	-	-
Net Cash used in Financing Activities	1149.69	0.07	-	-
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	2.80	(9.60)	0.13	(1.35)
Cash and Cash Equivalents at the beginning of the year	2.60	12.20	12.07	13.42
Cash and Cash Equivalents at the end of the year	5.40	2.60	12.20	12.07

GENERAL INFORMATION

The Company was incorporated on July 14, 1980 under the Companies Act, 1956 as "Achal Investments Limited" in the state of Delhi. The Corporate Identification Number (CIN) of the Company is L65993DL1980PLC010636. The Registered Office of the Company is situated at City Business Centre 3606, IIIrd Floor Chamber No-32, Daryaganj Delhi – 110002

Registered Office of the Company

City Business Centre 3606,  
IIIrd Floor Chamber No-32,  
Daryaganj Delhi – 110002  
Telephone: 011-32317170  
Telefax: 011-32317170  
Email ID: achalinvest@yahoo.com  
Website: www.achalinvest.com

Address of Registrar of Companies

The Company is registered with the Registrar of Companies, Delhi & Haryana, situated at the following address:

4<sup>th</sup> Floor, IFCI Tower,  
61, Nehru Palace,  
New Delhi -110019  
Tel: 011-26235707, 262335708, 26235709  
Fax: 011-26235702  
Email: roc.delhi@mca.gov.in

Board of Directors

The Board of Directors comprises of:

Name and DIN	Category	Age (years)	Address
Mr. Abhishek Kumar DIN: 06799487	Executive Director	19	F-2,CPWD Enq Office Flats Sarojini Nagar, New Delhi - 110023
Mr. Ashok Agarwal DIN: 02668754	Non - Executive Director	39	A – 84, Sector – 50, Noida, Uttar Pradesh - 201307
Mr. Gaj Raj Singh DIN: 02925387	Independent Director	36	House No 62, Dhakka Village, GTB Nagar, Delhi - 110009
Mrs. Sheetal DIN: 06799478	Independent Director	34	37/B, Taimur Nagar, Near New Friends Colony, New Delhi - 110023

Company Secretary and Compliance Officer

Ms. Laxmi Joshi  
City Business Centre 3606,  
IIIrd Floor Chamber No-32,

Daryaganj Delhi – 110002  
Telefax: 011-32317170  
Email ID: achalinvest@yahoo.com

Share Transfer Agents:  
BEETAL FINANCIAL & COMPUTER SERVICES PVT LIMITED  
Beetal House, 99, Madangir, Behind Local Shopping Centre,  
Near Dada HarsukhDass Mandir, New Delhi 110062  
Tel Nos.: 011-29961281/82  
Fax No.: 011-29961284  
Email: beetal@radiffmail.com  
Website: www.beetalfinancial.com  
Contact Person: Mr.Punit Mittal  
SEBI Registration: INR000000262

Bankers to the Company  
HDFC Bank  
G3/4, Suryakiran Building  
19 Kasturba Gandhi Marg,  
New Delhi – 110001

Statutory Auditors  
Kumar Anoop & Company  
Chartered Accountant  
Room No. 201, IInd Floor,  
D – 355 Shree Laxmi House,  
Vikas Marg, Laxmi Nagar,  
Delhi – 110092  
Ph. 011 – 22042859  
Email: kumaranoopco@yahoo.co.in

#### Eligibility Criterion

The Company is submitting its Information Memorandum, containing information about itself, making disclosures in line with the disclosure requirement for direct listing, as applicable, to BSE for making the said Information Memorandum available to public through their website viz. [www.bseindia.com](http://www.bseindia.com).

#### 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.

#### Filing

Copies of this Information Memorandum have been filed with BSE in due compliance.

#### Listing

The Equity Shares of the Company are listed on the Delhi Stock Exchange. Now the Equity Shares of the Company shall be admitted for direct listing on BSE Limited (BSE) subject to fulfilment of listing criteria

of direct listing of BSE and also subject to such other terms and conditions as may be prescribed by BSE at the time of the application by the Company seeking listing.

#### Demat Credit

The Company has executed Tripartite Agreements with both the depositories i.e. NSDL and CDSL for admitting its securities in demat form and have allotted ISIN: INE860P01017

#### General Disclaimer from the Company

The Company accepts no responsibility for statement made otherwise than in the Information Memorandum 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 is being submitted to BSE.

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 traded or will continue to be traded 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 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.

## CAPITAL STRUCTURE

Our share capital as of the date of this Information Memorandum is set forth below:

Sr. No.	Particulars	Aggregate Nominal Value (Rs.)
A	Authorised Share Capital:	
	70,025,00 Equity Shares of Rs. 10 each	70,025,000
B	Issued, Subscribed and Paid up Capital	
	61,498,00 Equity Shares of Rs. 10 each	61,498,000
C	Calls in arrear	Nil

## Build up History of Paid-up Capital

Date of Allotment/ Fully Paid Up	Nature of Allotment	No. of Equity Shares allotted	Face Value (In Rs.)	Issue Price (In Rs.)	Cumulative number of equity shares	Cumulative Paid up Capital (In Rs.)
14/07/1980	On Incorporation	7	10	10	7	70
20/03/1981	Preferential Allotment	29993	10	10	30000	3,00,000
05/09/1981	IPO	170000	10	10	200000	20,00,000
26/11/1996	Amalgamation	4043200	N.A	N.A	4243200	4,24,32,000
22/08/2013	Preferential Allotment	1906600	10	10	6149800	6,14,98,000

## Distribution of Shareholding (By Size) as on Date

SHARE OR DEBENTURE HOLDING OF NOMINAL VALUE OF		SHARE/DEBENTURE HOLDERS		SHARE/DEBENTURE AMOUNT	
Rs.	Rs.	Number	% to Total	In Rs.	% to Total
(1)	(2)	(3)	(4)	(5)	(6)
Upto	- 5,000	260	42.69	545450	0.89
5,001	- 10,000	23	3.78	155550	0.25
10,001	- 20,000	49	8.05	767000	1.25



Achal Investments Limited

20,001 - 30,000	38	6.24	1031000	1.68
30,001 - 40,000	13	2.13	478000	0.78
40,001 - 50,000	43	7.06	2123000	3.45
50,001 - 1,00,000	73	11.99	5766000	9.38
1,00,001 and above	110	18.06	50632000	82.33
<b>TOTAL</b>	<b>609</b>	<b>100.00</b>	<b>61498000</b>	<b>100.00</b>

Shareholding pattern of the Company as on 30<sup>th</sup> June, 2014

Introductory sub-table (I) (a)

Name of the Company: ACHAL INVESTMENTS LIMITED			
Shareholding Pattern as on 30 <sup>th</sup> June, 2014			
Partly paid-up shares:-	No. of partly paid-up shares	As a % of total no. of partly paid-up shares	As a % of total no. of shares of the company
Held by promoter/promoter group	0	0	0
Held by public	0	0	0
Total	0	0	0
Outstanding convertible securities:-	No. of outstanding securities	As a % of total no. of outstanding convertible securities	As a % of total no. of shares of the company, assuming full conversion of the convertible securities
Held by promoter/promoter group	0	0	0
Held by public	0	0	0
Total	0	0	0
Warrants:-	No. of warrants	As a % of total no. of warrants	As a % of total no. of shares of the company, assuming full conversion of warrants
Held by promoter/promoter group	0	0	0
Held by public	0	0	0
Total	0	0	0
Total paid-up capital of the company, assuming full conversion of warrants and convertible securities	6149800		100.00

Statement Showing Shareholding Pattern								
Category code	Category of Shareholder	Number of Shareholders	Table (I)(a)		Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
			Total number of shares	Number of shares held in dematerialized form	As a percentage of (A+B) <sup>1</sup>	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)= (VIII)/(I V)*100
(A)	Shareholding of Promoter and Promoter Group							
1	Indian							
(a)	Individuals/ Hindu Undivided Family	3	101800	0	1.66	1.66	0	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	1	750600	0	12.21	12.21	0	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
	Sub Total(A) (1)	4	852400	0	13.86	13.86	0	0.00
2	Foreign							
A	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0	0	0	0
B	Bodies Corporate	0	0	0	0	0	0	0
C	Institutions	0	0	0	0	0	0	0
D	Qualified Foreign Investor	0	0	0	0	0	0	0
E	Any Others(Specify)	0	0	0	0	0	0	0
	Sub Total(A) (2)	0	0	0	0.00	0.00	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A) (1)+(A) (2)	4	852400	0	13.86	13.86	0	0.00
(B)	Public shareholding							
1	Institutions							

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(a)	Mutual Funds/ UTI	0	0	0	0	0	0	0
(b)	Financial Institutions / Banks	0	0	0	0	0	0	0
(c)	Central Government/ State Government(s)	0	0	0	0	0	0	0
(d)	Venture Capital Funds	0	0	0	0	0	0	0
(e)	Insurance Companies	0	0	0	0	0	0	0
(f)	Foreign Institutional Investors	0	0	0	0	0	0	0
(g)	Foreign Venture Capital Investors	0	0	0	0	0	0	0
(h)	Qualified Foreign Investor	0	0	0	0	0	0	0
(i)	Any Other (specify)	0	0	0	0	0	0	0
	Sub-Total (B) (1)	0	0	0	0.00	0.00	0.00	0.00
B 2	Non-institutions							
(a)	Bodies Corporate	1	150000	150000	2.44	2.44	0	0.00
(b)	Individuals							
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	455	932000	668400	15.15	15.15	0	0.00
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	87	3372800	2383500	54.84	54.84	0	0.00
(c)	Qualified Foreign Investor	0	0	0	0.00	0.00	0	0.00
(d)	Any Other - HUF	62	842600	708600	13.70	13.70	0	0
	Sub-Total (B) (2)	605	5297400	3910500	86.14	86.14	0	0.00
(B)	Total Public Shareholding (B)= (B) (1)+(B) (2)	605	5297400	3910500	86.14	86.14	0	0.00
	TOTAL (A)+(B)	609	6149800	3910500	100.00	100.00	0	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
1	Promoter and Promoter Group	0	0	0	0	0	0	0
2	Public	0	0	0	0	0	0	0
	Sub-Total (C)	0	0	0	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)	609	6149800	3910500	100.00	100.00	0	0.00

(I) (b)

Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category “Promoter and Promoter Group”

Sr. No.	Name of the shareholder	Details of Shares held		Encumbered shares (*)			Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		Number of shares held	As a % of grand total (A) + (B) + (C)	No.	As a %	As a % of grand total (A) + (B) + (C) of sub-clause (I)(a)	Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	As a % total number of convertible securities of the same class	
(I)	(II)	(III)	(IV)	(V)	(VI) = (V) / (III) * 100	(VII)	(VIII)	(IX)	(X)	(XI)	(XII)
1	ASHOK AGARWAL	50500	0.82	0	0	0	0	0	0	0	0.82
2	ANITA AGRAWAL	30550	0.50	0	0	0	0	0	0	0	0.50
3	MUKESH AGRAWAL	20750	0.34	0	0	0	0	0	0	0	0.34
4	TCL MANAGEMENT SERVICES PRIVATE LIMITED	750600	12.21	0	0	0	0	0	0	0	12.21
TOTAL		852400	13.86	0	0.00	0.00	0	0	0	0	13.86

(\*) The term “encumbrance” has the same meaning as assigned to it in regulation 28(3) of the SAST Regulations, 2011

(I) (c) (i) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category “Public” and holding more than 1% of the total number of shares

Sr. No.	Name of the shareholder	Number of shares held	Shares as a percentage of total number of shares {i.e., Grand Total (A) + (B) + (C) indicated in Statement at para (I) (a) above}	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities)
				Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same	

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							class	as a % of diluted share capital
1	KIRANCHAND M GULGULIA	125000	2.03	0	0	0	0	2.03
2	ARUNABEN K GULGULIA	125000	2.03	0	0	0	0	2.03
3	JYOTI AGARWAL	75000	1.22	0	0	0	0	1.22
4	PRACHI AGRAWAL	150000	2.44	0	0	0	0	2.44
5	SARIKA AGARWAL	150000	2.44	0	0	0	0	2.44
6	AHBHISHEK AGRAWAL & SONS HUF	100000	1.63	0	0	0	0	1.63
7	RAHUL AGRAWAL	100000	1.63	0	0	0	0	1.63
8	RAJNIKANT SHAMALJI AJMERA	100000	1.63	0	0	0	0	1.63
9	KRISHAN AGGARWAL	100000	1.63	0	0	0	0	1.63
10	PANKAJ AGGARWAL	100000	1.63	0	0	0	0	1.63
11	GOLDEN CHARIOT RECREATIONS PVT LTD	150000	2.44	0	0	0	0	2.44
12	VINOD KUMAR GHEEK	200000	3.25	0	0	0	0	3.25
13	MADAN LAL GHEEH	200000	3.25	0	0	0	0	3.25
TOTAL		1675000	27.24	0	0	0	0	27.24

(I) (c) (ii) Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category "Public" and holding more than 5% of the total number of shares of the company

Sr. No.	Name(s) of the shareholder(s) and the Persons Acting in Concert (PAC) with them	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I) (a) above}	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
NIL								

(I) (d) Statement showing details of locked-in shares

Sr. No.	Name of the shareholder	Number of locked-in shares	Locked-in shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I) (a) above}
1	GUNANTER KAUR	30000	0.49

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2	RAJNIKANT SHAMALJI AJMERA	100000	1.63
3	RAJNIKANT SHAMALJI AJMERA HUF	50000	0.81
4	DHAVAL RAJNIKANT AJMERA HUF	50000	0.81
5	PRACHI DHAVAL AJMERA	50000	0.81
6	RAJAT GUPTA	37500	0.61
7	ADITYA GUPTA	37500	0.61
8	PRATEEK NAGPAL	50000	0.81
9	MEENAKSHI GANDHI	50000	0.81
10	KRISHAN AGGARWAL	100000	1.63
11	PANKAJ AGGARWAL	100000	1.63
12	USHA PANDE AND HARISH PANDE	10000	0.16
13	GOLDEN CHARIOT RECREATIONS PVT LTD	150000	2.44
14	SANJEEV TANDON HUF	20000	0.33
15	SOURAV BANSAL	40000	0.65
16	MANVI AGGARWAL	20000	0.33
17	BHARAT BHUSHAN HUF	40000	0.65
18	ASHOK AGARWAL	9900	0.16
19	ANITA AGARWAL	9200	0.15
20	AKSHAT KOHLI	10000	0.16
21	RAJESH KUMAR MALHOTRA	25000	0.41
22	IRA MALHOTRA	25000	0.41
23	RAJESH KUMAR MALHOTRA HUF	25000	0.41
24	MANISH DHARIWAL	30000	0.49
25	MANISH DHARIWAL HUF	20000	0.33
26	SMITA DHARIWAL	10000	0.16
27	VINOD KUMAR GHEEK	200000	3.25
28	MADAN LAL GHEEH	200000	3.25
29	RAJ SAREEN AND SONS HUF	50000	0.81
30	INDU SINGH	12500	0.20
31	MEERA SINGH	25000	0.41
32	JYOTI AGARWAL	5000	0.08
33	LOKESH MAHAJAN HUF	20000	0.33
34	AMIT KAPOOR	25000	0.41
35	ANIL PESHAWARI	50000	0.81
36	GOVIND PRASAD GOYAL HUF	5000	0.08
37	SANGEETA KHANDELWAL	50000	0.81
38	JITENDRA KUMAR	5000	0.08
39	RAVI GOYAL	5000	0.08
40	RAJEEV KUMAR	10000	0.16
41	PURVA PESHAWARI	25000	0.41
42	PREM CHAND GARG	25000	0.41
43	SURESH GARG	25000	0.41
44	AKSHI KHANDELWAL	30000	0.49
45	ANAND JALAN	10000	0.16
46	MEERA JALAN	10000	0.16
47	HARISH ROHRA	20000	0.33
TOTAL		1906600	31.00

(II) (a) Statement showing details of Depository Receipts (DRs)

Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I) (a) above}
NIL				

(II) (b) Statement showing holding of Depository Receipts (DRs), where underlying shares held by "promoter/promoter group" are in excess of 1% of the total number of shares

Sr. No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I) (a) above}
NIL				

**List of Top 10 Shareholders as on 30<sup>th</sup> June, 2014**

Sr.No.	Name of the Shareholder	No. of Shares	% of Total number of Shares
1	TCL MANAGEMENT SERVICES PRIVATE LIMITED	750600	12.21
2	VINOD KUMAR GHEEK	200000	3.25
3	MADAN LAL GHEEH	200000	3.25
4	PRACHI AGRAWAL	150000	2.44
5	SARIKA AGARWAL	150000	2.44
6	GOLDEN CHARIOT RECREATIONS PVT LTD	150000	2.44
7	KIRANCHAND M GULGULIA	125000	2.03
8	ARUNABEN K GULGULIA	125000	2.03
9	AHBHISHEK AGRAWAL & SONS HUF	100000	1.63
10	RAHUL AGARWAL & SONS HUF	100000	1.63
	<b>TOTAL</b>	<b>2050600</b>	<b>33.34</b>

## Disclosures:

1. No dividend has been paid during the last 10 years
2. The Company has not entered into any agreements (including agreements for technical advice and collaboration), concessions and similar other documents (except those entered into in the ordinary course of business carried on or intended to be carried on by the Company)
3. No Commission, brokerage, discount or other special terms including an option for the issue of any kind of securities has been granted to any person.
4. There are no outstanding warrants that are pending for conversion

## SECTION V - ABOUT THE COMPANY

### OUR HISTORY AND CERTAIN CORPORATE MATTERS

The Company was incorporated on July 14, 1980 under the Companies Act, 1956 as "Achal Investments Limited" in the state of Delhi. The Corporate Identification Number (CIN) of the Company is L65993DL1980PLC010636. The Registered Office of the Company is situated at City Business Centre 3606, IIIrd Floor Chamber No-32, Daryaganj Delhi – 110002.

The Company is registered as a Company in a Companies Act, and is mainly engaged in financing and investment activities as its principal business. The Equity share of the Company is listed on Delhi Stock Exchange.

#### Situation of Registered Office

Registered office of the Company is situated at City Business Centre 3606, IIIrd Floor Chamber No-32, Daryaganj Delhi – 110002

#### Main Objects of the Company

- To finance, facilitate, encourage, promote and assist in the establishment and growth of industries and industrial undertakings, subject to the provision of section 108A to 108H of the Companies Act., To take part in the formation, supervision and control of the business or operations of any company or undertaking and for that purpose to appoint and remunerate any director, officers or other experts or agents. To sell or otherwise dispose of any of the property or investments of the Company, not in the nature of stock in trade.
- To acquire, underwrite, hold, sell, transfer, hypothecate and otherwise dispose of shares, stocks, debenture stocks, bonds obligations and securities issued or guaranteed by any company constituted or carrying on business in the Republic of India or elsewhere and debentures, debentures stocks, bonds obligations and securities issued or guaranteed by any other government, sovereign ruler, commissioners, public body or authority, supreme, municipal, local or otherwise, whether in India or abroad. To issue shares, debentures, debenture stocks bonds, obligations and securities of all kinds and frame, constitute and secure the same, as may seem expedient, with full power to make the same transferable by deliver, or by instrument of transfer or otherwise and either perpetual or terminable and either redeemable or otherwise and to change or secure the same by trust deed or otherwise and to charge or secure the same by trust deed or otherwise on the undertaking of the company or upon specific property and rights, present and future, of the Company (including uncalled capital) or otherwise howsoever.
- To borrow or otherwise raise money with or without security and /or by issue or sale of any bonds, mortgages, debentures or debenture – stocks of the Company, whether perpetual or otherwise and to advance and lend money and assets of all kinds upon such terms as may be arranged and to lend, invest or otherwise deal with the moneys either with or without interest or security, including in current or deposits accounts with any bank or banks, other person or persons and also in investment in shares, securities, bonds and debentures, upon such terms conditions and manner as may from time to time be determined; provided the Company shall not do any banking business as defined under Banking Company Act, 1949.



- To carry on business of a company established with the object of financing industrial enterprises with in meaning of Section 370 of the Companies Act, 1956 and to make loans give guarantees, and provide securities to or on behalf of anybody corporate or other person whether promoted and/or managed by this Company or not. To acquire or to take over with or without consideration and /or carry on business of shares. Register and transfer agents, financial advisors, management consultants, values and/or data processing by themselves or in partnership with other companies, firms, or other persons.

#### Major events

S.NO	Major Event	Year of Event
1	Incorporation	1980
2	Public Issue	1981
2	Amalgamation of Achal Investment Limited with Pratap Gases and Chemicals Private Limited	1996
3	Change of Control	2010
4	Revocation of Suspension of Company	2009

#### Group Companies / Subsidiaries

The Company does not have any Group Companies or subsidiaries listed on any stock exchanges as on date of this Information Memorandum Further, Company is also not a subsidiary of any company.

#### Reorganization, Reconstruction or Amalgamation

M/s Pratap Gases & Chemicals Private Limited was amalgamated with the Company pursuant to the High Court's order dated 23rd May, 1996. Under the Scheme of Amalgamation the Company allotted 40, 43, 200 Equity Shares of Rs. 10/- each to the Shareholders of M/s Pratap Gases & Chemicals Private Limited on a 1:1 basis i.e., one equity share of Rs. 10/- issued as fully paid up against one equity share of Rs. 10/- fully paid held in the transferor company.

## OUR MANAGEMENT

The following table sets forth details of our Board as on the date of this Information Memorandum:

Name, Designation, Address, Nationality, PAN and DIN	Age (years)	Date of Appointment as Director	Address
Mr. Abhishek Kumar Executive director  Nationality: Indian  DIN: 06799487 PAN: CTBPK7105G	19	08/01/2014	F-2,CPWD Enq Office Flats Sarojini Nagar, New Delhi - 110023
Mr. Ashok Agarwal Non - Executive Director  DIN:02668754 PAN: AEYPA9352F	39	10/09/2010	A - 84, Sector - 50, Noida, Uttar Pradesh - 201307
Mr.GajRaj Singh Independent Director  DIN: 02925387 PAN:BEKPS1235N	36	13/03/2013	House No 62, Dhakka Village, GTB Nagar, Delhi - 110009
Mrs. Sheetal Independent Director  DIN: 06799478 PAN: CRXPS4672J	34	16/01/2014	37/B, Taimur Nagar, Near New Friends Colony, New Delhi - 110023

## Brief Profiles of the Directors

Mr. Abhishek Kumar aged 19 years, is Executive Director of our Company. He has 2 years of experience in securities and financial services. He has been on the board of Company since, January 2014

Mr. Ashok Agarwal aged 39 years, is Non - Executive Director of our Company. He is Bachelor in Business Administration. He possess more than 2 years of experience in the field of finance, capital markets and related activities. The Board has the advantage of his wide experience in the financial services field. He has been on the board of Company since September, 2010.

