



सत्यमेव जयते

## GOVERNMENT OF INDIA

MINISTRY OF CORPORATE AFFAIRS

Registrar of companies, Delhi  
4th Floor, IFCI Tower 61, New Delhi, Delhi, India, 110019

Corporate Identity Number: L74899DL1989PLC036849

### SECTION 13(1) OF THE COMPANIES ACT, 2013

#### Certificate of Registration of the Special Resolution Confirming Alteration of Object Clause(s)

The shareholders of M/s PEARL GLOBAL INDUSTRIES LIMITED having passed Special Resolution in the Annual/Extra Ordinary General Meeting held on 24-09-2018 altered the provisions of its Memorandum of Association with respect to its objects and complied with the Section 13(1) of the Companies Act, 2013.

I hereby certify that the said Special Resolution together with the copy of the Memorandum of Association as altered has this day been registered.

Given under my hand at New Delhi this Twelfth day of October Two thousand eighteen.

DS Ministry of  
Corporate Affairs -  
(Govt of India) 23

SANJAY BOSE

Registrar of Companies

RoC - Delhi

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Mailing Address as per record available in Registrar of Companies office:

PEARL GLOBAL INDUSTRIES LIMITED

A-3 COMMUNITY CENTER NARAINA INDUSTRIAL AREA, PH II, NEW  
DELHI, Delhi, India, 110028





भारत सरकार-कॉर्पोरेट कार्य मंत्रालय  
कम्पनी रजिस्ट्रार कार्यालय, राष्ट्रीय राजधानी क्षेत्र दिल्ली एवं हरियाणा

नाम परिवर्तन के पश्चात नया निगमन प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : L74899DL1989PLC036849

मैसर्स HOUSE OF PEARL FASHIONS LIMITED.

के मामले में, मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स  
HOUSE OF PEARL FASHIONS LIMITED.

जो मूल रूप में दिनांक पांच जुलाई उन्नीस सौ नवासी को कम्पनी अधिनियम, 1956 (1956 का 1) के अंतर्गत मैसर्स  
MINA ESTATES PVT. LTD.

के रूप में निगमित की गई थी, ने कम्पनी अधिनियम, 1956 की धारा 21 की शर्तों के अनुसार विधिवत आवश्यक विनिश्चय पारित करके तथा  
लिखित रूप में यह सूचित करके की उसे भारत का अनुमोदन, कम्पनी अधिनियम, 1956 की धारा 21 के साथ पठित, भारत सरकार, कम्पनी कार्य  
विभाग, नई दिल्ली की अधिसूचना सं. सा. का. नि. 507 अ दिनांक एस्.आर.एन. दिनांक 20/03/2012 के द्वारा  
प्राप्त हो गया है, उक्त कम्पनी का नाम आज परिवर्तित (रूप) में मैसर्स 24.6.1985 एस्.आर.एन. B34040287  
Pearl Global Industries Limited

हो गया है और यह प्रमाण-पत्र, कथित अधिनियम की धारा 23(1) के अनुसरण में जारी किया जाता है।

यह प्रमाण-पत्र दिल्ली में आज दिनांक बीस मार्च दो हजार बारह को जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS  
Registrar of Companies, National Capital Territory of Delhi and Haryana

Fresh Certificate of Incorporation Consequent upon Change of Name

Corporate Identity Number : L74899DL1989PLC036849

In the matter of M/s HOUSE OF PEARL FASHIONS LIMITED.

I hereby certify that HOUSE OF PEARL FASHIONS LIMITED. which was originally incorporated on Fifth day of  
July Nineteen Hundred Eighty Nine under the Companies Act, 1956 (No. 1 of 1956) as MINA ESTATES PVT. LTD.  
having duly passed the necessary resolution in terms of Section 21 of the Companies Act, 1956 and the approval of  
the Central Government signified in writing having been accorded thereto under Section 21 of the Companies Act,  
1956, read with Government of India, Department of Company Affairs, New Delhi, Notification No. G.S.R 507 (E)  
dated 24/06/1985 vide SRN B34040287 dated 20/03/2012 the name of the said company is this day changed to  
Pearl Global Industries Limited and this Certificate is issued pursuant to Section 23(1) of the said Act.

Given at Delhi this Twentieth day of March Two Thousand Twelve.