Mr. Gaj Raj Singh, aged 36 years is an Independent Director of our Company. He has completed his graduation in Arts. He possess 4 years of experience various aspect of Marketing sector. He has been on the board of Company since March, 2013.

Mrs. Sheetal, aged 34 Years, is the Independent Director of our Company. He is Commerce graduate and has 5 years in the field of accounts and Finance. He has been Board of Directors of Our Company since, January, 2014

## OUR PROMOTERS

Mr.Ashok Agarwal, Ms.Anita Agrawal and Mr.Mukesh Agrawal and M/s TCL Management Services Private Limited are the Promoter of the Company. They have a rich & vast experience of over 10 Years in the field of business & industries.

## Shareholding of Promoters

Name of the Promoter	No. of shares held	% of Total capital
Mr. Ashok Agarwal	50500	0.82%
Ms. Anita Agarwal	30500	0.50%
Mr. Mukesh Agarwal	20750	0.34%
M/s. TCS management Services Private Limited	750600	12.21%
TOTAL	8,52,400	13.86%

## CORPORATE GOVERNANCE REPORT

### Corporate Governance

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We have complied with the requirements of the applicable regulations, including the Listing Agreement to be executed with the Stock Exchanges and the SEBI Regulations, in respect of corporate governance including constitution of the Board and Committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

We have a Board constituted in compliance with the Companies Act and the Listing Agreement in accordance with best practices in corporate governance. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically.

Currently our board has four Directors. We have One (1) Non-Independent & Executive Director, One (1) Non Independent & Non-Executive Director and Two (2) Independent. The constitution of our Board is in compliance with the requirements of Clause 49 of the Listing Agreement.

### Board of Directors

#### Composition:

The Company has a strong and broad based Board constituting of four Directors.

None of the directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as per Clause 49(IV)(B)) across all the companies in which he is a director. All the directors have made the requisite disclosures regarding Committee positions occupied by them in other companies.

The Board met 15 times on the following dates during the financial year 2012-2013 and the gap between two meetings did not exceed four months:-

30th May, 2012  
5th July, 2012  
10th July, 2012  
9th August, 2012  
4th September, 2012  
4th October, 2012  
11th October, 2012  
5th November, 2012  
15th November, 2012  
15th December, 2012  
21st January, 2013  
11th February, 2013  
21st March, 2013  
22nd March, 2013  
30th March, 2013

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting, as also the number of Directorships and Committee positions as held by them in other public/private limited companies as on 31st March, 2013 are given below:-

Name	Category	No. of Board Meetings Attended	Whether attended AGM held on 30.09.2012	No. of other Directorship and Membership / Chairmanship		
				Other Directorship	Committee Membership	Committee Chairmanship
Prakash Chand Agarwal	Executive Director	15	Yes	2	3	1
Ashok Agarwal	Non Executive Director	13	No	Nil	3	1
Gaj Raj Singh	Non Executive Director	N.A.	No	1	Nil	Nil
Parag Mittal	Non Executive Director	12	Yes	5	3	1

\*Mr.Gaj Raj Singh has been appointed as additional Director of the company w.e.f 13th March, 2013.

The following committees have been formed in compliance with the Corporate Governance norms as on 15<sup>th</sup> February, 2014:

- A) Audit Committee
- B) Shareholders/Investors Grievance Committee

#### AUDIT COMMITTEE

Our Company has constituted an Audit Committee, as per the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement entered with Stock Exchange.

The terms of reference of Audit Committee complies with the requirements of Clause 49 of the Listing Agreement. The committee presently comprises following three (3) directors. Mrs. Sheetal is the Chairman of the Audit Committee. The Company Secretary is the Secretary of our Audit Committee.

S. No.	Name of the Director	Status	Nature of Directorship
1.	Mrs. Sheetal	Chairman	Independent Director
2.	Mr. Gaj Raj Singh	Member	Independent Director
3.	Mr. Ashok Agarwal	Member	Non Executive & Non Independent Director

#### Role of Audit Committee

The terms of reference of the Audit Committee are given below:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.

3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient, and credible.
6. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
7. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
8. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - (a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
  - (b) Changes, if any, in accounting policies and practices and reasons for the same
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management
  - (d) Significant adjustments made in the financial statements arising out of audit findings
  - (e) Compliance with listing and other legal requirements relating to financial statements
  - (f) Disclosure of any related party transactions
  - (g) Qualifications in the draft audit report.
9. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
10. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
11. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing, and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
13. Discussion with internal auditors any significant findings and follow up there on.
14. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
17. To review the functioning of the Whistle Blower mechanism, in case if the same is existing.
18. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
19. Carrying out any other function as mentioned in the terms of reference of the Audit Committee.
20. Mandatorily reviews the following information:
  - (a) Management discussion and analysis of financial condition and results of operations;
  - (b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - (c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - (d) Internal audit reports relating to internal control weaknesses; and
  - (e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee
21. Review the Financial Statements of its Subsidiary company, if any.
22. Review the composition of the Board of Directors of its Subsidiary company, if any.
23. Review the use/application of funds raised through an issue (public issues, right issues, preferential issues etc) on a quarterly basis as a part of the quarterly declaration of financial results. Further, review on annual basis statements prepared by the Company for funds utilized for purposes other than those stated in the offer document.  
In addition, to carry out such other functions/powers as may be delegated by the Board to the Committee from time to time.

#### SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

Our Company has constituted an Investors Grievance Committee to redress the complaints of the shareholders. The committee currently comprises of three (3) Directors. Mr.Gaj Raj Singh is the Chairman of the Shareholders/ Investors Grievance Committee.

S. No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Gaj Raj Singh	Chairman	Independent Director
2.	Mrs. Sheetal	Member	Independent Director
3.	Mr. Ashok Agarwal	Member	Non-executive and Non Independent Director

#### Role of Shareholders/Investors Grievance Committee

The Shareholders / Investors Grievance Committee of our Board look into:

- The redressal of investors complaints viz. non-receipt of annual report, dividend payments etc.
- Matters related to share transfer, issue of duplicate share certificate, dematerializations.
- Also delegates powers to the executives of our Company to process transfers etc.

The status on various complaints received / replied is reported to the Board of Directors as an Agenda item.

## DISCLOSURES

### Related Party Transactions

None of the transactions with any of the related party is in conflict with the interest of the company.

### Statutory Compliance, Penalties And Structures

The Company is in process of complying with the requirements of the Stock Exchange, There are no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authorities relating to the above.

### General Shareholder Information

- a) Date of AGM: The AGM was held on September 30, 2013 at 11.30 A.M. at the Registered office of the Company situated at City Business Center 3606, IIIrd Floor, Chamber no. 32, Daryaganj, Delhi 110002
- b) Date of Book Closure: 23rd September, 2013 to 25th September, 2013 (Both days inclusive)
- c) Dividend payment Date: The Directors have not recommended any dividend on Equity Shares for the Financial Year 2012-13
- d) Name of the Stock Exchange where listed : Delhi Stock Exchange Limited
- e) Market price Data: Trading of Company's Shares has been under suspension at Delhi Stock Exchange Limited, therefore, month wise Stock data is not available for the financial year 2012-13.

## SHARE REGISTRAR AND TRANSFER AGENTS

### BEETAL FINANCIAL & COMPUTER SERVICES PVT LIMITED

Beetal House, 99, Madangir, Behind Local Shopping Centre,

Near Dada Harsukh Dass Mandir, New Delhi 110062

Tel Nos.: 011-29961281/82

Fax No.: 011-29961284

Email: beetal@radiffmail.com

Website: www.beetalfinancial.com

The Company has paid Annual Listing Fees to Delhi Stock Exchange.

### ISIN No. in NSDL and CDSL for Equity Shares

The Company has got connectivity with both CDSL and NSDL. The ISIN No is INE860P01017.

### Code of Conduct

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, this is to confirm that all the Members of the Board have affirmed compliance with the Code of Conduct.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Analysis:

During the year under review, Your Company has recorded a total income of Rs. 1,172,140 against Rs. 78,530/ in the previous year with total increase of Rs. 10,93,610/-. Net Profit before taxation for the financial year ended on 31st March, 2014 increased to Rs. 122,282/- against of Rs. 5,056 in the previous year. Consequently, the Profit after tax increase to Rs. 112,248/- from Rs 5,056 as in the previous year.

### Internal Control System and their adequacy:

The Company has proper internal control systems for the various functional areas. The check and control measure are effective and adequate

The detail of Financial Performance and operational performance is mentioned in the Directors Report.

### Cautionary Statement:

Management Discussion and Analysis Report detailing the company's objectives and expectation may have forward looking statement within the meaning of applicable securities law and regulations. Actual result may differ from those expressed or implied depending upon the government regulation, change in government policies, Tax implications, economic development within India and Overseas.

### STRENGTHS;

The Company yet to work out its future working strategy. The management will strengthen its working force to keep pace with the market condition as and when it plans to start activities at certain level.

### THREATS

The Company is mainly exposed to market risk (including liquidity risk), interest risk and credit risk.

### RISK MANAGEMENT

The management ensures that all the moveable assets of the company are adequately secured.

### HUMAN RESOURCES

Material development in human resources/ industrial relations front has been dealt with in the Directors' Report, under the head 'Operations' and 'Industrial Relations', which should be treated as forming part of this Management and Discussion Analysis.

SECTION VI - FINANCIAL INFORMATION

AUDITED FINANCIALS FOR THE FINANCIAL YEAR 2013-2014 IS ATTACHED HEREWITH AS  
ANNEXURE I

## SECTION VII - OUTSTANDING LITIGATIONS

There are no outstanding or pending litigation, suit, criminal or civil prosecution, proceeding or tax liabilities against our Company that would have a material adverse effect on our business and there are no defaults, non-payment or overdue of statutory dues, institutional/ bank dues or dues payable to holders of debentures, bonds and fixed deposits and arrears of preference shares (irrespective of whether they are specified under Part I of Schedule XIII of the Act), that would have a material adverse effect on our business.

## SECTION VIII – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

### PRELIMINARY

Copy of Memorandum and Articles to be given to members.

The Company shall, on being so required by a member, send to him within seven days of the requirement and subject to the payment of a fee of one rupee a copy of each of the documents referred to in Section 39 of the Act.

### CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

#### CAPITAL

2. The Authorised Share Capital of the Company is as per clause V of the Memorandum of Association of the Company with all rights to the company to alter the same in any way it thinks fit.

#### INCREASE OF CAPITAL BY THE COMPANY AND HOW CARRIED INTO EFFECT

3. The Company in General Meeting may by Ordinary Resolution, from time to time increase the capital by creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increase capital shall be issued upon such terms and conditions and with such rights and privileges attached thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the directors shall determine and in particular such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with a right of voting at General Meetings of the Company in conformity with section 87 and 88 of the Act, whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.
4. The shares in the capital shall be distinguished by its appropriate number, provided that nothing in this section shall apply to the shares held with a depository.

#### SHARES AT THE DISPOSAL OF THE DIRECTORS

5. Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of 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 proportion and on such terms and conditions and either at a premium or at par of (subject to the compliance with the provision 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 the General Meeting to give to any person or persons the option or right to call for any shares either at par or 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 of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in General Meeting.

## POWER ALSO TO COMPANY IN GENERAL MEETING TO ISSUE SHARES

6. In addition to and without derogating from the powers for the purpose conferred on the Board under Article 5 & 8 the Company in General Meeting may subject to the Provisions of Section 81 of the Act, determine that any share (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or not) in such proportions 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, as such General Meeting shall determine and with full power to give any person (whether a member or not) the option to call for or be allotted any class of shares of the Company either at a premium or at par or (subject to the compliance with the provisions of Section 79 of the Act) at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provisions, whatsoever for the issue, allotment or disposal of any shares.

## INCREASE OF CAPITAL

7. The Company in General Meeting may from time to time increase its share capital by the creation of further shares, such increase to be of such aggregate amount and to be divided into shares of such respective amount as the resolution shall prescribe. Subject to the provisions of the Act, the further shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof shall direct and if no direction be given as the Board shall determine.

## FURTHER ISSUE OF SHARES

8.
  - 1) Where at the 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 either out of the unissued capital or out of the increased share capital then:
    - a. Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as near as circumstances admit, to the capital paid up on those shares at the date.
    - b. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than thirty days from the date of the offer and the offer if not accepted, will be deemed to have been declined.
    - c. The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right.

PROVIDED THAT the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him.

- d. After expiry of the time specified in the aforesaid notice 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 of Directors may dispose off them in such manner and to such person(s) as they may think, in their sole discretion fit.

2. Notwithstanding anything contained in sub-clause (1) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub clause (1) hereof in any manner whatsoever.

a. If a special resolution to that effect is passed by the Company in General Meeting, or

b. Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the chairman) by the members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposer by members, so entitled and voting and 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.

3. Nothing in sub-clause © of (1) hereof shall be deemed:

a. To extend the time within which the Offer should be accepted; or

b. To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made had declined to take the shares comprised in the renunciation.

Nothing in the Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or loans raised by the Company:

4. To convert such debentures or loans into shares in the Company; or

5. To subscribe for shares in the Company whether such options is conferred in these Articles or otherwise.

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term;

a. Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or in conformity with the rules, if any, made by that Government in this behalf;

b. In the case of debentures or loans or other than debentures issued or loans obtained from Government or any Institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in general meeting before the issue of debentures or raising of the loans.

#### POWER ALSO TO COMPANY IN GENERAL MEETING TO ISSUE SHARES

8A. In addition to and without derogating from the powers for that purpose conferred on the Board under these Articles, the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any Shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether Members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person

(whether a Member of not) the option or right to call for or buy allotted Shares of any class of the Company either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment, or disposal of any Shares.

#### POWER OF GENERAL MEETING TO AUTHORISE BOARD TO OFFER SHARES/OPTIONS TO EMPLOYEES

- 8B. Without prejudice to the generality of the powers of the General Meeting under Article 8A or in any other Article of these Articles of Association, the General Meeting may, subject to the applicable provisions of the Act, rules notified there under and any other applicable laws, rules and regulations, determine, or give the right to the Board or any Committee thereof to determine, that any existing or further shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) be allotted / granted to its employees, including Directors (whether whole-time or not), whether at par, at discount or a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force. The General Meeting may also approve any Scheme/Plan/Other writing, as may be set out before it, for the aforesaid purpose.

In addition to the powers contained in this Article, the General Meeting may authorize the Board or any Committee thereof to exercise all such powers and do all such things as may be necessary or expedient to achieve the objectives of any Scheme / Plan / other writing approved under the aforesaid Article.

#### APPLICATION OF PREMIUM RECEIVED ON SHARES

- 8C. 1. Where the Company issues Shares at a premium whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on these shares shall be transferred to an account, to be called "the security premium account" and the provisions of the Act relating to the reduction of the share capital of the Company shall except as provided in this Article, apply as if the security premium account were paid up share capital of the Company.
2. The security premium account may, notwithstanding anything in clause (I) thereof be applied by the Company.
- a. In paying up unissued Shares of the Company, to be issued to the Members of the Company as fully paid bonus;
- b. In writing off the preliminary expenses of the Company;
- c. In writing off the expenses of or the commission paid or discount allowed or any issue of Shares or debentures of the Company; or
- d. In providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.

#### POWER TO OFFER SHARES/OPTIONS TO ACQUIRE SHARES

- 8D. (i) Without prejudice to the generality of the powers of the Board under any other Article of these Articles of Association, the Board or any Committee thereof duly constituted may, subject to the applicable provisions of the Act, rules notified there under and any other applicable laws, rules and regulations, at any point of time, offer existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) to its employees, including Directors (whether whole-time or not), whether at par, at discount or at a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force.
- (ii) In addition to the powers of the Board under Article 8D(i), the Board may also allot the Shares referred to in Article 8D(i) to any trust, whose principal objects would inter alia include further transferring such Shares to the Company's employees (including by way of options, as referred to in Article 8D(i) in accordance with the directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purposes of such trust, as it deems fit.  
The Board, or any Committee thereof duly authorized for this purpose, may do all such acts, deeds, things, etc. as may be necessary or expedient for the purposes of achieving the objectives set out in Articles 8D(i) and (ii) above.

#### REDEEMABLE PREFERENCE SHARES

9. Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue preference shares which are or at the option of the Company, are liable to be redeemed and the resolution authorizing such issues shall prescribe the manners, terms and conditions of redemption.

#### PROVISIONS APPLICABLE IN CASE OF REDEEMABLE SHARES

10. On the issue of redeemable preference shares under the provisions of Article 9 hereof, the following provisions shall take effect.
- a. No such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption.
  - b. No such shares shall be redeemed unless they are fully paid.
  - c. The premium, if any, payable on redemption shall be provided for out of the profits of the Company or out of the Company's share Premium Account, before the shares are redeemed; and
  - d. Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called Capital Redemption Reserve Account, a sum equal to the nominal amount of the shares to be redeemed and the provisions of the Act relating to the reduction of the share capital of a Company shall, except as provided under Section of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.



#### NEW CAPITAL SAME AS ORIGINAL CAPITAL

11. Except so far as otherwise provided by the conditions of issue or by these Articles any capital raised by the creation of new shares shall be considered part of the initial capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments; transfer and transmission, forfeiture, lien, surrender, voting and otherwise.

#### RESTRICTION OF PURPOSE BUY COMPANY OF ITS OWN SHARES

12. (1). The Company shall not have the power to buy its own shares, unless the consequent reduction of capital is effected and sanctioned in accordance with Article 13 and in accordance with Sections 100 to 104 or Section 402 or other applicable provisions (if any) of the Act.

This Article is not to delegate any power which the Company would have if it were omitted.

- (2). Except to the extent permitted by Section 77 or other applicable provisions (if any) of the Act, the Company shall not give whether directly or indirectly and whether by means of a loan, guarantee, the provisions of security or otherwise any financial assistance for the purchase of or in connection with the purchase or subscription made or to be made by any person of or for any shares in the Company.

- (3). Nothing in this Article shall affect the right of the Company to redeem any redeemable preference shares issued under these Articles or under Section 80 or other relevant provisions (if any) of the Act.

- 12A. Notwithstanding anything contained in these Articles and in accordance with the provisions of the Sections 77A, 77AA and 77B of the Companies Act, 1956 the Company may, when and if thought fit by the Board of Directors, buy back, acquire or hold its own shares or other specified securities (as may be notified by the Central Government from time to time under section 77A of the Act) whether or not they are redeemable and on such terms and conditions and up to such limits as may be prescribed by law from time to time provided that nothing herein contained shall be deemed to affect the provisions of section 100 to 104 and 402 of the Act, in so far as and to the extent they are applicable.

#### REDUCTION OF CAPITAL

13. The Company may, subject to the provisions of Section 78, 80 and 100 to 105 and other applicable provisions (if any) of the Act, from time to time by special resolution, reduce its capital and any capital redemption reserve account or any share premium account in any manner for the time being authorized by law and in particular, capital may be paid off on the footing that it may be called up again or otherwise.

#### CONSOLIDATION AND DIVISION OF CAPITAL

14. The Company may in general meeting alter the conditions of its Memorandum of Association as follows:

- a. Consolidate and divide all or any of its share capital into shares of large amount than its existing shares.
- b. Sub-divide its shares or any of them into shares of smaller amount so however that in the sub-division, the proportion between the amount paid and the amount, if any, unpaid on each reduced shares shall be the same as it was in the case of the share from which the reduced share is derived.
- c. Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled, a cancellation of shares in pursuance of this sub-clause, shall not be deemed to be reduction of share capital within the meaning of the Act.

#### SALE OF FRACTIONAL SHARES

15. If and whenever as a result of issue of new shares of any consolidation or sub-division of shares any share become held by members in fractions, the Board 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 proportions the net proceeds of the sale thereof. For the purpose of giving effect to any such sale, the Board may authorise any person the transfer and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

#### MODIFICATION OF RIGHTS

16. Whenever the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 106 and 107 of the Act, be varied, modified, commuted, affected or abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued shares of the class or is confirmed by a resolution passed by the votes of not less than three-fourths of the votes of the holders of the shares of that class at a separate general meeting of the holders of shares of that class and all the provisions contained in these Articles to its general meetings shall mutatis mutandis apply to every such meeting. This Article is not to derogate from any power, the Company would have if this Article were omitted.

#### ISSUE OF FURTHER SHARES ON PARI PASSU BASIS

17. The rights conferred upon the holders of shares of any class issued with preferred or other rights, not unless otherwise expressly provided by the terms of the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

#### NO ISSUE WITH DISPROPORTIONATE RIGHTS

18. The Company shall not issue any shares (not being preference shares) which carry voting right or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares (not being preference shares).

18A. a. "Power to Company to dematerialize and rematerialize"

"Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing shares, debentures and other securities and rematerialize its such shares, debentures and other securities held by it with the Depository and/ or offer its fresh shares and debentures and other securities in a dematerialized form pursuant to the Depositories Act, 1996 and the Rules framed there under if any"

b. Dematerialization of Securities

Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialized form, the Company shall enter into an agreement with the depository to enable the investor to dematerialize the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.

c. "Intimation to Depository"

"Notwithstanding anything contained in this Article, where securities are dealt with in a Depository, the Company shall intimate the details of allotment of securities to Depository immediately on allotment of such Securities"

d. "Option for Investors"

"Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. A beneficial owner of any security can at any time opt out of a Depository, if permitted by law, in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities."

e. "The Company the recognize under Depositories Act, Interest in the Securities other than that of Registered holder."

"The Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with Depository in electronic form and the certificates in respect thereof shall be, dematerialized in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996."

f. "Securities in Depositories and Beneficial Owners"

"All Securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners."

g. "Rights of depositories and Beneficial Owners."

a. Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial 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 the securities which are held by a depository.”

h. Depository to furnish information

Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the by-laws and the Company in that behalf.

## SHARES AND CERTIFICATES

### 19. “REGISTER AND INDEX OF MEMBERS”

The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Sections 150 and 151 and other applicable provisions of the Act and the Depositories Act, 1996 with details of shares held in physical and dematerialized forms in any media as may be permitted by law including in any form of electronic media.

The Register and Index of beneficial owners maintained by a Depository under Section 11 of the Depositories Act, 1996 shall also be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or country.

### 20. SHARES TO BE NUMBERED PROGRESSIVELY

The shares in the capital shall be numbered progressively according to their several denominations and except in the manner herein before mentioned, no share shall be sub-divided.

### 21. DIRECTORS MAY ALLOT SHARES FULLY PAID-UP

Subject to the provisions of the Act and of these Articles, the Board may allot and issue shares in the capital of the Company as payment or part payment for any property sold or transferred, goods or machinery supplied or for services rendered to the company either in or about the formation or promotion of the Company or 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 up shares.

### 22. APPLICATION OF PREMIUM

1. Where the Company issue shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premiums on those shares shall be transferred to an account to be called Share Premium Account and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in this clause, apply as if the share premium account were paid up share capital of the Company.

2. The share premium account may, notwithstanding sub-clause (1) hereof, 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;

a. In writing off the preliminary expenses of the Company;

- b. In writing off the expenses of or the commission paid or discount allowed on any issue of shares or debenture of the Company or
- c. In providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.

### 23. INSTALLMENTS OF SHARES

If by the terms of issue of any shares or otherwise, the whole or any part of the amount or issue price thereof shall be payable by instalments at a fixed time, every such instalments shall when due, be paid to the Company by the person who, for the time being and from time to time, is the registered holder of the shares of his legal representatives.

### 24. ACCEPTANCE OF SHARES

Subject to the provisions of these Articles, any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these articles and every person who thus or otherwise accept any shares and whose name is on the Register of Members shall, for the purposes of these Articles, be a member, provided that no share shall be applied for or allotted to a minor, insolvent or person of unsound mind.

### 25. DEPOSITS AND CALLS TO BE DEBT PAYABLE IMMEDIATELY

The money (if any) which the Board of Directors shall, on the allotment of any shares being made by it, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by it, shall immediately on the insertion of the name of the allottee in the Register of Members as the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof and shall be paid by him accordingly.

### 26. LIABILITY OF MEMBERS

Every member or his heir, executors or administrators shall pay to the Company the proportion of the capital represented by his share or shares which may, for the time being remain unpaid thereon in such amounts, at such time or times and in such manner as the Board of Directors shall, from time to time, in accordance with the Company's regulations require or fix for the payment thereof.

### 27. LIMITATION OF TIME FOR ISSUE OF CERTIFICATE

The Company shall, unless the conditions of issue otherwise provide, within three months after the allotment of any of its shares or debentures and within one month after the application for the transfer of any such shares or debentures, complete and have ready for delivery the certificates of all shares and debentures allotted or transferred.

### 28A. LIMITATION OF TIME FOR ISSUE OF CERTIFICATES

Every members shall be entitled, without payment, to one or more certificates in marketable lots, 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 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 three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every

certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid up thereon and shall be in such form as the directors may 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 to all such holder.

#### 28B. ISSUE OF NEW CERTIFICATE IN PLACE OF DEFACED, LOST OR DESTROYED

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 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, an a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every Certificates under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fees shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

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.

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

#### 29. JOINT ALLOTTEES OF HOLDERS

Any two or more joint allottees or holders of shares shall, for the purpose of Article-28, be treated as a single member and the certificate for any share, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them.

#### 30. RENEWAL OF SHARES CERTIFICATES

A certificate of share may be renewed or a duplicate issued in accordance with the provisions of the Act and the Companies (Issue or Share Certificates) Rules, 1960 and any modification thereof.

#### 31. THE FIRST NAMED OF JOINT HOLDERS DEEMED SOLE HOLDER

If any share stands in the name of two or more persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus or service of notice and/or any other matter connected with the Company, except voting at meeting and the transfer of the share, be deemed the sole holder thereof, but the joint holders of a share be severally as well as jointly, liable for the payment of all instalments and calls due in respect of such share and for all incidents thereof according to these Articles.

#### 32. COMPANY NOT BOUND TO RECOGNISE ANY INTEREST IN SHARE OTHER THAN THAT OF REGISTERED HOLDER

1. The Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share or (except only as is by these presents, otherwise expressly provided) any right in respect of a share other than an absolute right there to, in accordance with these presents in the

person from time to time registered as the holder thereof, but the Board shall be at liberty at its sole discretion to register any share in the joint names of two or more persons or survivors of them.

2. Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or as by Law required) be bound to recognize any benami trust or equitable, contingent, future, partial or other claim or claims or right to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

### 33. WHO MAY HOLD SHARES

Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or in the name of a person of unsound mind or in the name of any firm or partnership.

33A. The Directors shall have the power to offer, issue and allot Equity Shares in or Debentures (whether fully/partly convertible or not into Equity Shares) of the Company with or without Equity Warrants to such of the Officers, Employees, Workers of the Company or of its Subsidiary and / or Associate Companies or Managing and Whole Time Directors of the Company (hereinafter in this Article collectively referred to as "the Employees") as may be selected by them or by the trustees of such trust as may be set up for the benefit of the Employees in accordance with the terms and conditions of the Scheme, trust plan or proposal that may be formulated, created, instituted or set up by the Board of Directors or the Committee thereof in that behalf on such terms and conditions as the Board may in its discretion deem fit.

### 33B. SWEAT EQUITY

Subject to the provisions of the Act (including any statutory modification or re-enactment thereof, for the time being in force), shares of the Company may be issued at a discount or for consideration other than cash to Directors or employees who provide know-how to the Company or create an intellectual property right or other value addition.

### 33 C. DECLARATIONS BY PERSON NOT HOLDING BENEFICIAL INTEREST IN ANY SHARES

1. Notwithstanding anything herein contained a person whose name is at any time entered in Register of Member of the Company as the holder of a Share in the Company, but who does not hold the beneficial interest in such Shares, shall, if so required by the Act within such time and in such forms as may be prescribed, make declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such Share in the manner provided in the Act.

2. A person who holds a beneficial interest in a Share or a class of Shares of the Company, shall if so required by the Act, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the Shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in the Act.

3. Whenever there is a change in the beneficial interest in a Share referred to above, the beneficial owner shall, if so required by the Act, within the time prescribed, from the date of such change,

make a declaration to the Company in such form and containing such particulars as may be prescribed in the Act.

4. Notwithstanding anything contained in the Act and Articles 35 and 36 hereof, where any declaration referred to above is made to the Company, the Company shall, if so required by the Act, make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Register with regard to such declaration.

#### 33D. FUNDS OF COMPANY NOT TO BE APPLIED IN PURCHASE OF SHARES OF THE COMPANY

No funds of the Company shall except as provided by Section 77 of the Act, be employed in the purchase of its own shares, unless the consequent reduction of capital is effected and sanction in pursuance of Sections 78,80 and 100 to 105 of the Act and these Articles or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any Share in the Company in its holding Company.

#### 33E. ISSUE OF SHARES WITHOUT VOTING RIGHTS

In the event it is permitted by law to issue shares without voting rights attached to them, the Directors may issue such share upon such terms and conditions and with such rights and privileges annexed thereto as through fit and as may be permitted by law.

#### 33F. SECTIONS 83 AND 108 OF THE ACT NOT TO APPLY

Notwithstanding anything to the contrary contained in the Articles,

1. Section 83 of the Act shall not apply to the Shares held with a Depository;
2. Section 108 of the Act shall not 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.

#### 33G. LIABILITY OF MEMEBRS

Every member, or his heirs, executors or administrators to the extent of his assets which come to their hands, shall be liable to pay to the Company the portion of the capital represented by his Share which may, for the time being, remain unpaid thereon in such amounts at such time or times and in such manner as the Board of Directors shall, from time to time, in accordance with the Company's requirements require or fix for the payment thereof.

#### 33H. TRUST RECOGNIZED

A. Except as ordered, by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize, even when having notice thereof, any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.



B. Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or of a person of unsound mind (except in case where they are fully paid) or in the name of any firm or partnership.

#### UNDERWRITING AND BROKERAGE

##### 34. COMMISSION MAY BE PAID

The Company may, subject to the provisions of Section 76 and other applicable provisions, if any, of the Act any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in or debentures of the Company. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or debentures, or partly in the one way and partly in the other.

##### 35. BROKERAGE MAY BE PAID

The Company may pay a reasonable sum for brokerage on any issue of shares and debentures.

##### 35A. COMMISSION TO BE INCLUDED IN THE ANNUAL RETURN

Where the Company has paid any sum by way of commission in respect of any Shares or Debentures or allowed any sums by way of discount in respect to any Shares or Debentures, such statement thereof shall be made in the annual return as required by Part I of Schedule V to the Act.

##### 36. INTEREST OUT OF CAPITAL

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

#### CALLS

##### 37. DIRECTORS MAY MAKE CALLS

The Board of Directors may from time to time by a resolution passed at meeting of the Board (and not by circular resolution) make such call as it may think fit upon the members in respect of all moneys unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at a fixed time and each member shall pay the amount of every call so made on him to the persons and at the times and place appointed by the Board of Directors. A call may be made payable by installments.

##### 38. CALLS ON SHARES OF THE SAME CLASS TO BE MADE ON UNIFORM BASIS

Where any calls for further share capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purpose of this Article shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.

### 39. NOTICE OF CALLS

One month notice at least of every call payable otherwise than on allotment shall be given by the Company specifying the time and place of payment and to whom such call shall be paid. Provided that the Board may, at its discretion, revoke the call or postpone it.

### 40. CALLS TO DATE FROM RESOLUTION

A call shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed at a meeting of the Board of Directors and may be made payable by the members on the Register of Members on a subsequent date to be fixed by the Board.

### 41. DIRECTORS MAY EXTEND TIME

The Board of Directors may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such times as to all or any of the members, who from residence at a distance or other cause, the Board of Directors may deem fairly entitled to such extension save as a matter of grace and favour.

### 42. CALL TO CARRY INTEREST AFTER DUE DATE

If any member fails to pay a call due from him on the day appointed for payment thereof or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board of Directors, but nothing in this Article shall render it compulsory upon the Board of Directors to demand or recover any interest from any such member.

### 43. PROOF ON TRIAL IN SUIT FOR MONEY DUE ON SHARES

Subject to the provisions of the Act and these Articles, on the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered, appears, entered on the register of members as the holder at or subsequent to the date at which the money sought to be recovered is alleged to have become due, of the shares in respect of which such money is sought to be received, that the resolution making the call is duly recorded in the minute book and that notice of such call was duly given to the member or his representatives sued in pursuance of these presents and it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

### 44. PAYMENT IN ANTICIPATION OF CALL MAY CARRY INTEREST

The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced. The members shall not be entitled to any voting

rights in respect of the moneys so paid by him until he same would but for such payment, become presently payable. The provisions of these Articles shall mutatis mutandis apply to the calls on debenture of the Company.

#### FORFEITURE, SURRENDER AND LIEN

##### 45. IF CALL OR INSTALLMENT NOT PAID, NOTICE MAY BE GIVEN

If any member fails to pay any call or installment of a call in respect of any shares on or before the day appointed for the payment of the same, the Board may at any time hereafter during such time as the call or installment remains unpaid, serve a notice on such member or on the person (if any) entitled to the share by transmission requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

##### 46. FORM OF NOTICE

The notice shall name a day (not being earlier than the expiry of fourteen days from the date of service of the notice) and a place or places on and at which such money, including the call or installment and such interest and expenses as aforesaid is to be paid. The notice shall also state that in the event of non-payment on or before the time and at the place appointed, the shares in respect of which the calls was made or installment was payable, will be liable to be forfeited.

##### 47. IN DEFAULT TO PAYMENT SHARES TO BE FORFEITED

If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before all the calls or installments and interest and expenses due in respect thereof are paid, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonus declared in respect of the forfeited shares and not actually paid before forfeiture.

##### 48. NOTICE OF FORFEITURE

When any share shall have been so forfeited, notice of the resolution shall be given to he member in whose name it stood immediately prior to he forfeiture and an entry of the forfeiture, with he date thereof, shall forthwith be made in the Register of Members provided however that the failure to give the notice of the shares having been forfeited will not in any way invalidate the forfeiture.

##### 49. FORFEITED SHARES TO BECOME PROPERTY OF THE COMPANY

Any shares so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot otherwise dispose off the same in such manner as it thinks fit.

##### 50. POWER TO ANNUAL FORFEITURE

The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed off, annual the forfeiture thereof as a matter of grace and favour but not as of right upon such terms and conditions as it may think fit.

##### 51. ARREARS TO BE PAID NOTWITHSTANDING FORFEITURE

Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, installments, interest and expenses owing upon or

in respect of such shares at the time of the forfeiture together with interest thereon from the time of forfeiture until payment at such rate not exceeding fifteen per cent per annum as the Board may determine and the Board may enforce the payment of such moneys or any part thereof if it thinks fit, but shall not be under any obligation so to do.

#### 52. EFFECT OF FORFEITURE

The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company, in respect of the share and all other rights, incidental to the share except only such of those rights as are by these Articles expressly saved.

#### 53. PROCEEDS HOW TO BE APPLIED

The net proceeds of any such sale shall be applied in or towards satisfaction of the said debts, liabilities or engagements and the residue (if any) paid to such member, his heirs, executors, administrators or assigns.

#### 54A. DECLARATION OF FORFEITURE

a. A duly verified declaration in writing that the declarant is a Director, the Managing Director of the Manager of the Secretary of the Company, and that share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

b. The Company may receive the consideration, if any, given for the Share on any sale, re-allotment or other disposal thereof any may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off.

c. The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share.

d. Any such purchaser or allottee shall not (unless by express agreement) be liable to pay calls, amounts, instalments, interests and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the Share before the time of completing such purchase or before such allotment.

e. Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be affected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale re-allotment or other disposal of the Shares.

54B. The declaration as mentioned in Article 65(a) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

#### 55. TITLE OF PURCHASER AND ALLOTTEE OF FORFEITED SHARES

The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed off and the person to whom such share is sold, re-allotted or disposed off may be registered as the holder of the share. Any such purchaser or allottee shall not (unless by express agreement to the contrary) be liable to pay any calls, amounts, instalments, interest and expenses owing to the Company prior to such purchase or allotment, nor shall he be entitled (unless

by express agreement to contrary) to any of the dividends, interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment. Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any; nor shall his title to the share be affected by any irregularity or invalidity in the proceedings with reference to the forfeiture, sale, re-allotment or disposal of the share.

#### 56. PARTIAL PAYMENT NOT TO PRECLUDE FORFEITURE

Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided.

#### 57. THE PROVISIONS OF THESE ARTICLES AS TO FORFEITURE TO APPLY IN CASE OF NON-PAYMENT OF ANY SUM

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

#### 58. BOARD MAY ACCEPT SURRENDER OF SHARES

The Board may at any time, subject to the provisions of the Act, accept the surrender of any share from or by any member desirous of surrendering the same on such terms as the Board may think fit.

#### 59. COMPANY'S LIEN ON SHARE/DEBENTURES

The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this Article.

#### 60. ENFORCING LIEN BY SALE

For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as it thinks fit but no sale shall be made until such time fixed as aforesaid shall have arrived and until notice in writing of the intention to sell, shall have been served on such member his heirs, executors, administrators or other legal representatives as the case may be and default shall have been made by him or them in payment, fulfillment or discharged of such debts, liabilities or engagements for seven days after the date of such notice.

#### 61. APPLICATION OF PROCEEDS OF SALE

The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of the said debts, liabilities or engagements and the residue, if any, shall be paid to such member, his heirs, executors, administrators or other legal representatives, as the case may be.

#### 62. VALIDITY OF SALE IN EXERCISE OF LIEN AND AFTER FORFEITURE

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board of Directors may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the Register of members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

#### 63. BOARD OF DIRECTORS MAY ISSUE NEW CERTIFICATES

Where an shares under the powers in that behalf herein contained are sold by the Board of Directors after forfeiture or for enforcing a lien, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall voluntarily or on demand by the Company, have been previously surrendered to the Company by the defaulting member) stand cancelled and become null and void and of no effect and the Board of Directors may issue a new certificate or certificates for such shares distinguishing it or them in such manner as it may think fit from the certificate or certificates previously issued in respect of the said shares.

#### 64. MONEY DUE FROM THE COMPANY MAY BE SET OFF AGAINST MONEY DUE TO THE COMPANY

Any money due from the Company to a member may without the consent and notwithstanding the objection of such member, be applied by the Company in or towards the payment of any money due from him to the Company for calls or otherwise.

#### 64A. SUM PAYABLE ON ALLOTMENT TO BE DEEMED A CALL

For the purpose of the provisions of these Articles relating to forfeiture of Shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such Share on the day of allotment.

### TRANSFER AND TRANSMISSION OF SHARES

#### 65. REGISTER OF TRANSFER

The Company shall keep a book to be called the Register of Transfer and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

#### 66. EXECUTION OF TRANSFER

Subject to the Provisions of the Act and these Articles, the transfer of shares in or debentures of the Company shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificate if in

existence or along with the letter of allotment of the shares or debentures. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the register in respect thereof. Shares of different classes shall not be included in the same instrument of transfer.

#### 67. INSTRUMENT OF TRANSFER

The instrument of transfer shall be in writing and all the provisions of section 108 of the Act and any statutory modification thereof, for the time being, shall be duly complied with in respect of all transfers of shares and of the registration thereof.

67A. (i) Every holder of the share(s) in, and / or debenture(s) of the Company, may at any time nominate, in the manner prescribed under the Act, a person to whom his share(s) in, and/or debenture(s) of the Company, shall vest in the event of his death.

(ii) Where the share(s) in, and/or debenture(s) of the Company, are held by more than one person jointly, all the joint-holders may together nominate, in the manner prescribed under the Act, a person to whom all the rights in the share(s) and/or debenture(s) of the Company, as the case may be, shall vest in the event of death of all the joint holders.

(iii) Notwithstanding anything contained in any other law for the time being in force or in these Articles or in any disposition, whether testamentary or otherwise, in respect of such share(s) in, and/or debenture(s) of the Company, where a nomination made in the manner prescribed under the Act, purports to confer on any person the right to vest the share(s) in, and/or debenture(s) of the Company, the nominee shall, on the death of the shareholder and/or debenture-holders concerned or on the death of all the joint-holders, as the case may be, become entitled to all the rights in relation to such share(s) in and/or debenture(s) to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner prescribed under the Act.

(iv) Where the nominee is a minor, the holder of the share(s) in, and/or debenture(s) of the Company, can make a nomination in the manner prescribed under the Act, to appoint any person to become entitled to the share(s) in, and/or debenture(s) of the Company, in the event of his death, during the minority.

(v) Notwithstanding anything contained in these Articles, any person who becomes a nominee by virtue of the provisions of Article 67A, upon the production of such evidence as may be required by the Board and subject as herein after provided, may elect either;

a. to be registered himself as holder of the share(s) and/or debenture(s), as the case may be; or

b. to make such transfer of the share(s) and/or debenture(s), as the case may be, as the deceased shareholder and/or debenture-holder, as the case may be, could have made.

If the person being a nominee, so becoming entitled, elects to be registered as holder of the share(s) and/or debenture(s) himself, he shall deliver or send to the Company, a notice in writing duly signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder and/or debenture-holder, as the case may be.

(vi) All the limitations, restrictions and provisions of the Act, relating to the right to transfer and the registration of transfer of share(s) and/or debenture(s) shall be applicable to any such notice or transfer as aforesaid as if the death of the shareholder/debenture holder had not occurred and the

notice or transfer were a transfer signed by that shareholder and/or debenture-holder as the case may be.

(vii) A person, being a nominee, becoming entitled to the share(s) and/or debenture(s) by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share(s) and/or debenture(s), except that he shall not, before being registered a member in respect of his share(s) or debenture(s), be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

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

#### 68. NO TRANSFER TO A PERSON OF UNSOUND MIND

No transfer shall be made to a minor or a person of unsound mind.

#### 69. TRANSFER OF SHARES

1. An application for the registration of a transfer of shares may be made either by the transferor or by the transferee.

2. Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.

3. For the purpose of clause (2) hereof notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instruments of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

#### 4. DIRECTORS MAY REFUSE TO REGISTER TRANSFER

Subject to the Provisions of Section 111A, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be giving reasons for such refusal. Provided that the registration of a transfer shall not be refused person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares.

5. If the Company refuses to register the transfer of any share or transmission of right therein, the Company shall within one month from the date on which instrument of transfer or the intimation of transmission, as the case may be, was delivered to the Company, sends notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be.



6.Nothing in these Articles shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares of the Company has been transmitted by operation of law.

#### 7. NO FEE ON TRANSFER OR TRANSMISSION

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.

#### 70. TRANSFER TO BE LEFT AT OFFICE AS EVIDENCE OF TITLE GIVEN

Every instruments of transfer duly executed and stamped shall be left at the office for registration accompanied by the certificate of the shares to be transferred and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.

#### 71. WHEN TRANSFER TO BE RETAINED

All instruments of transfer which are registered shall be retained by the Company but any instrument of transfer which the Board declines to register shall, on demand, be returned to the person depositing the same. The Board may cause to be destroyed all transfer deeds lying with the Company after such period not being less than six years as it may determine.

#### 72. TRANSFER BOOKS WHEN ENCLOSED

The Board may after giving not less than seven days previous notice by advertisement as required by Section 154 of the Act, close the Register or Members or the Register of Debenture Holders for any period or periods not exceeding in the aggregate, 45(forty five) days in each year but not exceeding 30 days at any one time.

#### 73. DEATH OF ONE OR MORE JOINT HOLDERS OF SHARES

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

#### 74. TITLE TO SHARES OF DECEASED HOLDER

Subject to Article 74 the heir, executor or administrator of a deceased shareholder shall be the only person recognized by the Company as having any title to his shares and the Company shall not be bound to recognize such heir, executor or administrator unless such heir, executor or administrator shall have first obtained letters of administration or succession certificate.

#### 75. TRANSMISSION OF SHARE

Subject to the provisions of the Act and these Articles, any person becoming entitled to a share in consequence of the death, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence as the Board think sufficient, either be registered himself as the holder of the share or elect to have some person nominated by him and approved by the Board registered as such holder, provided nevertheless that if such person shall elect to have his nominee registered, he shall testify the election by executing to

his nominee an instrument of transfer of the share in accordance with the provisions herein contained and until he does so he shall not be freed from any liability in respect of the share.

#### 76. BOARD MAY REFUSE TO TRANSMIT

The Board shall, subject to the provisions of Article 68 hereof, have the same right to refuse on legal grounds to register a person entitled by transmission to any share or his nominee, as if he were the transferee named in any ordinary transfer presented for registration.

#### 77. BOARD MAY REQUIRE EVIDENCE OF TRANSMISSION

Every transmission of share shall be verified in such manner as the Board may require and if the Board so desires, be accompanied by such evidence as may be thought necessary and the Company may refuse to register any such transmission until the same be verified on requisite evidence produced or until or unless an indemnity be given to the Company with regard to such registration which the Board at its absolute discretion shall consider sufficient, provided nevertheless, that there shall not be any obligation on the Company or the Board to accept any indemnity.

#### 78. TRANSFER BY LEGAL REPRESENTATION

A transfer of a share 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 instrument of transfer.

#### 79. CERTIFICATE OF TRANSFER

The Certification by the Company of any instrument of transfer of shares in or debentures of the Company, shall be taken as a representation by the Company to any person acting on the faith of the certification that there have been produced to the Company such documents as on the face of them show a prime facie title to the shares or debentures in the transferor named in the instrument of transfer, but not as a representation that the transferor has any title to the shares or debentures.

#### 80. THE COMPANY NOT LIABLE FOR DISREGARD OF A NOTICE PROHIBITING REGISTRATION OF TRANSFER

The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer or transmission 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 any may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some books of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

#### A. NOMINATION

(i) Every shareholder or debenture holder of the Company, may at any time, nominate a person to whom his shares or debentures shall vest in the event of his death in such manner as may be prescribed under the Act.

(ii) Where the shares or debentures of the Company are held by more than one person jointly, joint holders may together nominate a person to whom all the rights in the shares or debentures, as the case may be shall vest in the event of death of all the joint holders in such manner as may be prescribed under the act.

(iii) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid purports to confer on any person the right to vest the shares or debentures, the nominee shall, on the death of the shareholders or debenture holder or, as the case may be on the death of the joint holders become entitled to all the rights in such shares or debentures or, as the case may be, all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may be prescribed under the Act.

(iv) Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint any person to become entitled to shares in, or debentures of, the Company in the manner prescribed under the Act, in the event of his death, during the minority.

#### “OPTION OF NOMINEE

i. A nominee upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either- (a) to register himself as holder of the share or debenture, as the case may be; (b) or to make such transfer of the shares and/or debentures, as the deceased shareholder or debenture holder, as the case may be, could have made.

If the nominee elects to be registered as holder of the shares or debentures, himself, as the case may be, he shall deliver or send to the Company, notice in writing signed by him stating that he so elects and such notice shall be accompanied with death certificate of the deceased shareholder or debenture holder, as the case may be

(ii) A nominee shall be entitled to the share dividend/interest and other advantages to which he would be entitled if he were the registered holder of the shares or debentures, provided that he shall not, before being registered as a member, be entitled to exercise any right conferred by membership in relation to the meeting of the Company.

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

#### 80B. TRUST NOT RECOGNISED

Save as herein otherwise provided, the Company shall be entitled to treat the person whose names) appears on the Register of Members/Debentures as the holder of any Shares/Debentures in the records of the Company and/or in the records of the Depository as the absolute owner thereof and accordingly shall not (except as may be ordered by a Court of competent jurisdiction or as may be required by law) be bound to recognize any benami trust or equitable, contingent, future or other claim or interest or partial interest in any such shares/debentures on the part of any other person or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto on the part of any other person whether or not it shall have express or implied notice thereof, but the Board shall be at liberty and at its sole discretion decided to register any share/debenture in the joint names of any two or more persons or the survivor or survivors of them.

#### 80C.TRANSFER OF SECURITIES

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 whom are entered as beneficial owners in the records of depository.

#### 80D. NOTICE OF APPLICATION WHEN TO BE GIVEN

Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.

#### 80E. REFUSAL TO REGISTER NOMINEE

Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any Share of his nominee as if he were the transferee named in an ordinary transfer presented for registration.

#### 80F.PERSON ENTITLED MAY RECEIVE DIVIDEND WITHOUT BEING REGISTERED AS A MEMBER

A person entitled to a Share by transmission shall subject to the right of the Directors to retain dividends or money as is herein provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share.

#### JOINT HOLDERS

#### 81. BOARD MAY REFUSE TRANSFER TO MORE THAN THREE PERSONS

Subject to the provisions of the Act, the Board may refuse to transfer a share or shares in the joint names of more than three persons.

#### 82. JOINT HOLDERS

Where more than one person is registered as the holder of any share, the person first named in the Register of Members as one of the joint holders of a share shall be deemed the sole holder for matters connected with the Company subject to the following and other provisions contained in these articles;

#### JOINT AND SEVERAL LIABILITIES FOR ALL PAYMENTS IN RESPECT OF SHARES

a. The joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.

#### TITLE OF SURVIVORS

b. On the death of any such joint holder, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.

#### EFFECTUAL RECEIPTS

c. Any one of several persons who is registered as joint holder of any share may give effectual receipts for all dividends and payments on account of dividends in respect of such share.

## DELIVERY OF CERTIFICATE AND GIVING OF NOTICE TO FIRST NAMED HOLDER

d. Only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificates relating to such share or to receive documents (which expression shall be deemed to include all documents referred to in Article 28 from the Company and document served on or sent to such person shall be deemed service on all the joint holders).

## VOTES OF JOINT HOLDERS

e. Any one or 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 than that one or such persons so present whose name stands first or higher (as the case may be) on the Register of Members in respect of such shares shall alone be entitled to vote in respect thereof but the others of the joint holders shall be entitled to be present at the meeting; provided always that a 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 an attorney or by proxy although the name of such joint holder present by an attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares. Several executors or administrators of a deceased member in whose (deceased member's) sole name any shares stand shall for the purpose of this Article, be deemed joint holders.

## SHARE WARRANTS

82A.

(i) Power to issue Share Warrants.

The Company may issue warrants subject to and in accordance with 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 persons 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.

(ii) Deposit of Share Warrants.

(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 call in 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 the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant.

(b) Not more than one person shall be recognized as depositor of the Share warrant

(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.

(iii) Privileges and Disabilities of the holders of Share Warrants.

(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall 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 holder of the Share included in the warrant, and he shall be a Member of the Company.

(iv) Issue of New Share Warrants Coupons

The Board may, from time to time, make bye-laws as to 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.

#### CONVERSION OF SHARES INTO STOCK

83. Shares may be converted into stock

The Board may, with the sanction of a General Meeting, convert any paid up share into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth, transfer their respective interests therein or any part of such interest in the same manner as and subject to the same regulations, under which fully paid up share in the capital of the Company may be transferred or as near thereto as circumstances will admit, but the Board may, from time to time if it thinks fit, fix the minimum amount of stock transferable and direct that fractions of a rupee shall not be dealt with, power nevertheless at their discretion to waive such rules in any particular case.

84. Rights of Stock-holders

The stock shall confer on the holders thereof respectively the same rights, privileges and advantages as regards participation in the profits and voting at meetings of the Company and for other purposes as would have been conferred by shares of equal amount in the capital of the Company of the same class as the shares from which such stock was converted, but so that none of such privileges or advantages except participation in the profits of the Company or in the assets of the Company on a winding up, shall be conferred by any such equivalent part of consolidated stock as would not, if existing in shares have conferred such privileges or advantages. No such conversion shall effect or prejudice any preference or other special privileges attached to the shares so converted. Save as aforesaid, all the provisions herein contained shall, so far as circumstances will admit, apply to stock as well as to shares. The Company may at any time reconvert any such stock into fully paid up shares of any denomination.

#### MEETING OF MEMBERS

85.

- a) Subject to Section 166 of the Act, 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 notices calling it and not more than fifteen months shall elapse between the date of the Annual General Meeting of the Company and that of the next, subject however to the right of the Registrar, under the Act, to extend the time within which any Annual General Meeting may be held.

- b) Every Annual General Meeting shall be called for at a 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 or town or village in which the Registered Office of the Company is situated.

86. The Company shall in accordance with Section 159 of the Act, within 60 day from the day on which the Annual General Meeting is held, prepare and file with the Registrar a return in the form set out in part II of Schedule V to the Act or as near thereto as the circumstance shall admit and containing the particulars specified in part I of the said Schedule V together with three copies of the Balance Sheet and the Profit and Loss Account laid before the Annual General Meeting in accordance with Section 220 of the Act.

#### Distinction between Annual General Meeting and Extra-ordinary General Meeting

87. The General Meeting referred to in Article 86 shall be called and styled as an Annual General Meeting and all meetings other than the Annual General Meeting shall be called Extra-ordinary General Meetings.

#### Calling of Extra-ordinary General Meeting

88. The Board may, whenever it thinks fit, call an Extra-ordinary General Meeting of the Company and it shall, on the requisition of the holders of not less than one-tenth of the issued capital of the Company upon which all calls or other sums then due have been paid forthwith proceed to convene an Extra-Ordinary General Meeting of the Company and in the case of such requisition, the provision of Section 169 of the Act shall apply. No shareholder or shareholders shall call a meeting of the Company except by or upon a requisition as herein provided.

#### Length of notice for calling meeting

89.

(1). A General Meeting of the Company may be called giving not less than twenty one days notice in writing.

(2) A General Meeting may be called after giving shorter notice than the specified in sub-clause (1) hereof, if consent is accorded thereof.

- (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 ninety five per cent of such part of the paid up share capital of the Company as gives a right to vote at that meeting.

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

#### Contents and manner of services of notices and person on whom it is to be served

90. (1) Every notice of the 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.

(2) 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 prepaid letter addressed to them by name or by the title of representatives of the deceased or assignee of the insolvent or by any like description at the address if any, in India supplied for the purpose by the persons claiming to 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: and

(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 of members of the Company.

(iv) PROVIDED that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighborhood 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.

(3) The accidental omission to give notice to or non receipt of notice by any member or other person to whom it should be given shall not, invalidate the proceedings at the meeting.

(4) Every notice convening a meeting of the Company shall state in that a member entitled to attend and vote at the meeting is entitled to appoint proxy to attend and vote instead of himself and that a proxy need not be a Member of the Company.

#### Special business

91. All business to be transacted at an Annual General Meeting with the exception of businesses relation to (i) the consideration of the accounts, balance sheets and reports of the Board of Directors and Auditors, (ii) the declaration of the dividend, (iii) the appointment of Directors in place of those retiring and (iv) the appointment of and the remuneration of Auditors and all business to be transacted at any other meetings of the Company shall be deemed Special.

#### Explanatory Statement to be annexed to notice

92. Where any items of business to be transacted at any meeting of the Company are deemed to be special as aforesaid, there shall be annexed to the notice of meeting an explanatory statement setting out all material facts concerning each item of business including in particular the nature and extend of the interest, if any, therein, of every Director and of the Manager and specifying where any item of business consists of the according of approval to any document by the meeting, the time and place, where the document can be inspected.

PROVIDED that where any such item of special business at the meeting of the Company related to or affects any other company, the extent of shareholding interest in that other company of every Director of the Company, shall also be set out in the statement, if the extent of such shareholding interest is not less than 20 per cent of the paid up share capital of that other company.

Meeting not competent to discuss or transact any business not mentioned in notice



93. No General Meeting, Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been specifically mentioned in the notice or notices upon which it is convened.

#### Quorum

94. Five members entitled to vote and present in person shall be a quorum for a General Meeting. When more than one of the joint holders of a share is present not more than one of them shall be counted for determining the quorum. Several executors of administrators of a deceased person in whose sole name a share stands shall, for the purpose of this Article, be deemed joint holders thereof. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act. The President of India, or the Governor of a State being member of the Company shall be deemed to be personally present if he is represented in accordance with Section 187A of the Act.

#### Presence of quorum

95. No business shall be transacted at any General Meeting unless the requisite quorum shall be present at the commencement of the business.

#### If Quorum not present, meeting to be dissolved and when to be adjourned

96. If within half an hour from the time appointed for holding the meeting a quorum is not present, the meeting, if called upon the requisition of members shall stand dissolved but in any other case, it shall stand adjourned to the same day in the next week, at the same time and place or if that day is a public holiday, or to such other day, time and place as the Board may determine.

97. If at the adjourned meeting, a quorum is not present within half an hour from the time appointed for holding the meeting the members present shall be a quorum and may transact the business for which the meeting was called.

#### Resolution passed at adjourned meeting

98. Where a resolution shall, for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

#### Power of adjourn General Meeting

99. (1) The Chairman of the General Meeting may adjourn the same from time to time and from place to place, but not business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(2) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(3) Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned meeting.

#### Chairman of General Meeting

100. The Chairman of the Board shall, if willing, preside as Chairman at every General Meeting, Annual or Extra-ordinary, if there be no such Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or being present declined

to take the Chair, the Directors present may choose one of their members to be Chairman and in default of their doing so, the members present shall choose one of the Directors to be Chairman and if no Director present be willing to take the Chair, members shall, on a show of hands elect one of their numbers to be Chairman, of the meeting, if a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and these Articles and the Chairman elected on a show of hands shall exercise all the powers of the Chairman under the said provisions. If some other person is elected chairman as a result of the poll, he shall be the Chairman for the rest of the meeting.

Business confined to election of Chairman while chair vacant

101. No business shall be discussed at any General Meeting except the election of a Chairman while the chair is vacant.

Resolution must be proposed and seconded

102. No resolution submitted to a meeting, unless proposed by the Chairman of the meeting shall be discussed nor put to vote until the same has been proposed by a member present and entitled to vote at such meeting and seconded by another member present and entitled to vote at such meeting.

Postal Ballot

102A The Company may pass such resolution by postal ballot in the manner prescribed by Section 192A of the Act and such other applicable provisions of the Act and any future amendments or re-enactment thereof. Notwithstanding anything contained in the provisions of the Act, the Company shall in the case of a resolution relating to such business, as the Central Government may, by notification, declare to be conducted only by postal ballot, get such resolution passed by means of postal ballot instead of transacting such business in a general meeting of the Company.

How question to be decided at meetings

103. At any General Meeting, a resolution put to the vote of the meeting, shall be, decided on a show of hands unless the poll is demanded as provided in these Articles.

Declaration of Chairman to be conclusive

104. A declaration by the Chairman 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.

Demand for poll

105. (1) Before or on the declaration of the result of the voting on any resolution on a show hands, a 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 demand made in that behalf by the person or persons specified below, that is to say:

by any member or members present in person or by proxy and holding shares in the Company:

I. which confer a power to vote on the resolution not being less than one-tenth to the total voting power in respect of the resolution or

II. on which an aggregate sum of not less than fifty thousand has been paid up.

(2) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

#### Time of taking Poll

106. Any poll duly demanded on the question of adjournment shall be taken forthwith, a poll demanded on any other question shall be taken at such time not exceeding 48 hours from the time when the demand was made, as the Chairman of the meeting may direct.

#### Scrutineers at Poll

107. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinize the votes given on the poll and to report thereon to him, 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 of the office of scrutineer arising from such removal or from any other cause of the two scrutineers so to be appointed, 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 is willing to be appointed.

#### Business may proceed notwithstanding demand for Poll

108. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

#### Chairman's casting vote

109. In the case of equality of votes, the Chairman shall, both on a show of hands and on a poll, have a second or casting vote in addition to the vote or votes to which he may be entitled as a member.

#### Manner of taking poll and result thereof

110. (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.

#### 110A. Requisitionists' meeting

(1) Subject to the provisions of Section 188 of the Act, the Directors shall on the requisition in writing of such number of Members as is hereinafter specified and (unless the General Meeting otherwise resolves) at the expense of the requisitionists:-

(a) Give to the Members of the Company entitled to receive notice of the next Annual General Meeting, notice of any resolution which may properly be moved and is intended to be moved at that meeting.

(b) Circulate to the Members entitled to have notice of any General Meeting sent to them, any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or any business to be dealt with at that Meeting.

(2) The number of Members necessary for a requisition under clause (1) hereof shall be (a) Such number of Members as represent not less than one-twentieth of the total voting power of all the Members having at the date of the resolution a right to vote on the resolution or business to which the requisition relates; or

(b) not less than one hundred Members having the rights aforesaid and holding Shares in the Company on which there has been paid up an aggregate sum of not less than Rupees one lac in all.

(3) Notice of any such resolution shall be given and any such statement shall be circulated, to Members of the Company entitled to have notice of the Meeting sent to them by serving a copy of the resolution or statement to each Member in any manner permitted by the Act for service of notice of the Meeting and notice of any such resolution shall be given to any other Member of the Company by giving notice of the general effect of the resolution in any manner permitted by the Act for giving him notice of meeting of the Company. The copy of the resolution shall be served, or notice of the effect of the resolution shall be given, as the case may be in the same manner, and so far as practicable, at the same time as notice of the Meeting and where it is not practicable for it to be served or given at the time it shall be served or given as soon as practicable thereafter.

(4) The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless:

(a) A copy of the requisition signed by, the requisitionists (or two or more copies which between them contain the signature of all the requisitionists) is deposited at the Registered Office of the Company.

(i) In the case of a requisition, requiring notice of resolution, not less than six weeks before the Meeting.

(ii) the case of any other requisition, not less than two weeks before the Meeting, and

(b) There is deposited or tendered with the requisition sum reasonably sufficient to meet the Company expenses in giving effect thereto.

PROVIDED THAT if after a copy of the requisition requiring notice of a resolution has been deposited at the Registered Office of the Company, and an Annual General Meeting is called for a date six weeks or less after such copy has been deposited, the copy although not deposited within the time required by this clause, shall be deemed to have been properly deposited for the purposes also thereof.

(5) The Company shall also not be bound under this Article to circulate any statement, if on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this Article are being abused to secure needless publicity for defamatory matter.

(6) Notwithstanding anything in these Articles, the business which may be dealt with at Annual General Meeting shall include any resolution for which notice is given in accordance with this Article, and for the purposes of this clause, notice shall be deemed to have been so given, notwithstanding the accidental omission in giving it to one or more Members.

110B. Extra-ordinary General Meeting by Board and by Requisition.

(a) The Directors may whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of the Members as herein provided, forthwith proceed to convene Extra-Ordinary General Meeting of the Company.

(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.

110C. Contents of requisition, and number of requisitionists required and the conduct of Meeting

(1) In case of requisition the following provisions shall have effect:

(a) The requisition shall set out the matter for the purpose of which the Meeting is to be called and shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company.

(b) The requisition may consist of several documents in like form each signed by one or more requisitionists.

(c) The number of Members entitled to requisition a Meeting in regard to any matter shall be such number 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 that date carried the right of voting in regard to that matter.

(d) Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (3) shall apply separately in regard to such matter, and the requisition shall accordingly be valid only in respect of those matters in regard to which the conditions specified in that clauses are fulfilled.

(e) 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 consideration of those matters on a day not later than forty-five days from the date of the date deposit of the requisition, the Meeting may be called:

(i) By the requisitionists themselves; or

(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 the paid-up share capital of the Company as is referred to in sub clauses (c) of clause (1) which ever is less, PROVIDED THAT for the purpose of this sub-clause, the Board shall, in the case of a Meeting at which a 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.

(2) A meeting called under sub-clause (c) of clause (1) by requisitionists or any of them:

(a) shall be called in the same manner as, nearly as possible, as that in which meeting is to be called by the Board; but

(b) shall not be held after the expiration of three months from the date of deposit of the requisition. PROVIDED THAT nothing in sub-clause (b) shall be deemed to prevent a Meeting duly commenced before the expiry of the period of three months aforesaid, from adjourning to some days after the expiry of that period.

(3) Where two or more Persons hold any Shares in the Company jointly; a requisition or a notice calling a Meeting signed by one or some only of them shall, for the purpose of this Article, have the same force and effect as if it has been signed by all of them.

(4) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board to duly to call a Meeting shall be repaid to the requisitionists by the Company; and any sum 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.

#### VOTES OF MEMBERS

##### 111. Votes may be given by proxy or attorney

Subject to the provisions of the Act and these Articles, votes may be given either personally or by an attorney or by proxy or in the case of a body corporate, also by a representative duly authorised under section 187 of the Act and Article 113.

##### 112. Votes of members

Subject to the provision of the Act and these Articles, every member not disqualified by Article 116 shall be entitled to be present in person and holding any equity share capital therein, shall have one vote and upon a poll the voting right of every such member present in person or by proxy shall be in proportion to his share of paid up equity share capital of the Company.

Provided, however, if any preference share holder be present at any meeting of the Company, save as provided in Clause (b) of sub-section (2) of Section 84 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.

##### 113. Right of member to use his votes differently

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

##### 114. Representation of Body Corporate

A body corporate whether a Company within meaning of the Act or not may, if it is a member or creditor of the Company including being a holder of debentures, may authorize such person by a resolution of its Board of Directors, as it thinks fit, to act as its representative at any meeting of creditors of the Company.

115. Restriction on exercise of voting right by members who have not paid calls

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/or has exercised its right of lien.

116. No voting by proxy on show of hands

No member not personally present shall be entitled to vote on a show of hands, unless such member is a body corporate present by a representative duly authorized, under Section 187 of the Act in which case such representative may vote on a show of hands as if he were a member of the Company. A proxy who is present at a meeting shall not be entitled to address the meeting.

117. How member non-compos mentis and minor may vote

If any member be a lunatic or non-compos mentis, the vote in respect of his share or shares shall be his committee or other legal guardian provided that such evidence of the authority of the person claimed to vote as shall be acceptable by the Board shall have been deposited at the office of the Company not less than forty eight hours before the time of holding a meeting.

118. Instrument of proxy

The instrument appointing a proxy shall be in writing and signed by the appointer or his attorney duly authorized in writing or if the appointer is a body corporate be under its seal or be signed by an office or attorney duly authorized by it.

119. Instrument of proxy to be deposited at office

The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority shall be deposited at the registered office of the Company not less than forty eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid. No instrument of proxy shall be valid after the expiration of twelve months from the date of its execution.

120. When vote by proxy valid though authority revoked

vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the share in respect of which the vote is given. Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjournment meeting at which the proxy is used.

121. Form of proxy

Every instrument of proxy, whether for specified meeting or otherwise shall, as nearly as circumstances will admit, be in the form set out in Schedule IX of the Act.

#### 122. Time for objection to vote

No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be so tendered and every vote whether given personally or by proxy and not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

#### 123. Chairman of any Meeting to be the judge of validity of any vote

The Chairman of any meeting shall be sole judge of the validity of every vote tendered at such meeting. The Chairman present at the time of taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

#### 123A. Votes of Members of unsound mind

A Member of unsound mind, or in respect of whom order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on a poll, vote by proxy.

#### 123B. Member paying money in advance not be entitled to vote in respect thereof.

A Member paying the whole or a part of the amount remaining unpaid on any Share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of moneys so paid by him until the same would but for such payment become presently payable.

### DIRECTORS

124. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors shall not be less than three nor more than twelve

#### Increase in number of Directors to require Government sanction

125. The Company shall not increase the number of its Directors beyond the maximum fixed by these Articles.

126. Following shall be the first directors of the Company: 1. Sh. Satya Paul Sharma; 2. Shri. Kanti Chandra Kela; 3. Shri. Govind Krishna

#### Power of Directors to appoint additional Directors and to fill casual vacancies

127. Subject to the provision of Sections 260, 263, 264 and 284 (6) of the Act and subject to these Articles, the Directors shall have power at any time and from time to time to appoint any other person as a Director either to fill casual vacancy or as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed. Any additional Director so appointed shall hold the office upto the next Annual General Meeting.

#### 128. Nominee Directors

Whenever the Company enters into an agreement or contract with the Central or State Government, a local authority, bank or financial institution or any person or persons (hereinafter referred to as the appointer) for borrowing any money or for providing any guarantee or security or for underwriting shares or debentures or other securities of the Company or business takeover



agreements, the Board shall have, subject to the provisions of Section 255 of the Act, the power to agree that such appointer shall have, if and to the extent provided by the terms of such agreement or contract, the right to appoint or nominate, by a notice in writing addressed to the Company, one or more Directors on the Board for such period and upon such conditions as may be mentioned in the agreement or contract and that such Directors may not be liable to retire by rotation nor be required to hold any qualification shares. The Board may also agree that any such Director or Directors may be removed from time to time by the appointer entitled to appoint or nominate them and the appointer may appoint another or others in his or their place and also fill any vacancy which may occur as a result of any Director or Directors ceasing to hold that office for any reason whatsoever. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the other Directors of the Company including payment of remuneration and traveling expenses to such Director or Directors, as may be agreed by the Company with the appointer. The Company may provide by an agreement specific right to nominee Directors for insisting their concurrence to any of the decision of the Board and if no consent from the nominee Directors is received such a decision of Board would not be taken or if taken shall not be binding to Company, as if not validly taken.

#### 129. Debenture Directors

If it is provided by the trust deed securing or otherwise in connection with any issue of debentures of the Company, that any person or persons shall have power to nominate a Director of the Company then in the case of any and every such issue of debentures, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as Debenture Director. A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares.

#### 130. Qualification of Directors

A Director need not hold any qualification shares.

#### 131. Remuneration of Directors

(1) Subject to the provisions of the Act, a Managing Director or any other Director, who is in the Whole time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

(2) Subject to the provisions of the Act, a Director who is neither in the Whole-time employment nor a Managing Director may be paid remuneration.

- (i) by way of monthly, quarterly or annual payment with the approval of the Central Government; or
- (ii) by way of commission if the Company by a special resolution authorises such payments.

(3) The fees payable to Director (including a Managing or whole-time Director, if any) for attending a meeting of the Board or Committee shall be decided by the Board of Directors from time to time, however the amount thereof shall not exceed limit provided in the Companies Act, 1956 and rules, if any, framed there under.

(4) if any Director be called upon to perform extra services or special exertion or efforts (which expression shall include work done by a Director as member of any committee formed by the Directors), the Board may arrange with such Directors for such special remuneration for such extra services or special exertions or either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration above provided.

Travelling Expenses incurred by a Director not a bonafide resident or by Director going out on Company's Business

132. The Board may allow and pay to any Director who is not a bonafide resident of the place where the meetings of the Board or committee thereof are ordinarily held and who shall come to a such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation or for traveling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any travelling or other expenses, incurred in connection with business of the Company.

133. Directors may act notwithstanding any vacancy

The continuing Directors may act notwithstanding any vacancy in the Board, but if and so long as the number is reduced below the quorum fixed by the Act or by these Articles for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum or for summoning a General Meeting of the Company but for no other purpose.

134. Disclosure of interest of Directors

(1) Every Director of the Company who is in any way, whether directly or indirectly concerned or interested in any contract or arrangement or proposed contract or arrangement, entered into or to be entered into, by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board of Directors.

(2) (a) In case of a proposed contract or arrangement the disclosure required to be made by a Director under clause (1) shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration or if a Director was not at the date of that meeting, concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he becomes so concerned or interested.

(b) In the case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.

(3) (a) For the purpose of clauses (1) and (2) hereof, a general notice given to the Board by a Director to the effect that he is a Director or a member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be sufficient disclosure of concern or interest in relation to any contract or arrangement so made.

(b) Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time by a fresh notice in the last month of the financial year in which would it otherwise have expired.

(c) No such general notice and no renewal thereof shall be effective unless either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

(d) Nothing in this Article shall apply to any contract or arrangement entered into or to be entered into between two companies when any of the Directors of the Company or two of them together holds or hold not more than two per cent of the paid up share capital in the other company.

#### Interested Director not to participate or vote on Board's proceedings

135. No Director of the Company shall, as Director, take any part in the discussion of or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company if he is in any way whether directly or indirectly, concerned or interested in the contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote his vote shall be void, provided however that Directors may vote on any contract of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or surety for the Company.

Board's sanction to be required for certain contracts in which particular Director is interested

136. A Director of the Company or his relative, a firm in which such Director or relative is partner, any other partner in such firm or a private company of which the Director is a member of Director shall not enter into any contract with the Company, except to the extent and subject to the provisions of Section 297 of the Act.

#### 136A. Special Director

In connection with any collaboration arrangement with any company or corporation or any firm or person for supply of technical know-how and/or machinery or technical advice the directors may authorize such company, corporation, firm or person herein-after in this clause referred to as "collaboration" to appoint from time to time any person as director of the company (hereinafter referred to as "special director") and may agree that such special director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for office of such director, so however that such special director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such collaborator under the collaboration arrangements or at any time thereafter.

The collaborators may at any time and from time to time remove any such special director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as special director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the Company at its registered office.

It is clarified that every collaborator entitled to appoint a director under this article may appoint one such person as a director and so that if more than one collaborator is so entitled there may be at any time as many special directors as the collaborators eligible to make the appointment.

### 136B. Alternate Director

The Board may appoint, an Alternate Director recommended for such appointment by the Director (hereinafter in this Article called “the Original Director”) to act for him during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. Every such Alternate Director shall, subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meetings of Directors and to attend and vote as a Director and be counted for the purposes of a quorum and generally at such Meetings to have and exercise all the powers and duties and authorities of the Original Director. The Alternate Director appointed under this Article shall vacate office as an when the Original Director returns to the State in which the meetings of the Board are ordinarily held and if the term of office of the Original Director is determined before he returns to as aforesaid, any provisions in the Act or in these Articles for automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not the Alternate Director.

### 136C. Limit on number of retaining Directors

The provisions of Articles 146, 147, 148 and 149 are subject to the provisions of of Section 256 of the Act and number of such Directors appointed under Article 147 shall not exceed in the aggregate one third of the total number of Directors for the time being in office.

### 136D. Directors’ sitting fees

The fees payable to a Director for attending each Board meeting shall be such

Sum as may be fixed by the Board of Directors not exceeding such as may be

Prescribed by the Central Government for each of the meetings of the Board or A committee thereof and adjournments thereto attended by him. The directors, Subject to the sanction of the Central Government (if any required) may be paid Such higher fees as the Company in General Meeting shall from time to time Determine.

### 136E. Directors and Managing Director may contract with Company

Subject to the provisions of the Act the Directors (including a Managing Director And whole time Director) shall not be disqualified by reason of his or their office as such from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or lessee or Otherwise, nor shall any such contract or any contracts or arrangement entered Into by or on behalf of the Company with any Director or with any company or Partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting be liable to account to the Company for any profit realized by such contract or arrangement by reason only Of such director holding that office or of the fiduciary relation thereby Established, but it is declared that the nature of his interest shall be disclosed as Provided by Section 299 of the Act and in this respect all the provisions of Section 300 and 301 of the Act shall be duly observed and complied with.

### 136F. Disqualification of the Director

A person shall not be capable of being appointed Director of the Company if:-

- a) he has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force;

- b) he is an undischarged insolvent;
- c) he has applied to be adjudged an insolvent and his application is pending;
- d) he has been convicted by a Court of any offence involving moral turpitude sentenced in respect thereof to imprisonment for not less than six months and a period of five months and a period of five years has not elapsed form the date of expiry of the sentences;
- e) he has not paid any call in respect of shares of the Company held by him whether alone or jointly with others and six months have lapsed from the last day fixed for the payment of the call; or
- f) an order disqualifying him for appointment as Director has been passed by a Court in pursuance of Section 203 of the Act and is in force; unless the leave of the Court has been obtained for his appointment in pursuance of that Section.

136G. Director may be director of companies promoted by the Company

A Director may be or become a director of any company promoted by the

Company, or in which it may be interested as a vendor, shareholder, or otherwise and no such Director shall be accountable for any benefit received as director or Shareholder of such company except in so far Section 309(6) or Section 314 of the Act may be applicable.

136H. Appointment of Sole Selling Agents

- a) The appointment, re-appointment and extension of the sole selling agent, shall be regulated in accordance with the provisions of Section 294 of the act and any rules or Notifications issued by the competent authority in accordance with that section and the Directors and/or the Company in General Meeting may make the appointment, re-appointment or Section and such rules or notifications, if any, as may be applicable.
- b) The payment of any compensation to a sole selling agent shall be subject to the provisions of Section 294A of the Act.

## RETIREMENT AND ROTATION OF DIRECTORS

137. Retirement of Directors by rotation

- 1) At every Annual General Meeting, one third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, then the number to one third shall retire from office. The Debenture Directors and Nominee Directors, if any, shall not be subject to retirement under clause and shall not be taken into account in determining the retirement by rotation or the number of Directors to retire.
- 2) The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment but as between persons who became Directors on the same day those who are to retire shall in default of and subject to any agreement among themselves, be determined by lot.
- 3) At the Annual General Meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director who shall be eligible for reappointment or some other person thereto.
- 4) If the place of the retiring Director is not filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place or if that is a public holiday, till the next succeeding day which is not a public holiday at the same time and place. If at the adjourned meeting

also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless.

- I. at the meeting or at the previous meeting, a resolution for the re-appointment of such Director has been put to the vote and lost;
- II. the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;
- III. he is not qualified or is disqualified for;
- IV. a resolution, whether special or ordinary, is required for his appointment or re-appointment by virtue of any of the provisions of the Act.

#### Appointment of Director to be vote individually

138.

- 1) No motion at any General Meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it.
- 2) A resolution moved in contravention of clause (1) shall be void whether or not objection was taken at the time of its being so moved; provided that where a resolution so moved is passed, no provision for the automatic re-appointment shall apply.
- 3) For the purpose of this clause, a motion for approving a person's appointment or for nominating a person for appointment shall be treated as motion for his appointment.

139.

- 1) A person who is not a retiring Director shall, subject to the provisions of the Act, be eligible for appointment to the office of Director at any General Meeting if he or some member intending to propose him has not less than fourteen days before the meeting, left at the office of the Company a notice in writing under his hand signifying candidature for the office of Director or the intention of such member to propose him as a candidate for that office as the case may be, "along with a deposit of five hundred rupees which shall be refunded to such person or as the case may be, to such member, if the person succeeds in getting elected as a Director.
- 2) The Company shall inform its member of the candidature of a person for the office of Director or the intention of a member to propose such person as a candidate for that office, by serving individual notice on the members not less than seven days before the meeting.
- 3) Provided that it shall not be necessary for the Company to serve individual notices upon the members as aforesaid if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the place where the Registered Office of the Company is located, of which one is published in the English language and the other in the Gujarati language.
- 4) Every person proposed as a Candidate for the office of Director shall sign and file with the Company his consent to act as a Director.

#### Resignation of Director

140. A Director may at any time give notice in writing of his intention to resign by addressing it to the Board of Directors of the Company and delivering such notice to the Secretary or leaving the same at the Registered Office of the Company and thereupon his office shall be vacated.

#### 141. Register of Directors and notification of changes to registrar

The Company shall keep at its registered office, a Register of Director, Managing Director, Manager and Secretary containing the particulars as required by Section 303 of the Act and shall send to the Registrar a return in the prescribed form containing the particulars specified in the said register and shall notify to the Registrar any change among its Directors, Managing Directors, Manager and Secretary or any of the particulars contained in the register as required by Section 303 of the Act.

#### 141A. Appointment of Technical or Executive Directors

- a) The Board of Directors shall have the right from time to time to appoint any person or persons as Technical Director or Executive Director/s and remove any such persons from time to time without assigning any reason whatsoever. A Technical Director or Executive Director shall not be required to hold any qualification shares and shall not be entitled to vote at any meeting of the Board of Directors.
- b) Subject to the provisions of Section 262 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.

### REMOVAL OF DIRECTORS

#### Removal of Directors

142. (1) The Company may, by ordinary resolution, remove a Director not being a Nominee Director appointed under Article 128 or a Debenture Director appointed under Article 129 and not being a Director appointed by the Central Government in pursuance of Section 408 of the Act before the expiry of this period of office.

(2) Special notice shall be required of any resolution to remove a Director under this Article or to appoint somebody instead of a Director so removed at the meeting at which he is removed.

(3) On receipt of notice of a resolution to remove a Director under this Article the Company shall forthwith send a copy thereof to the Director concerned and the Director shall be entitled to be heard on the resolution at the meeting.

(4) Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representation in writing to the Company (not exceeding a reasonable length) and request its notification to members of the Company and shall unless the representations are received by it too late for it to do so.

(a) in any notice of resolution given to the members of the Company, state the fact of the representations having been made; and

(b) send a copy of the representation to every member of the Company to who notice of the meeting is sent (whether before or after receipt of the representations by the Company) and if a copy of the representation is not sent as aforesaid because it was received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representation shall be readout at the meeting' provided that copies of the representation need not be sent out and the representation need not be read out at the meeting if on the application either of

the Company or of any other person who claims to be aggrieved, a court of competent jurisdiction is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter.

(5) A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board under Article 127 hereof, be filled by the appointment of another Director in his stead by the meeting at which he is removed, provided special notice of the intended appointment has been given. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.

(6) If the vacancy is not filled up under the clause (5) hereof, it may be filled as a casual vacancy in accordance with the provisions, so far as they may be applicable to Article 127 hereof and all the provisions of that Article, shall apply accordingly. Provided that the Director who is removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.

(7) Nothing in this Article shall be taken:

- a) as depriving a person removed there under of any compensation or damages payable to him in respect of any appointment terminating with that as Director; or
- b) as derogating from any power to remove a Director which may exist apart from this Article
- c) Eligibility for re-election.

143. A retiring Director shall be eligible for re-election.

#### PROCEEDINGS OF DIRECTORS

144.(a) The Board of Directors may meet together for the dispatch of business, adjourn or otherwise regulate its meetings and proceedings as it may think fit.

(b) A meeting of the Board of Directors shall be held at least once in every three months and at least four such meetings shall be held in every year.

(c) The Chairman, if any, of the Board of Directors may at any time and the Managing Director, if any or the Secretary on the requisition of a Director shall summon a meeting of the Board.

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

#### Quorum

145 (a) Subject to the provisions of Section 287 of the Act, the quorum for a meeting of the Board shall be one third of the total strength of the Board (any fraction contained in the one-third being rounded off as one) or two Directors whichever is higher, provided that where at any meeting the number of interested Directors exceed or is equal to two thirds of the total strength, the number of the remaining Directors, that is to say, the number of the Directors who are not interested and are present at the meeting, being not less than two, shall be quorum during such time.

(b) for the purpose of clause (a) -



- I. Total Strength means that total strength of the Board of Directors of the Company as determined in pursuance of the Act, after deducting therefrom the number of Directors, if any, whose places may be vacant at the time; and
- II. Interested Director means any Director whose presence can not by reason of Article 137 hereof or any other provision in the Act, count for the purpose of forming a quorum at a meeting of the Board at the time of discussion or vote on any matter.

#### Decision of Questions

146. Subject to the provisions of Section 316, 372, 386 of the Act, question arising at any meeting of the Board shall be decided by a majority of votes and in case of an equality of votes, the Chairman shall have a second or casting vote.

#### Board may appoint Chairman, Co-Chairman and Vice Chairman

147. The Board may elect a Chairman, a Co-Chairman and a Vice Chairman of their Meetings and of the Company and determine the period for which he is to hold office. The Chairman or in his absence the Co-Chairman or the Vice Chairman shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary, or if there be no such Chairman or Co-Chairman or Vice Chairman of the Board of Directors, or if at any Meeting neither of these shall be present within ten minutes of the time appointed for holding such Meeting, the Directors present may choose one of their members to be the Chairman of the Meeting of their meetings and determine the period for which he is to hold office, but if no such Chairman is elected or if at any meeting the Chairman is not present within ten minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be the Chairman of the Meeting.

#### Power of Board Meeting

148. A meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act or the Articles are for the time being vested in or exercisable by the Board generally.

149. Subject to the restrictions contained in Section 292 of the Act, the Board may delegate any of its power to a Committee of the Board consisting of such member or members of its body or any other person as it thinks fit and it may from time to time revoke and discharge any such committee of the Board so formed, shall in the exercise of the power so delegated confirm to any regulations that may from time to time be imposed on it by the Board. All acts done by such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

#### Meeting of the Committee how to be Governed

150. The meeting and proceedings of any such Committee of the Board consisting of two or more persons shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board, so far as the same are applicable thereto and are not superseded by any regulations made by the Board under the last preceding Article.

#### Act of Board or Committee valid notwithstanding defective Appointment

151. All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or Committee or person acting as aforesaid or that they or any of them were or was disqualified or had vacated office or that the appointment or any of them

had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director and had not vacated office or his appointment had not been terminated. Provided that nothing in this Article shall be deemed to give validity to acts done by Director after his appointment has been shown to the Company to be invalid or to have terminated.

152.(1) No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors or to all the members of the committee, than in India (not being less in number than the quorum fixed for a meeting of the Board or a Committee thereof as the case may be) and to all other Directors or members at their usual address in India or by a majority of such of them as are entitled to vote on the resolution.

(2) A resolution passed by circular without a meeting of the Board or a Committee of the Board shall, subject to the provisions of sub-clause (1) hereof and the acts, be as valid and effectual as resolution duly passed at meeting of the Board or of the Committee duly called and held.

### 153. General powers of the Board

(1) Subject to the provisions of the Act and these Articles, 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 authorized to exercise and do.

Provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the act or any other act or by the Memorandum of Association of the Company or these Articles or otherwise to be exercised or done by the Company in General Meeting.

Provided further than exercising any power or doing any such act or thing, the Board shall be subject to provisions contained in this behalf in act or in any other act or in the Memorandum of Association or in any regulations not inconsistent therewith and duly made thereunder including regulations made by the Company in General Meeting.

(2) No regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

### 153A. Certain powers to be exercised by the Board only at Meetings.

(1) Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at the meeting of the Board;

- a) the power to make calls, on shareholders in respect of money unpaid on their Shares,
- b) the power to issue Debentures,
- c) the power to borrow moneys otherwise than on Debentures,
- d) the power to invest the funds of the Company, and
- e) the power to make loans

Provided that the Board may, by resolution passed at a Meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company, the powers specified in sub-clause (c) (d) and (e) to the extent specified below:

(2) Every resolution delegating the power referred to in sub-clause (1) (c) above shall specify the total amount outstanding at any one time, upto which moneys may be borrowed by the delegate.

(3) Every resolution delegating the power referred to in sub-clause (1) (d) above shall specify the total amount upto which the funds of the Company may be invested, and the nature of the investments which may be made by the delegate.

(4) Every resolution delegating the power referred to in sub-clause (1) (e) above shall specify the total amount upto which loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.

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

- a) Sell, lease or otherwise dispose off whole or substantially the whole of the undertaking of the company or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking.
- b) Remit, or give time for the repayment of, any debt due by the Director.
- c) Invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in clause (a) or of any premises or properties used for any such undertakings and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time.
- d) Borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the company, and its free reserves that is to say reserves not set apart for any specific purpose as specified in Section 292 of the Act, shall subject to these Articles, be exercised only at meeting of the Board unless the same be delegated to the extent therein stated or
- e) Contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees any amounts the aggregate of which will in any financial year, exceed fifty thousand rupees or five per cent 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 greater.

Power to Borrow

155. Subject to the provisions of Sections 292 and 293 of the Act, the Board may, from time to time at its discretion and by means of resolutions passed at its meeting accept deposits from members either in advance of calls or otherwise and generally, raise or borrow or secure the payment or any sum or sums of money for the purposes of the Company.

155A. All the provisions applicable to nomination facility available to shareholder(s) and debentureholder(s) enumerated in Article 67A of these Articles shall equally apply to depositholder(s).

155B. The payment or repayment of moneys borrowed

The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of bonds, debentures or debentures stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its un-called capital for the time being and the debentures and the debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

155C. Bonds, Debentures, etc. to be subject to control of Directors

Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and condition and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

Condition on which money may be borrowed

156. The Board may raise or secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular by the issue of bonds, perpetual or redeemable debenture-stock or any mortgage, charge or other security on the undertaking of the whole or any part of the Company (both present and future) including its uncalled capital for the time being. The Board shall exercise such power only by means of resolutions passed at its meetings and not by circular resolutions.

157. Terms of issue of Debentures

Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

157A. Debentures with voting rights not be issued.

- a) The Company shall not issue any debentures carrying voting rights at any Meeting of the Company whether generally or in respect of particular classes of business.
- b) The Company shall have power to reissue redeemed debentures in certain cases in accordance with Section 121 of the Act.
- c) Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of Section 123 of the Act.
- d) Certain charges (which expression includes mortgage) mentioned in Section 125 of the Act, shall be void against the Liquidator or creditor unless registered as provided in Section 125 of the Act.
- e) A contract with the Company to take up and pay debentures of the Company may be enforced by a decree for specific performance.
- f) Unless the conditions of issue thereof otherwise provide, the Company shall (subject to the provisions of Section 113 of the Act) within three months after the allotment of it

debentures or debenture-stock and within one month after the application for the registration of the transfer of any such debentures or debenture-stock allotted or transferred.

- g) The Company shall comply with the provision of Section 118 of the Act, as regards supply of copies of debenture Trust Deed and inspection thereof.
- h) The Company shall comply with the provisions of Section 124 to 145 (inclusive) of the Act as regards registration of charges.

#### 158. Execution of indemnity

If the Directors or any of them or any other persons shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or surety for the company.

#### 159. Certain powers of the Board

Without prejudice to the general powers conferred by Articles 155 and the other powers conferred by these Articles and Section 191 of the Act, so as not in any way to limit or restrict those powers, but subject however to the provisions of the Act, it is hereby expressly declared that the Board shall have the following powers:

- 1) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment, and registration of the Company.
- 2) Subject to Sections 292 and 297 and other applicable provisions of the Act, to purchase or otherwise acquire for the Company any property, movable or immovable, rights or privileges which the Company is authorized to acquire at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Board may believe or may be advised to be reasonably satisfactory.
- 3) At its discretion and subject to the provisions of the Act, to pay for any property, rights, privileges acquired by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, mortgages or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as fully paid up thereon as may be agreed upon and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company including its uncalled capital or not so charged.
- 4) To secure the fulfillment of any contracts, agreements or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.
- 5) To appoint and at its discretion, remove or suspend, such managers, secretaries, officers, clerks, agents and employees for permanent, temporary or special services as it may from time to time think fit and to determine their power and duties and fix their salaries, emoluments remuneration and to require security in such instances and of such amounts as it may think fit.
- 6) To accept from any member subject to the provisions of the Act, a surrender of his share or any part thereof on such terms and condition as shall be agreed.
- 7) 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 purpose and to execute and do all such deeds and things as may be required in relation to any such trust and to provide for the remuneration of such trustee or trustees.
- 8) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to

- compound and allow time for payment or satisfaction of any debts due or any claims or demands by or against the Company and to refer any difference to arbitration and observe and perform the terms of any awards made therein either according to Indian Law or according to Foreign Law and either in India or abroad and observe and perform or challenge any award made therein.
- 9) To refer any claims or demands by or against the Company or any difference to arbitration and observe and perform the awards.
  - 10) To act on behalf of the Company in all matters relating to bankruptcy and insolvency.
  - 11) To make and give receipts, releases and other discharges for money payable to the Company and for the claims and demands of the Company.
  - 12) To open and operate Bank Accounts, to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purposes.
  - 13) Subject to the provisions of the Act and these Articles from time to time to provide for the management of the affairs of the Company in or outside India in such manner as it may think fit and in particular to appoint any person to be the attorneys or agents of the Company with such person (including the power to sub-delegate) and upon such terms as may be thought fit.
  - 14) Subject to the provisions of Sections 291, 292, 293, 295, 370, 373 and other applicable provisions of the Act and these Articles, to invest and deal with the moneys of the Company not immediately required for the purpose thereof in or upon such security (not being shares in this Company) or without security and in such manner as it may think fit and from time to time to vary or realize such investments save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.
  - 15) 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 it thinks fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.
  - 16) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company and to give to any Director, officer or other person employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as a part of working expenses of the Company.
  - 17) To provide for the welfare of employees or ex-employees of the Company and the wives and families or the dependents or connections of such persons by building or contributing to the building of houses, dwellings or chawls or by grants of money, pension, gratuity, annuities, allowances, bonuses or other payments or by creating and from time to time subscribing or contributing to, provident fund and other associations institutions, funds or trusts and by providing or subscribing or contributing towards places of instruction or recreations, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit.
  - 18) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or objects which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation or of public and general utility or otherwise.
  - 19) Before recommending any dividend, to set aside, out of the profits of the Company, such sums as it may think proper for depreciation or to a depreciation fund or to an insurance fund or as a reserve fund or sinking fund or any special fund to meet contingencies to repay debentures or for debenture-stock or for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the last two preceding clauses) as the Board of Directors, may in its absolute discretion think conducive to the interest of the Company and subject to Section 292 of the Act to invest the several sums so set aside or so much thereof as is required to be invested, upon such investments (other than shares of this Company) as it may think fit and from time to time deal with and vary such investments and

dispose off and apply and expend all or any part the for the benefit of the Company, in such manner & for such purposes as the Board of Directors in its absolute discretion think conducive to the interest of the Company notwithstanding that the matters to which the Board of Directors applies or upon which it expends 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 general reserve fund into such special funds as the Board of Directors may think fit with full power to transfer the whole or any portion of a reserve fund or division of reserve fund to another reserve fund and with full power to employ the asset constituting all or any of the above funds including the depreciation fund in the business of the Company or in the purchase or repayment of debentures or debenture-stock and that without being bound to keep the same separate from the other assets and without being bound to pay interest on ht same with power however to the Board of Directors at its discretion to pay or allow to the credit of such funds, interest at such rate as the Board of Directors may think proper.

- 20) To pay and charge to the capital account of the Company any commission or interest lawfully payable the out under the provisions of Sections 76 and 208 of the Act, and of the provision contained in these presents.
- 21) From time to time make, vary and repeal by-laws for regulation of the business of the Company, its officers and servants.
- 22) To redeem redeemable preference shares.
- 23) Subject to Section 294 and 297 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter in to all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.
- 24) To undertake any branch or kind of business which the company is expressly or by implication authorized to undertake at such time or times as it shall think fit and to keep in abeyance any such branch or kind of business even though it may have been actually commenced or not, so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.

#### MANAGING DIRECTORS

##### 160. Board may appoint Managing Director or Whole time Director

Subject to the provisions of Sections 267, 268, 269, 309, 310, 311, 316, 317 and other applicable provisions, if any of the Act, the Board of Director may from time to time appoint one or more of their body to be Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company on a term not exceeding five years at a time for which he or they is or are to hold such office and may from time to time remove or dismiss him or them from office and appoint another or others in his or their place or places.

##### 161. Remuneration of Managing Directors or whole time Director

The remuneration of a Managing Director or whole time Director shall from time to time, be fixed by the Board and may be by way of salary or commission or participation in profits or by any or all of these modes or in any other form and shall be subject to the limitations prescribed in Sections 198 and 309 of the Act.

##### 162. Directors may confer power on Managing Director

Subject to the provisions of the Act and to the restrictions contained in these Articles, Board may from time to time entrust to and confer upon a Managing Director for the time being such of the powers exercisable by the Board under these Articles as it may think fit and may confer such powers

for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks expedient.

#### 163. Managing Director not to exercise certain powers

The Managing Director or Managing Directors shall not exercise the powers to:

- a) make calls on share holders in respect of money unpaid on the share of the Company.
- b) issue of debentures and
- c) except delegated by the Board under Section 292 of the Act, invest the funds of the Company or make loans or borrow moneys.

#### 164. Certain persons not to be appointed as Managing Directors

The Company shall not appoint or employ or continue the employment of any persons as its Managing Director or Whole-time Director who:

- a) is an undischarged, insolvent or has at time been adjudged an insolvent;
- b) suspends or has at any time suspended, payment to his creditors or makes or has at any time made composition with them; or
- c) is or has at any time being, convicted by a Court of an offence involving moral turpitude.

164A. Special to any contract between him and the Company, a Managing or Wholetime Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire but (subject to the provision of any contract between him and the Company), he shall be subject to the same provisions as to resignation and removal as the Directors of the Company and shall, ipso facto and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause.

#### 164B. Prohibition of simultaneous appointment of different categories of managerial personnel

The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel namely:-

- a) Managing Director and
- b) Manager.

### THE SECRETARY

165. The Board may, from time to time, appoint and at its discretion, remove any individual (hereinafter called the Secretary) to perform any function which by the Act are to be performed by the Secretary and to execute any other ministerial or administrative duties which may from time to time be assigned to the Secretary by the Board. The Board may also at any time appoint some persons (who need not be the Secretary) to keep the registers required to be kept by the Company. The appointment of Secretary shall conform to the provisions of Section 383A of the Act.

#### 166. The Seal, its Custody and use

The Board of 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 shall



provide for the safe custody of the Seal for time being and the Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors and except in the presence of at least one Director or such other person as the Directors may appoint for the purpose and the Directors or other persons aforesaid shall sign every instrument to which the Seal of the Company is so affixed in his presence.

#### 167. Foreign Seal

The Company may, subject to the provisions of Section 50 of the Act, have for use in any territory, district or place not situate in the Union of India, an official seal which shall be a facsimile of the Common Seal of the Company with the addition on its face of the name of the territory, district or place where it is to be used.

#### 168. Provisions applicable to Foreign Seal

The following provisions shall apply on the Company having a foreign seal under the preceding Article:

- a) The Company shall, by a document under its Common Seal, authorise any person appointed for the purpose in that territory, district or place, to affix the official seal to any deed or other document to which the Company is a party in that territory, district or place.
- b) The authority of any agent under the preceding clause shall, as between the Company and any person dealing with the agent, continue during the period if any, mentioned in the document conferring the authority or if no period is herein mentioned, until notice of the revocation or determine of the agent's authority has been given to the person dealing with him.
- c) The person affixing any such official seal shall certify on the deed or document to which such a seal is affixed, the date on which and the place at which, such seal affixed.
- d) A deed or other document to which an official seal is duly affixed shall bind the Company as if it had been sealed with the common seal of the Company.

### MINUTES

#### 169.

- 1) The Company shall cause minutes of all proceedings of every General meeting and 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, their pages consecutively numbered.
- 2) Each page of every such book shall be initialed or signed and the lastpage of the record of proceedings of each meeting in such books shall be dated and signed.
  - a) in the case of minutes of proceedings of a meeting of the Board or of a committee thereof, by the Chairman of the next succeeding meeting.
  - b) In the case of minutes of proceedings of a General Meeting, by the chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorized by the Board for the purpose.

170. Minutes of proceedings of every General Meeting and of the proceedings of every meeting of the Board kept in accordance with the provisions of Article 172 above, shall be evidence of the proceedings recorded therein.

171. Where minutes of the proceedings of every General Meeting of the Company or of any meeting of the Board or of a Committee of the Board have been kept in accordance with the provisions of article 173 above 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 deemed to be Valid.

172.

(1) The books containing the minutes of the proceedings of any General Meeting of the Company shall be kept at the registered office of the Company and shall be open for inspection of members without charge between the hours 2 p.m. and 5 p.m. during business hours on each working day except Saturday

(2) Any member of the Company shall be entitled to be furnished, within seven days after he has made a request in writing in that behalf to the Company, with a copy of any minutes referred to in clause (8) above on payment of Thirty paise for every one hundred words or fractional part thereof required to be copied.

(3) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(4) The minutes of different meetings shall contain a fair and correct summary of proceedings thereat.

(5) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.

(6) In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:

- (a) the names of the Directors present at the meeting; and
- (b) in the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting or not concurring in the resolution.

(7) Nothing contained in clauses (1) to (6) 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:

- (a) is or could reasonably be regarded as defamatory of any person;
- (b) is irrelevant or immaterial to the proceedings or
- (c) is detrimental to the interests of the Company.

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

## DIVIDENDS

173. The profits of the Company which it shall from time to time determine, subject to the provisions of Section 205 of the Act, to divide in respect of any year or other period, shall be applied first in paying the fixed, preferential dividend on the capital paid up on the preference shares if any

and secondly in paying a dividend declared for such year or other period on the capital paid upon the equity shares.

#### 173A. Division of profits

(a) Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid but if any so long as nothing is paid upon any of Share in the Company, dividends may be declared and paid according to the amounts of the Shares.

(b) No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of this Article as paid on the Shares.

#### 173B. Dividend to joint holders

Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares.

#### 174. Amounts paid in advance of calls not to be treated as paid up capital

No amount paid or credited as paid on a share in advance of calls shall be treated for the purpose of Article 176 as paid up on the share.

#### 175. Apportionment of Dividends

All dividends shall be apportioned and paid proportionate to the amounts paid or credited as paid on the shares, during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

#### 176. Declaration of Dividends

The Company in General Meeting may, subject to the provisions of Section 205 of the Act, declared a dividend to be paid to the members according to their right and interests in the profits and may fix the time for payment.

#### 177. Restriction on amount of dividend

No larger dividend shall be declared than is recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

#### 178. Dividend out of profits only and not to carry interest

(1) No dividend shall be payable except out of the profits of the Company arrived at as stated in Section 205 of the Act. What is to be deemed net profits

(2) The declaration of the Board as to the amount of the net profits of the Company shall be conclusive.

#### 179. Interim Dividends

The Board of Directors may from time to time pay the members such interim dividends as in its judgement the position of the Company justifies.

#### 180. Debts may be deducted

The Board may retain any dividends payable on shares on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which lien exists.

#### 181. Dividend and call together

Any General Meeting declaring an dividend may make a call on the members of such amount as the meeting fixes but so that the call on each members shall not exceed the dividend payable on him and so that the call may be made payable at the same time as the dividend and dividend may; if so arranged between the Company and the member, be set off against the call.

#### 182. Effect of transfer

Right to dividend, right shares and bonus shares shall be held in abeyance pending registration of transfer of shares in conformity with the provision of Section 206A of the Act.

#### 183. Retention in certain cases

The Board may retain the dividends payable upon share in respect of which any person is under Article 76 entitled to become a member of which any person under that Article is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same.

#### 184. No member to receive interest or dividend whilst indebted to the Company and Company's right to reimbursement thereout

No member shall be entitled to receive payment of an interest or dividend in respect of his own share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares otherwise howsoever either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any shareholder all sums or money so due from him to the Company.

#### 185. Payment by post

Any dividend payable in cash may be paid by cheque or warrant sent through the post directly to the registered address of the shareholder entitled to the payment of the dividend or in the case of joint shareholders to the registered address of that one whose name stands first on the Register of Members in respect of the joint shareholding or to such persons and to such address as the shareholders of the joint shareholders may in writing direct and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent and the Company shall not be responsible or liable for any cheque or warrant lost in transit or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent recovery thereof by any other means. The Company may, if it thinks fit, call upon the shareholders when applying for dividends or bonus to produce their share certificates at the registered office or other place where the payment of dividend is to be made.

#### 186. Dividend to be paid within Thirty days

The Company shall pay dividend or send the warrant in respect thereof to the shareholder entitled to the payment of the dividend within Thirty days from the date of the declaration of the dividend unless:

- (a) the dividend could not be paid by reason of the operation of any law or
- (b) a shareholder has given directions to the Company regarding the payment of dividend and these directions can not be complied with or
- (c) there is dispute, regarding the right to receive the dividend or
- (d) the dividend has been lawfully adjusted by the Company against any sum due to it from the shareholder or
- (e) for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.

#### 187. Unpaid or Unclaimed Dividend

Where the Company has declared a dividend but which has not been paid or claimed within 30 from the date of declaration to any shareholder entitled to the payment of dividend, the Company shall, within 7 days of the date from expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called "ACHAL INVESTMENTS LIMITED Unpaid Dividend Account" and transfer to the said account, the total amount of dividend which remains unpaid or unclaimed.

Any money transferred to the unpaid dividend account of the Company which remain unpaid or unclaimed for a period of Seven years from the date of such transfer, shall be transferred by the Company to the Fund established under Section 205C of the Act. No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.

#### 188. Capitalization of reserves

(a) Any General Meeting may, upon the recommendation of the Board resolve that any moneys, investments or other assets forming part of the undistributed profits of the Company standing to the credit of any of the profit and loss account or any capital redemption reserve fund or in hands of the Company and available for dividend or representing premium received on the issue of shares and standing to the credit of the share premium account be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund shall not be paid in cash but shall be applied subject to the provisions contained in clause (b) hereof on behalf of such shareholders in full or towards:

- 1) Paying either at par or at such premium as the resolution may provide any unissued shares or debentures or debenture-stock of the Company which shall be allotted, distributed and credited as fully paid up to and amongst such members in the proportions aforesaid; or
- 2) Paying up any amounts for the time being remaining unpaid on any shares or debentures or debenture-stock held by such members respectively; or
- 3) Paying up partly in the way specified in sub-clause (1) and partly in that specified in sub-clause (2) and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum.

(b)

- 1) Any moneys, investments or other assets representing premium received on the issue of shares and standing to the credit of share premium account; and
- 2) If the Company shall have redeemed any redeemable preference shares, all or any part of any capital redemption fund arising from the redemption of such shares may, by resolution of the Company be applied only in paying up in full or any shares then remaining unissued to be issued to such members of the Company as the General Meeting may resolve upto an amount equal to the nominal amount of the shares so issued.

(c) Any General Meeting may resolve that any surplus moneys arising from the realization of any capital assets of the Company or any investments representing the same or any other undistributed profits of the Company not subject to charge for income-tax be distributed amongst the members on the footing that they receive the same as capital.

(d) For the purpose of giving effect to any such resolution, the Board may settle any difficulty which may arise in regard to the distribution of payment as aforesaid as it thinks expedient and in particular it may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments be made to any members on the footing of the value so fixed and may vest any such cash, share, debentures, debenture-stock, bonds or other obligation in trustees upon such trust for the persons entitled thereto as may seem expedient to the Board and generally may make such arrangement for acceptance, allotment and sale of such shares, debentures, debenture-stock, bonds or other obligations and fractional certificates or otherwise as it may think fit.

(e) If and whenever any share becomes held by any member in fraction, the Board may subject to the provisions of the Act and these Articles and to the directions of the Company in General Meeting, if any, sell the 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 Board may authorize 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 of invalidity in the proceedings with reference to the sale.

(f) Where required; a proper contract shall be delivered to the Registrar for registration in accordance with section 75 of the Companies Act and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalized fund and such appointment shall be effective.

#### 188A. Set-off of calls against dividends

Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the Members of such amount as the Meeting fixes but so that the call on each Member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the Members, be set off against the calls.

188B. Fractional certificates

(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall;

(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid Shares and

(b) Generally do all acts and things required to give effect thereto.

(2) The Board shall have full power:

(a) to make such provision by the issue of fractional cash certificate or by payment in cash or otherwise as it thinks fit, in the case of Shares becoming distributable in fractions, also

(b) to authorize any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalization or (as the case may require) for the payment by the Company on their behalf by the application thereof of the respective proportions of the profits resolved to be capitalised of the amounts remaining unpaid on their existing Shares.

(3) Any agreement made under such authority shall be effective and binding on all such Members.

(4) that for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any question or difficulties that may arise in regard to any issue including distribution of new Shares and fractional certificates as they think fit.

188C. Dividend in Cash.

No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalization of the 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 Members of the Company.

188D. Board to give effect.

The Board shall give effect to the resolution passed by the Company in pursuance of all the above Articles.

ACCOUNTS

189. Books of Accounts to be kept

The Company shall cause to be kept proper books of account with respect to:

(a) all sums of money received and expended by the Company and the matters in respect of which receipts and expenditure take place;

(b) all sales and liabilities of the Company; and

(c) the assets and liabilities of the Company.

#### 190. Books where to be kept and inspection

(1) The Company shall keep at its Registered Office proper books of account as would give a true and fair view of the state of affairs of the Company or its transactions with respect to:

(a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place

(b) all sales and purchases of goods by the Company

(c) the assets and liabilities of the Company and

(d) if so required by the Central Government, such particulars relating to utilization of material or labour or to other items of cost as may be prescribed the Government Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decides the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.

(2) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of clause (1) if proper books of account relating to the transaction effected at the branch are kept at that office and proper summarised returns, made upto date at intervals of not more than three months, are sent by the branch office to the Company at its Registered Office or the other place referred to in sub-clause (1). The books of accounts and other books and papers shall be open to inspection by any Director during business hours.

#### 191. Inspection by members

The Board of Directors shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations accounts the and books and the documents of the Company or any of them shall be open to the inspection of the members and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred statute or authorised by the Board of Directors or by a resolution of the Company in General Meeting.

#### 192. Statement of Accounts to be laid in General Meeting

The Board of Directors shall from time to time, in accordance with Sections 210, 211, 212, 215, 216 and 217 of the Act, cause to be prepared and to be laid before the Company in General Meeting, such Balance Sheets, Profits & Loss Accounts and reports as are required by these Sections.

#### 193. Balance Sheet and Profit and Loss Account to be sent to each member

A copy of Balance Sheet (including the profit and loss account, the auditors report and every other documents required by law to be annexed or attached, as the case may be, to the balance sheet) which is to be laid before a Company in general meeting shall, not less that twenty-one days before the date of the meeting be sent to every member of the Company, to every trustee for the holders of any debentures issued by the Company, whether such member or trustee is or is not entitled to have notices of General Meetings of the Company and to all persons other than such members or trustees, being persons so entitled, provided that this Article shall not require a copy of the documents aforesaid to be sent:



- a) to a member or holder of debentures of the Company who is not entitled to have notices of General Meeting of the Company to be sent to him and whose address the Company is unaware;
- b) to more than one of the joint-holders of the any shares or debentures, some of whom are entitled to have such notices sent to them;
- c) in the case of joint holders of any shares or debentures, some of whom entitled to have such notices sent, to those who are not so entitled; or
- d) the Board of Directors may, in their absolute discretion, if they deem fit, instead send statement containing the salient features of such documents in the prescribed form to every member of the Company and to every trustee for the holders of any debentures issued by the Company in accordance with the provision contained in Section 219 of the Act.

#### 194. Accounts to be Audited

(1) Once at least in every year the accounts of the Company shall be examined by one or more Auditors who shall report to the shareholders as to whether the Balance Sheet reflects a true and fair view of the state of affairs of the Company as at that date and the Profit and Loss Account discloses a true and fair view of the profit and loss incurred by the Company during the year under review.

(2) The appointment, remuneration, rights, powers & duties of the Company's Auditor shall be regulated in accordance with the provision of the Act.

#### 194A. Appointment of Auditors.

(1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Section 224 to 229 and 231 of the Act.

(2) The Company shall at each Annual General Meeting appoint an Auditor or Auditors to hold office from conclusion of that Meeting until the conclusion of the next Annual General Meeting and shall within seven days of the appointment give intimation thereof to the Auditor so appointed unless he is a retiring Auditor.

(3) At any Annual General Meeting a retiring Auditor by whatsoever authority appointed shall be reappointed unless:

- a) he is not qualified for re-appointment;
- b) he has given to the Company notice in writing of his unwillingness to be re-appointed;
- c) a resolution has been passed at that Meeting appointing some body instead of him or providing expressly that he shall not be re-appointed; or
- d) where notice has been given of an intended resolution to appoint some person or persons in the place of retiring Auditor, and by reason of the death, incapacity or disqualification of that person or of all those persons as the case may be, the resolution cannot be proceeded with.

(4) Where at any Annual General meeting no Auditors are appointed or re-appointed, the Central Government may appoint a person to fill the vacancy.

(5) The Company shall within seven days of the central government's power under sub-clause (4) becoming exercisable give notice of that fact to that Government.

(6) The Directors may fill any casual vacancy in the office of Auditors, but while any such vacancy continues, the surviving or continuing Auditor or Auditors (if any) may act but where such vacancy

is caused by the resignation of art Auditor, the vacancy shall only be filled by the Company in General Meeting.

(7) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless a special notice of a resolution for appointment of that person to the office of Auditor has been given by a Member to the Company not less than fourteen days before the Meeting in accordance with Section 190 of the Act and all the other provisions of Section 225 of the Act shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that retiring Auditor shall not be re-appointed.

#### 195. Power of Board to modify Final Accounts

Every Balance Sheet and Profit and Loss Account of the Company when audited and adopted by the Company in General Meeting shall be conclusive.

#### 195A. Right of Members or others to copies of balance sheet and Auditors' report and statement under Section 219

- 1) The Company shall comply with the requirements of Section 219 of the Act.
- 2) The copies of every balance sheet including the Profit & Loss Account, the Auditors' Report and every other document required to be laid before the Company in General Meeting shall be made available for inspection at the Registered Office of the Company during working hours for a period 21 days before the Annual General Meeting.
- 3) A statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid, as the Company may deem fit will be sent to every Member of the Company and to every trustee of the holders of any Debentures issued by the Company not less than 21 days before the date of the Meeting.

#### 195B. Accounts when audited and approved to be conclusive except as to errors discovered within 3 months

Every account when audited and approved by a General Meeting shall be conclusive except as regards any errors discovered therein within the next three months after the approval thereof. Whenever any such error is discovered within that period, the account shall be corrected, and amendments effected by the Directors in pursuance of this Article shall be placed before the Members in General Meeting for their consideration and approval and, on such approval, shall be conclusive.

### DOCUMENTS AND NOTICE

#### 196. Services of documents on member by Company

(1) A document or notice may be served by the Company on any member thereof either personally or by sending it by post to him to his registered address or he has no registered address in India, to the address if any, within India supplied by him to the Company for the giving of notice to him.

(2) Where a document or notice is sent by post:

(a) Service thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing the document or the notice provided that where a member has intimated to the Company in advance that documents or notices should be sent to him under the certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a

sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member; and

(b) Such service shall be deemed to have been effected:

- I. in case of a meeting at the expiration of forty eight hours after the letter containing the same is posted; and
- II. in any other case, at the time at which the letter would be delivered in the ordinary course of post.

(3) A document or notice may be served by the Company on the joint holders of a share by serving it on the holder named first in the Register of Members in respect of the share.

(4) A document or notice may be served by the Company on the persons entitled to a share in consequence of 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 the deceased or assignees of the insolvent, 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 serving the document or notice in any manner in which it might have been served if the death or insolvency had not occurred.

(5) A certificate in writing signed by the manager, secretary or other officer or employee of the Company that the notice was properly addressed, prepaid and posted shall be conclusive evidence thereof.

(6) The signature to any document or notice so given by the Company may be written or printed or lithographed.

#### 197. Service of documents on Company

A document may be served on the Company or an officer thereof by sending it to the Company or the officer at the Registered Office of the Company by post under a certificate of posting or by registered post or by leaving it at its Registered Office.

#### 197A. "Service of documents on the Company"

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 electronic mode or by delivery of floppies or disks.

#### 198. Authentication of documents and proceedings

Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the Company may be signed by a Director, Managing Director, Manager, Secretary or other authorised officer of the Company and need not be under the Common seal of the Company.

### REGISTERS AND DOCUMENTS

#### 198A. Registers and documents to be maintained by the Company

The Company shall keep and maintain registers, books and documents required by the Act or these Articles, including the following:

- a) Register of investments made by the Company but not held in its own name, as required by Section 49(7) of the Act

- b) Register of mortgages and charges as required by Section 143 of the Act and copies of instruments creating any charge requiring registration according to Section 136 of the Act.
- c) Register and index of Member and debenture holders as required by Section 150, 151 and 152 of the Act.
- d) Foreign register, if so though fit, as required by Section 157 of the Act
- e) Register of contracts, with companies and firms in which Directors are interested as required by Section 301 of the Act.
- f) Register of Directors and Secretaries etc. as required by Section 303 of the Act.
- g) Register as to holdings by Directors of Shares and/or Debentures in the Company as required by Section 307 of the Act.
- h) Register of investments made by the Company in Shares and Debentures of bodies corporate in the same group as required by Section 372(2) of the Act.
  - (i) Copies of annual returns prepared under Section 159 of the Act together
  - (ii) with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act.
- i) Register of loans, guarantees, or securities given to the other companies under the same management as required by Section 370 of the Act.

#### 198B. Inspection of Registers

The registers mentioned in clauses (f) and (i) of the foregoing Article and the minutes of all proceedings of General Meetings shall be open to inspection and extracts may be taken there from and copies thereof may be required by any Member of the Company in the same manner to the same extent and on payment of the same fees as in the case of the Register of Members of the Company provided for in clause (c) thereof. Copies of entries in the registers mentioned in the foregoing article shall be furnished to the persons entitled to the same on such days and during such business hours as may be consistent with the provisions of the Act in that behalf as determined by the Company in General Meeting.

#### INDEMNITY

Company may indemnify

199. Subject to the provisions of Section 201 of the Act, every Director, Manager and other officer or any person (whether officer of the Company or not) employed by the Company or as an auditor or servant of the Company shall be indemnified by the Company and it shall be the duty of the Board to pay, out of the funds of the Company, all costs, charges, losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered in to or act or thing done by him as such officer or servant or in any way in the discharge of his duties including expenses and in particular and so as not to limit the generality of the foregoing provision, against all liabilities incurred by him as such Director, Manager, officer or servant in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted by the Court.

200. Subject to the provisions of Sections 201 of the Act; no Director, Manager or other officer of the Company shall be liable for the acts, receipts or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Board for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy or insolvency or tortuous act of any person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by an error of judgement, omission, default or oversight, on his part or for any other loss, damage or, misfortune whatever

which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own dishonesty.

## WINDING UP

### 201. Distribution of Assets

If the Company shall be wound up and the assets available for distribution among the members are such as shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of winding up on the shares held by them respectively and if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of winding up the excess shall be distributed amongst 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. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

#### 201A. Distribution in specie or kind

(a) If the Company shall be wound up, whether voluntarily or otherwise, the Liquidator may, with the sanction of a Special Resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidator, 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 contributions (except where unalterably fixed by the Memorandum of Association and in particular any class may be given 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 on any contributory who would be prejudicial thereby shall have a right 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 involve a liability to calls 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 Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall, if practicable act accordingly.

#### 201B. Right of shareholders in case of sale

A Special Resolution sanctioning a sale to any other Company duly passed pursuant to Section 494 of the Act may subject to the provisions of the Act in like manner as aforesaid determine that any Shares or other consideration receivable by the liquidator be distributed against 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 and consequential rights conferred by the said sanction

#### 201C. Directors and others right to indemnity

Subject to the provisions of Section 201 of the Act, every Director or officer, or servant of the Company or any person (whether an officer of the Company or not) employed by the Company as

Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors, out of the funds of the Company to pay all costs, charges, losses and damages which any such person may incur or become liable to pay by reason of any contract entered into or any act, deed, matter or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act, neglect or default) including expense, and in particular and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, officer or Auditor or other office of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favour, or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.

201D. Director, officer not responsible for acts of others

Subject to the provisions of Section 201 of the Act no Director, Auditor or other officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or office or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of the title to any property acquired by order of the Directors for on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested for any loss or damages arising from the insolvency or tortuous act of any person, firm or Company to or with whom any moneys, securities or effects shall be entrusted or deposited or any loss occasioned by any error of judgment, omission, default or oversight on his part of for any other loss, damage, or misfortune whatever shall happen in relation to execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.

SECRECY CLAUSE

202 SECRECY

No member or other person (not being a Director) shall be entitled to visit or inspect any property or premises or works of the Company without the permission of the Board or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Board, it would be inexpedient in the interest of the Company to disclose Secrecy undertaking.

203. Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee agents, officer, servant, accountant or other person employed in the business of the Company shall, when required, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company with the customers and the state of accounts with individual and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which my come to his knowledge in the discharge of his duties, except when required so to do by the Board or by any meeting of the shareholders, if any or by a Court of Law the person to whom matters relate and except so far as may be necessary in order to comply with any of the provision in these present contained.

Knowledge implied

204. Each member of the Company, present and future, is to be deemed to join the Company with full knowledge of all the contents of these presents.

SECTION IX - OTHER INFORMATION

MATERIAL DOCUMENTS FOR INSPECTION

The copies of the following documents will be available for inspection at the Registered Office from  
10.00 am to 3.00 pm on Working Days

1. Certificate of Incorporation of the Company.
2. Memorandum and Articles of Association of the Company as amended from time to time.
3. Copies of Annual Report of the Company for the last five years.

## DECLARATION

All relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, applicable, as the case may be, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued there under, as the case may be, and that all approvals and permissions required to carry on the business of the Company have been obtained, are currently valid and have been complied with. We further certify that all the statements in this Information Memorandum are true and correct.

For Achal Investments Limited

Abhishek Kumar  
Director



Date: 31.07.2014

Place: New Delhi



**INDEPENDENT AUDITOR'S REPORT**

**To,  
THE MEMBERS  
M/S ACHAL INVESTMENTS LIMITED**

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of M/S ACHAL INVESTMENTS LIMITED ("the Company). Which comprise the balance sheet as at 31st March 2014, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation of these financial statements that give true and fair view of the financial position, financial performance and cash flows of the company in accordance with accounting standard referred to in sub section(3G) of section 211 of companies Act 1956 ("the Act"). This responsibility includes the design, implementation and maintenances of internal control relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on auditing issued by the Institute of chartered accountant of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the Company's Preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**OPINION**

In our opinion, and to the best of our information and according to the explanation given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of balance sheet , the state of affairs of the company as at March31 , 2014,

(b) the case of statement of profit and loss of the profit for the year ended on that date, and

(c) In the case of the cash flow statement, of the cash flows of the company for the year ended on that date.

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the companies (auditor's report) order, 2003 ("the Order") issued by the Central government of India in terms of sub-section (4a) of section 227 of the Act, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the order.

2. As required by the section 227(3) of the act, we report that :

(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.

(b) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.

(c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account.

(d) In our opinion, the balance sheet, statement of profit and loss, and the cash flow statement comply with the accounting standards referred to in sub-section (3C) of section 211 of companies act 1956

(e) On the basis of written representation received from the directors as on 31st march 2014, and taken on record by the board of directors, none of the directors is disqualified as on 31st march 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of Companies Act, 1956.

(f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For KUMAR ANOOP & CO**

**CHARTERED ACCOUNTANTS**

**Sd/-**  
**Anoop Kumar**  
**Prop.**  
**M. NO. 508958**  
**FRN: 021412N**  
**Place: Delhi**  
**Date: 28th May, 2014**

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITOR'S REPORT OF EVEN DATE IN THE ACCOUNTS FOR THE YEAR ENDED ON 31.3.2014 OF M/S ACHAL INVESTMENT LIMITED, New Delhi**

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has physically verified during the year all its Fixed Assets. in accordance with a programme of verification, which in our opinion provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, the Company has not made any disposals of any fixed assets during the year.
- (ii) (a) The Inventory has been physically verified by the management during the current year. In our opinion the frequency of such verification is reasonable.
- (b) The procedure for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company has maintained proper records of inventory. No discrepancies were noticed on the physical verification between the physical stock and books records were not material.
- (i) (a) The Company has neither taken nor granted any loans, secured or unsecured to / from Companies, Firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (b) Since the company has neither taken nor granted any loans from Companies, Firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, therefore the issue of rate of interest and the other terms and conditions of loan taken or granted are not applicable.
- (c) Since the company has neither taken nor granted any loans from Companies, Firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, therefore the issue of payment of Principal amount and interest are not applicable.
- (d) Since the company has neither taken nor granted any loans from Companies, Firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, therefore the issue of overdue amount is not applicable.
- (ii) 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 the nature of the business for the purchase of inventory and fixed assets and for the sale of goods.
- (iii) (a) Based on the audit procedure applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 has been so entered.
- (b) In our opinion and according to the information and explanations give to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 and exceeding the value of Five lakh rupees in respect of any party during the year, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time wherever applicable.

- (iv) The company has not accepted any deposit during the year from the public with in the meaning of provisions of Section u/s 58 A and 58 AA of the Companies Act 1956 and the rules made there under. Hence, this clause is not applicable to the company.
- (v) In our opinion, the company has an internal audit system commensurate with its size and the nature of its business.
- (vi) As informed to us, the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the companies Act, 1956.
- (vii) (a) According to the information and explanations given to us, the company is regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income- tax, Sales tax, Wealth Tax, Custom Duty, Excise Duty, cess and any other statutory dues as applicable with appropriate authorities during the year. As at 31.3.2014 there are no undisputed dues payable for a period of more than six months from the date they became payable.  
  
(b) According to the information and explanation given to us there are no dues in respect of Sales Tax / income tax/ custom duty / wealth tax / cess that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company have accumulated losses less then the 50% of the net worth of the company at the end of the year and has not incurred any cash losses during the current year and immediately preceding financial year.
- (ix) According to the information and explanation given to us there are no dues payable to any financial institution or bank or any debenture holder.
- (x) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xi) The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the company.
- (xii) The company is dealing in shares and other investments and proper records have been maintained of the transactions and contracts and timely entries have been made there in. The shares and other securities have been held by the company in it's own name except to the extent of exemption granted under section 49 of the act.
- (xiii) According to the information and explanation given to us, the company has not given any guarantee for the loans taken by others from banks and financial institutions.
- (xiv) The company has not taken any term loan during the year.
- (xv) In our opinion and according to the information and explanations given to us and as shown by the records examined by us no funds raised on short term basis have been used for long term investment and vice versa.

- (xvi) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained u/s 301 of the Companies Act, 1956 during the year.
- (xvii) The company has not issued any debenture, therefore the clause is not applicable.
- (xviii) The company has not raised any money by public issues during the year.
- (xix) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

**For KUMAR ANOOP & CO**

**CHARTERED ACCOUNTANTS**

**Sd/-**  
**Anoop Kumar**  
**Prop.**  
**M. NO. 508958**  
**FRN: 021412N**  
**Place: Delhi**  
**Date: 28th May, 2014**

**ACHAL INVESTMENTS LIMITED**  
CIN : L65993DL1980PLC010636  
**Balance Sheet as at 31st March, 2014**

*Amount in Rs.*

Particulars	Note No	As at 31.03.2014	As at 31.03.2013
<b>I. EQUITY AND LIABILITIES</b>			
<b><u>(1) Shareholder's Funds</u></b>			
(a) Share Capital	1	61,498,000.00	42,432,000.00
(b) Reserves and Surplus	2	(28,562,517.70)	(28,715,899.00)
(c) Money received against share warrants		-	-
<b><u>(2) Share application money pending allotment</u></b>			
		-	-
<b><u>(3) Non-Current Liabilities</u></b>			
(a) Long-term borrowings	3	-	-
(b) Deferred tax liabilities (Net)	4	-	10,034.00
(c) Other Long term liabilities	5	97,439,038.00	974,038.00
(d) Long term provisions	6	-	-
<b><u>(4) Current Liabilities</u></b>			
(a) Short-term borrowings	7	-	-
(b) Trade payables	8	-	-
(c) Other current liabilities	9	619,545.00	174,400.00
(d) Short-term provisions	10	387,329	359,195.00
<b>Total</b>		<b>131,381,394.30</b>	<b>15,233,768.00</b>
<b>II.Assets</b>			
<b><u>(1) Non-current assets</u></b>			
<b><u>(a) Fixed assets</u></b>			
(i) Tangible assets	11	253,487.79	374,319.00
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	12	33,876,600.00	-
(c) Deferred tax assets (net)	13	11,278.00	-
(d) Long term loans and advances	14	43,620,000.00	13,912,358.00
(e) Other non-current assets	15	449,440.00	-
<b><u>(2) Current assets</u></b>			
(a) Current investments	16	-	-
(b) Inventories	17	-	-
(c) Trade receivables	18	4,600,000.00	664,150.00
(d) Cash and cash equivalents	19	540,144.51	259,640.00
(e) Short-term loans and advances	20	47,963,315.00	-
(f) Other current assets	21	67,129.00	23,301.00
<b>Total</b>		<b>131,381,394.30</b>	<b>15,233,768.00</b>

**NOTES TO ACCOUNTS**

**Notes referred to above and notes attached there to form an integral part of Balance Sheet**

**As per our report of even date attached.  
For Kumar Anoop & Co.  
Chartered Accountants**

**For Achal Investments Limited**

**Sd/-  
CA Anoop Kumar  
Proprieter  
Membership No. :508958  
FRN: 021412N**

**Place: Delhi  
Date: 28.05.2014**

**Sd/-  
Abhishek Kumar  
(Director)  
DIN: 06799487**

**Sd/-  
Ashok Agrawal  
(Director)  
DIN: 02668754**

**Sd/-  
Laxmi Joshi  
(Company  
Secretary)  
M NO. 33483**

**ACHAL INVESTMENTS LIMITED**

CIN : L65993DL1980PLC010636

**Profit and Loss statement for the year ended 31st March, 2014**

*Amount in Rs.*

Particulars	Note No	As at 31.03.2014	As at 31.03.2013
<b>I. Revenue from operations</b>	22	22,233,242.81	689,800.00
<b>II. Other Income</b>		487,678.00	482,340.00
<b>III. Total Revenue (I +II)</b>		<b>22,720,920.81</b>	<b>1,172,140.00</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	23	-	-
Purchase of Stock-in-Trade		19,683,000.00	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	24	-	-
Employee benefit expense	25	905,497.00	360,000.00
Financial costs	26	736.52	-
Depreciation and amortization expense	27	120,831.21	36,501.00
Other expenses	28	1,804,050.78	653,357.00
<b>Total Expenses</b>		<b>22,514,115.51</b>	<b>1,049,858.00</b>
<b>V. Profit before exceptional and extraordinary items and tax.</b>	(III - IV)	206,805.30	122,282.00
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		206,805.30	122,282.00
VIII. Extraordinary Items		-	-
<b>IX. Profit before tax (VII - VIII)</b>		206,805.30	122,282.00
<b>X. Tax expense:</b>			
(1) Current tax		74,736.00	23,301.00
Less: MAT Credit Entitlement		-	(23,301.00)
(2) Deferred tax		(21,312.00)	10,034.00
(3) Income tax Adjustment		-	-
(4) Deffered tax Adjustment		-	-
<b>XI. Profit(Loss) from the perid from continuing operations.</b>	(IX-X)	<b>153,381.30</b>	<b>112,248.00</b>
<b>DISCONTINUING OPERATIONS</b>			
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
<b>XV. Profit/(Loss) for the period (XI + XIV)</b>		<b>153,381.30</b>	<b>112,248.00</b>
XVI. Earning per equity share:			
(1) Basic		0.025	0.03
(2) Diluted		0.025	0.03



**Notes referred to above and notes attached there to form an integral part of Profit & Loss Statement**

**As per our report of even date attached.**

**As per our report of even date attached.  
For Kumar Anoop & Co.  
Chartered Accountants**

**Sd/-  
CA Anoop Kumar  
Proprieter  
Membership No. :508958  
FRN: 021412N**

**Place: Delhi  
Date: 28.05.2014**

**For Achal Investments Limited**

**Sd/-**

**Abhishek Kumar  
(Director)  
DIN: 06799487**

**Sd/-**

**Ashok Agrawal  
(Director)  
DIN: 02668754**

**Sd/-**

**Laxmi Joshi  
(Company  
Secretary)  
M NO.33483**

**ACHAL INVESTMENTS LIMITED**  
**CIN : L65993DL1980PLC010636**

**Cash Flow Statement**

<b>For the Year Ending 31-Mar-2014</b>	<b>Amounts Rs.</b>	<b>Amounts Rs.</b>
<b>Particulars</b>	<b>31.03.14</b>	<b>31.03.13</b>
<b><u>(A) CASH FLOW FROM OPERATING ACTIVITIES:-</u></b>		
1. Net profit before tax	206,805	122,282
2. <b>Adjustment for:</b>		
<u>Add:</u> Depreciation & Amortisation Expenses	233,191	36,501
<u>Less:</u> Interest Received	-	-
<b>Operating Profit before Working capital changes</b>	<b>439,997</b>	<b>158,783</b>
<b>3. Working Capital Changes:</b>		
Decrease (Increase) in Trade & Other Receivables	(3,935,850)	(664,150)
Decrease (Increase) in Inventories	-	-
Decrease (Increase) in Other Current Assets	(43,828)	-
Increase (Decrease) in Current Liabilities & Provisions	-	-
Increase (Decrease) in Other Liabilities	421,844	(50,806)
<b>Net Changes in Working Capital</b>	<b>(3,557,834)</b>	<b>(714,956)</b>
<b><u>Cash Generated from Operations</u></b>	<b>(3,117,837)</b>	<b>(556,173)</b>
<b>Adjustment of Taxes</b>	23,301	-
<b>Net Cash Flow from Operating Activities (A)</b>	<b>(3,141,138)</b>	<b>(556,173)</b>
<b><u>(B.) CASH FLOW FROM INVESTING ACTIVITIES :</u></b>		
Purchase of Fixed Assets	-	(410,820)
(Increase) Decrease in Long Term Loans & Advances	(29,707,642)	-
(Increase) Decrease in Short Terms Loans & Advances	(47,963,315)	-
(Increase) Decrease in Non Current Investment	(33,876,600)	-
Interest Received	-	-
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(111,547,557)</b>	<b>(410,820)</b>
<b><u>(C.) CASH FLOW FROM FINANCING ACTIVITIES :</u></b>		

Issue of share capital and Proceeds from Share Application Money	19,066,000	-
Increase in Other Long Term Terms Liabilities	96,465,000	-
Increase in Preliminary Expenses	(561,800)	6,750
<b>Net Cash Flow from Financing Activities (C)</b>	<b>114,969,200</b>	<b>6,750</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents ( A-B+C )</b>	<b>280,505</b>	<b>(960,243)</b>
<b>Cash and cash equivalents at the beginning of the year / Period</b>	<b>259,640</b>	<b>1,219,883</b>
<b>Cash and cash equivalents at the end of the year/ Period</b>	<b>540,145</b>	<b>259,640</b>
* Note: The above Cash Flow Statement has been prepared under "Indirect Method" as set out in the Accounting Standard (AS) – 3 on Cash Flow Statements issued by the Institute of Chartered of Accountants of India.		

As per our report of even date attached.

**For Kumar Anoop & Co.  
Chartered Accountants**

Sd/-  
CA Anoop Kumar  
Proprieter  
Membership No. :508958  
FRN: 021412N

Place: Delhi  
Date: 28.05.2014

**For Achal Investments Limited**

Sd/-  
Abhishek Kumar  
(Director)  
DIN: 06799487

Sd/-  
Ashok Agrawal  
(Director)  
DIN: 02668754

Sd/-  
Laxmi Joshi  
(Company Secretary)  
M NO.33483

**ACHAL INVESTMENTS LIMITED****CIN : L65993DL1980PLC010636**

Notes Forming Part of the Balance Sheet

Note : 1 Share Capital

<b>Sr. No</b>	<b>Particulars</b>		<b>As at 31.03.2014</b>		<b>As at 31.03.2013</b>
1	<b>AUTHORIZED CAPITAL</b> 70,02,500 Equity Shares of Rs. 10/- each.	-	70,025,000.00		50,000,000.00
2	<b>ISSUED</b> 61,49,800 Equity Shares of Rs. 10/- each.		6,14,98,000.00		42,432,000.00
3	<b>SUBSCRIBED &amp; PAID UP CAPITAL</b> 61,49,800 Equity Shares of Rs. 10/- each. Less: Call in Arrears	61,498,000.00 -	61,498,000.00	42,432,000.00 -	42,432,000.00
	<b>Total</b>		<b>61,498,000.00</b>		<b>42,432,000.00</b>

<b>Notes 1 A</b>		
<b>Reconciliation of Nos. Of Shares</b>	<b>2013-14</b>	<b>2012-13</b>
Number of Equity Shares at the beginning	4,243,200.00	4,243,200.00
Add:- Number of Shares Issued	1,906,600.00	-
Number of Equity Shares at the end	6,149,800.00	4,243,200.00

**Notes 1 B**

<b>Details of Share Holding More Then 5% as at 31.March.2013</b>				
	<b>Name</b>	<b>Class of Share</b>	<b>No. of Share Holding</b>	<b>Percentage of Holding</b>
1	TCL Management Management Services Pvt Ltd	Equity	750,600	12.21%

**ACHAL INVESTMENTS LIMITED**

**CIN : L65993DL1980PLC010636**

**Notes Forming Part of the Balance Sheet**

Note : 2 Reserve & Surplus

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Capital Reserve	-	-
2	Capital Redemption Reserve	-	-
3	Securities Premium reserve	-	-
4	Debenture Redemption Reserve	-	-
5	Revaluation Reserve	-	-
6	Shares Option Outstanding Account	-	-
7	Other Reserve (General Reserve)	-	-
8	Surplus (Profit & Loss Account)	-	-
	Op. Balance of Profits & Loss A/C	(28,715,899.00)	(28,828,147.00)
	Current Year Profit & Loss A/C	153,381.30	112,248.00
		<b><u>(28,562,517.70)</u></b>	<b><u>(28,715,899.00)</u></b>
	<b>Total</b>	<b>(28,562,517.70)</b>	<b>(28,715,899.00)</b>

Note : 3 Long Term Borrowings

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Bonds / Debentures	-	-
2	<b>Term Loan</b>		
	- From Bank	-	-
	- From Other Parties	-	-
3	Deferred Payment Liabilities	-	-
4	Deposit	-	-
5	Loans & Advances From Related Parties	-	-
6	Long Term Maturities of Finance lease obligation	-	-
7	Loans From Directors	-	-
8	Other Loans	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

Note : 4 Defferred Tax Liabilities (Net)

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Defferred Tax Liability	-	10,034.00
	<b>Total</b>	<b>-</b>	<b>10,034.00</b>

Note : 5 Other Long Term Liabilities

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Others Payable	97,439,038.00	974,038.00
	<b>Total</b>	<b>97,439,038.00</b>	<b>974,038.00</b>

Note : 6 Long Term Provisions

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Provision from Employment Benefit	-	-
2	Other	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

Note : 7 Short Term Borrowings

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	<b><u>Loan Repayable on Demand</u></b>		
	- From Bank	-	-
	- From Other Parties	-	-
2	Loans & Advances From Related Parties	-	-
3	Deposits	-	-
4	Others	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

Note : 8 Trades Payable

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Trade Payables	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

Note : 9 Other Current Liabilities

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Audit Fees Payable	5,000.00	5,000.00
2	Salary Payable	157,880.00	60,000.00
3	Listing Fess Payable	13,500.00	13,500.00
4	Other Expenses Payable	443,165.00	95,900.00
	<b>Total</b>	<b>619,545.00</b>	<b>174,400.00</b>

Note : 10 Short Term Provisions

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	<b><u>Provision From Employees Benefit</u></b>	-	-
2	<b><u>Others</u></b>		
	Provision For Income Tax	387,329.00	359,195.00
	<b>Total</b>	<b>387,329.00</b>	<b>359,195.00</b>

**ACHAL INVESTMENTS LIMITED**

CIN : L65993DL1980PLC010636

Notes Forming Part of the Balance Sheet

Note : 11 Fixed Assets

Sr. No	Particulars	Rate	Gross Block				Depreciaton				Net Block	
			Value as on 01.04.2013	Addition during the year	Deductio n during the year	Value as on 31.03.2014	Value as on 01.04.2013	Addition during the year	Deduction during the year	Value as on 31.03.2014	WDV as on 31.03.2014	WDV as on 31.03.2013
<b>I</b>	<b><u>Tangible Assets</u></b>	-										
1	Computer & Software	40.00%	178,320.00	-	-	178,320.00	5,944.00	68,950.40	-	74,894.40	103,425.60	172,376.00
2	Mobile & Tabs	40.00%	82,450.00	-	-	82,450.00	16,490.00	26,384.00	-	42,874.00	39,576.00	65,960.00
3	Furnitures & Fixtures	18.75%	78,450.00	-	-	78,450.00	7,354.50	13,330.41	-	20,684.91	57,765.09	71,095.50
4	Office Equipment	18.75%	71,600.00	-	-	71,600.00	6,712.50	12,166.41	-	18,878.91	52,721.09	64,887.50
	<b>SUB TOTAL (A)</b>		<b>410,820.00</b>	<b>-</b>	<b>-</b>	<b>410,820.00</b>	<b>36,501.00</b>	<b>120,831.21</b>	<b>-</b>	<b>157,332.21</b>	<b>253,487.79</b>	<b>374,319.00</b>
<b>II</b>	<b><u>Intangible Assets</u></b>	-										
	<b>SUB TOTAL (B)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>TTo tal [A + B] (Current Year)</b>		<b>410,820.00</b>	<b>-</b>	<b>-</b>	<b>410,820.00</b>	<b>36,501.00</b>	<b>120,831.21</b>	<b>-</b>	<b>157,332.21</b>	<b>253,487.79</b>	<b>374,319.00</b>
	<b>Previous Year)</b>		<b>-</b>	<b>410,820.00</b>	<b>-</b>	<b>410,820.00</b>	<b>-</b>	<b>36,501.00</b>	<b>-</b>	<b>36,501.00</b>	<b>374,319.00</b>	<b>-</b>

**ACHAL INVESTMENTS LIMITED**

CIN : L65993DL1980PLC010636

Notes Forming Part of the Balance Sheet

Note : 12 Non Current Investment

<b>Sr. No</b>	<b>Particulars</b>	<b>As at 31.03.2014</b>	<b>As at 31.03.2013</b>
1	<b>Investment in Property</b>	-	-
2	<b>Investment in Equity Instrument</b>	33,876,600.00	-
3	<b>Other Investment</b>	-	-
4	<b>Investment in Mutual Fund</b>	-	-
5	<b>Investment in Partnership Firm</b>	-	-
	<b>Total</b>	<b>33,876,600.00</b>	<b>-</b>

Note : 13 Deferred Tax Assets (Net)

<b>Sr. No</b>	<b>Particulars</b>	<b>As at 31.03.2014</b>	<b>As at 31.03.2013</b>
	Deferred Tax	11,278.00	-
	<b>Total</b>	<b>11,278.00</b>	<b>-</b>

Note : 14 Long Term Loans and Advances

<b>Sr. No</b>	<b>Particulars</b>	<b>As at 31.03.2014</b>	<b>As at 31.03.2013</b>
I)	<b>Capital Assets</b>		
	a) Secured, Considered Good :	-	-
	b) Unsecured, Considered Good :	-	-
	c) Doubtful	-	-
II)	<b>Security Deposit</b>		
	a) Secured, Considered Good :	-	-
	b) Unsecured, Considered Good :	-	-
	c) Doubtful	-	-
III)	<b>Loans &amp; Advances to related parties</b>	-	-
IV)	<b>Other Loans &amp; Advances</b>		
	Others	43,620,000.00	13,912,358.00
	<b>Total</b>	<b>43,620,000.00</b>	<b>13,912,358.00</b>



Note : 15 Other Non Current Assets

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Long Term Trade Recievables		
	a) Secured, Considered Good :	-	-
	b) Unsecured, Considered Good :	-	-
	c) Doubtful	-	-
	-	-	-
2	Others	-	-
	Misc. Expenses	449,440.00	-
	<b>Total</b>	<b>449,440.00</b>	<b>-</b>

Note :16 Current Investment

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Investment in Equity	-	-
2	Investment in Prefrence Shares	-	-
3	Investment in Govt Securities	-	-
4	Investment in debentures & Bonds	-	-
5	Investment in Mutual Fund	-	-
6	Investment in Partnership Firm	-	-
7	Others	-	-
	FDR & Accrued Interest	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

Note : 17 Inventories

Sr. No	Particulars	As at 31.03.2014	31.03.2011
1	Raw Material	-	-
2	Work-in-Progress	-	-
3	Finished Goods	-	-
4	Stock-in-Trade	-	-
5	Stores & Spares	-	-
6	Loose Tools	-	-
7	Other (Specify the nature)	-	-
8	Goods-in-transit	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

Note : 18 Trade Recievables

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	<b>Outstanding for more than six months</b>		
	a) Secured, Considered Good :	-	-
	b) Unsecured, Considered Good :	-	-
	c) Doubtful	-	-
2	<b>Others</b>		
	a) Secured, Considered Good :	-	-
	b) Unsecured, Considered Good :	4,600,000.00	664,150.00
	c) Doubtful	-	-
	<b>Total</b>	<b>4,600,000.00</b>	<b>664,150.00</b>

Note : 19 Cash & Cash Equivalent

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
	Cash Balances	26,081.00	259,640.00
	Bank Balances	514,063.51	-
	<b>Total</b>	<b>540,144.51</b>	<b>259,640.00</b>

Note :20 Short Terms Loans and Advances

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Loans & Advances from related parties		
	a) Secured, Considered Good :	-	-
	b) Unsecured, Considered Good :	-	-
	c) Doubtful	-	-
2	Others	47,963,315.00	-
	<b>Total</b>	<b>47,963,315.00</b>	<b>-</b>

Note : 21 Other Current Assets

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	MAT Credit Entitlement A/c	-	23,301.00
2	TDS	67,129.00	-
	<b>Total</b>	<b>67,129.00</b>	<b>23,301.00</b>

**ACHAL INVESTMENTS LIMITED**

CIN : L65993DL1980PLC010636

**NOTES FORMING PART OF THE PROFIT & LOSS STATEMENT**

Note : 22 Income from Operations

<b>Sr. No</b>	<b>Particulars</b>	<b>As at 31.03.2014</b>	<b>As at 31.03.2013</b>
	<b><u>Revenue from Operations</u></b>		
1	Sale of Shares	21,561,965.81	689,800.00
2	Interest Income	671,277.00	-
	<b>Total (A)</b>	<b>22,233,242.81</b>	<b>689,800.00</b>
	<b><u>Other Income</u></b>		
1	Other Income	487,678.00	482,340.00
	<b>Total (B)</b>	<b>487,678.00</b>	<b>482,340.00</b>
	<b>Total (A+B)</b>	<b>22,720,920.81</b>	<b>1,172,140.00</b>

Note : 23 Cost of Material Consumed

<b>Sr. No</b>	<b>Particulars</b>	<b>As at 31.03.2014</b>	<b>As at 31.03.2013</b>
1	Purchases	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

Note : 24 Change in Inventories

<b>Sr. No</b>	<b>Particulars</b>	<b>As at 31.03.2014</b>	<b>As at 31.03.2013</b>
1	Closing Stock	-	-
2	Opening Stock	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

Note : 25 Employment Benefit Expenses

<b>Sr. No</b>	<b>Particulars</b>	<b>As at 31.03.2014</b>	<b>As at 31.03.2013</b>
1	Salary and Wages	669,600.00	360,000.00
2	Staff Welfare Expenses	235,897.00	-
	<b>Total</b>	<b>905,497.00</b>	<b>360,000.00</b>

Note :26 Financial Cost

<b>Sr. No</b>	<b>Particulars</b>	<b>As at 31.03.2014</b>	<b>As at 31.03.2013</b>
1	Bank Charges	736.52	-
	<b>Total</b>	<b>736.52</b>	<b>-</b>

**NOTES FORMING PART OF THE PROFIT & LOSS STATEMENT**

Note : 27 Depreciation & Amortised Cost

<b>Sr. No</b>	<b>Particulars</b>	<b>As at 31.03.2014</b>	<b>As at 31.03.2013</b>
1	Depreciation	120,831.21	36,501.00
	<b>Total</b>	<b>120,831.21</b>	<b>36,501.00</b>

Note : 28 Other Expenses

<b>Sr. No</b>	<b>Particulars</b>	<b>As at 31.03.2014</b>	<b>As at 31.03.2013</b>
1	<b>Administrative Expenses:</b>		
	Accounting Charges	24,000.00	36,000.00
	Business Promotions Exp.	183,277.00	128,900.00
	Advertisement Expenses	51,484.00	42,630.00
	Legal & Professional	74,466.00	25,700.00
	Listing Fees	258,427.88	13,500.00
	Printing & Stationary	37,003.00	20,987.00
	Postage & Courier	13,765.00	16,780.00
	Telephone Expenses	31,959.00	34,567.00
	Staff Welfare Expenses	-	72,470.00
	Conveyance & Travelling Exp.	108,730.00	78,467.00
	ROC Expenses	-	95,900.00
	Misc. Expenses	502,715.90	82,456.00
	Filling Fees	326,529.00	-
	Office Expenses	57,044.00	-
	Repair & Maintenance	11,890.00	-
	Web Charges	5,400.00	-
	Misc Expenses W/o	112,360.00	-
	<b>Payment to Auditors:</b>		
	Audit Fees	5,000.00	5,000.00
	Company Law Matters Fee	-	-
	Service Tax Fee	-	-
	<b>Total</b>	<b>1,804,050.78</b>	<b>653,357.00</b>

## **ACHAL INVESTMENTS LIMITED**

CIN : L65993DL1980PLC010636

Notes Forming Part of the Balance Sheet

### **Note : 29 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS**

#### ***A- SIGNIFICANT ACCOUNTING POLICIES***

##### **1 Basis of Accounting**

The financial statements are prepared under the historical cost convention on the concept of a going concern, in accordance with the Generally Accepted Accounting Principles and mandatory Accounting Standards as notified under the Companies (Accounting Standards) Rules, 2006 and as per the provisions and presentational requirements of the Companies Act, 1956.

##### **2 Changes in Accounting policies**

The accounting policies adopted are consistent with those of previous financial year. The management assures that there has been no change in accounting policies as compared to that of previous year which would have any significant effect on these financials.

##### **3 Recognition of Income**

Export Sales represents invoiced Value of goods Sold. Other Income is recognised and accounted for on accrual basis unless otherwise stated.

##### **4 Tangible Fixed Assets**

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

##### **4 (A)- Depreciation on tangible fixed assets**

No Depreciation has been provided on Land.

##### **5 Taxes on Income**

Current tax is determined and provided for on the amount of taxable income at the applicable rates for the relevant financial year. Deferred Tax Assets and Liabilities (DTA/ DTL) are recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and is capable of reversal in one or more subsequent periods. The DTA is recognised only to the extent that there is reasonable certainty of sufficient future profits against which such DTA can be realised.

##### **6 Contingent Liability**

The contingent liabilities, if any, are disclosed in the Notes to Accounts. Provision is made in the accounts, if it becomes probable that there will be outflow of resources for settling the obligation.

##### **7 Events occurring after the balance sheet date**

Adjustments to assets and liabilities are made for events occurring after the balance sheet date to provide additional information materially affecting the determination of the amounts of assets or liabilities relating to conditions existing at the balance sheet date.

##### **8 Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the year/ period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year/ period.

##### **9 Use of estimates**

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities on the date of the financial statements and the results of operations during the reporting year. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

## 10 Foreign Currency Transaction

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction. Monetary items denominated in foreign currencies at the year end are translated at the rate ruling at the year end rate.

### **B- NOTES TO THE ACCOUNTS**

1) The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

2) Reconciliation of Nos. Of Shares	<b>2013-14</b>	<b>2012-13</b>
Number of Equity Shares at the beginning	4243200	4243200
Add:- Number of Shares Issued	1906600	0
Number of Equity Shares at the end	4243200	4243200

3) Below are the name of the shareholders holding more than 5% of Shares of the company

<b>Name</b>	<b>Class of Share</b>	<b>No. of Share Holding</b>	<b>Percentage of Holding</b>
TCL Management Management Services Pvt Ltd	Equity	750600	17.69%

4) All the investments made by the company are valued at Cost .

5) Managerial Remuneration: Nil

6) The inventories of the company are valued as per cost price and market price which ever is less.

7) Deffered tax arising on account of timing differeance and which are capable of reversal in one or more subsequent periods is recognised using the tax rates and tax laws that have been enacted or substantively enacted. Deffered tax assests are recognised unless there is virtual certainty with respect to the reversal of the same in future years.

8) The revised Schedule VI as notified under the companies Act,1956, has become applicable to the company for the presentation of its financial statements for the year ending March 31,2013. The adoption of the revised Schedule VI requirements has significantly modified the presentation and disclosurs which have been complied with in these financial statements Previous year figures have been reclassified in accordance with current year requirements.

9) All schedules annexed to and form integral part of the Balance Sheet and Profit & Loss Account.

10) Minimum Alternative Tax (MAT) is recognised as an asset only when and to the extent there is conving evidence that the company will pay normal income tax during the specefied period. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entilement to the extent there is no longer conving evidence to the effect that company will pay normal Income Tax during the specified period.

11) Value of Import on CIF Basis Nil

- 12)** Earnings in Foreign Exchange (FOB Value) Nil
- 13)** Expenditure in Foreign Currency Nil
- 14)** The Company has no employee to whom the provisions of section 217 (2A) of the Companies Act, 1956 are applicable.
- 15)** *Earning Per Share:*

<b>Particulars</b>	<b>As at 31.03.2014</b>
Net profit after tax available for Equity Shareholders (Rs.) (A)	153381.30
Weighted Avg. Number Equity Shares outstanding (Nos.) (B)	4243200
Dilutive potential Equity Shares (Nos.)	0
Dilutive shares outstanding (Nos.) (C)	4243200
Nominal value per Equity Shares (Rs./ Share)	10
Basic Earnings per share (Rs./ Share) (A) / (B)	0.036
Diluted Earnings per share (Rs./ Share) (A) / (C)	0.036

**As per our report of even date attached.**

**For Kumar Anoop & Co.  
Chartered Accountants**

**Sd/-  
CA Anoop Kumar  
Proprieter  
Membership No. :508958  
FRN: 021412N**

**Place: Delhi  
Date: 28.05.2014**

**For Achal Investments Limited**

**Sd/-  
Abhishek Kumar  
(Director)  
DIN: 06799487**

**Sd/-  
Ashok Agrawal  
(Director)  
DIN: 02668754**

**Sd/-  
Laxmi Joshi  
(Company Secretary)  
M NO.33483**