Signature Verified  
Digitally signed by  
Date: 2012.03.20 12:29:48  
GMT+05:30

Registrar of Companies, National Capital Territory of Delhi and Haryana

कम्पनी रजिस्ट्रार, राष्ट्रीय राजधानी क्षेत्र दिल्ली एवं हरियाणा

\*Note: The corresponding form has been approved by EGINIUS TIRKEY, Deputy Registrar of Companies and this certificate has been  
digitally signed by the Registrar through a system generated digital signature under rule 5(2) of the Companies (Electronic Filing and  
Authentication of Documents) Rules, 2006.

The digitally signed certificate can be verified at the Ministry website (www.mca.gov.in).

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :

Mailing Address as per record available in Registrar of Companies office:

Pearl Global Industries Limited  
A-3 COMMUNITY CENTER NARAINA INDUSTRIAL AREA, PH II,  
NEW DELHI - 110028,  
Delhi, INDIA





**GOVERNMENT OF INDIA**

**MINISTRY OF COMPANY AFFAIRS**

National Capital Territory of Delhi and  
Haryana

B-block Paryavaran Bhawan, CGO Complex, Lodhi Road, , New Delhi--110003, Delhi, INDIA

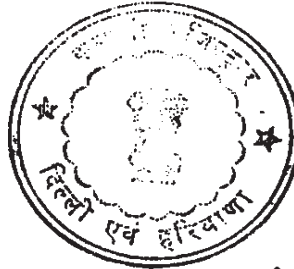
Corporate Identity Number : U74899DL1989PLC036849

**Fresh Certificate of Incorporation Consequent upon Change of  
Name on Conversion to Public Limited Company**

IN THE MATTER OF M/s HOUSE OF PEARL FASHIONS PRIVATE LIMITED.

I hereby certify that HOUSE OF PEARL FASHIONS PRIVATE LIMITED. which was originally incorporated on FIFTH day of JULY NINETEEN EIGHTY NINE under the Companies Act, 1956 (No. 1 of 1956) as MINA ESTATES PVT.LTD. having duly passed the necessary resolution on 28/06/2006 in terms of Section 31/ 21 read with Section 44 of the Companies Act, 1956; the name of the said company is this day changed to HOUSE OF PEARL FASHIONS LIMITED. and this Certificate is issued pursuant to Section 23(1) of the said Act.

Given under my hand at Delhi this THIRTY FIRST day of JULY TWO THOUSAND SIX.



*V. N. Sharma*

**V. N. SHARMA**

**Registrar of Companies**  
National Capital Territory of Delhi and  
Haryana



**GOVERNMENT OF INDIA**

**MINISTRY OF COMPANY AFFAIRS**

National Capital Territory of Delhi and  
Haryana

B-block Paryavaran Bhawan, CGO Complex, Lodhi Road, , New Delhi - 110003, Delhi, INDIA

Corporate Identity Number : U74899DL1989PTC036849

**Fresh Certificate of Incorporation Consequent upon  
Change of Name**

IN THE MATTER OF M/s MINA ESTATES PVT.LTD.

I hereby certify that MINA ESTATES PVT.LTD. which was originally incorporated on FIFTH day of JULY NINETEEN EIGHTY NINE under the Companies Act, 1956 (No. 1 of 1956) as MINA ESTATES PVT.LTD. having duly passed the necessary resolution in terms of Section 21 of the Companies Act, 1956 and the approval of the Central Government signified in writing having been accorded thereto under Section 21 of the Companies Act, 1956, read with Government of India, Department of Company Affairs, New Delhi, Notification No. G.S.R 507 (E) dated 24/06/1985 vide SRN A00677617 dated 19/06/2006 the name of the said company is this day changed to HOUSE OF PEARL FASHIONS PRIVATE LIMITED. and this Certificate is issued pursuant to Section 23(1) of the said Act.

Given under my hand at Delhi this NINETEENTH day of JUNE TWO THOUSAND SIX.



*Handwritten signature*

**Registrar of Companies**  
National Capital Territory of Delhi and  
Haryana





**GOVERNMENT OF INDIA**

**MINISTRY OF COMPANY AFFAIRS**

National Capital Territory of Delhi and  
Haryana

B-block Paryavaran Bhawan, CGO Complex, Lodhi Road, , New Delhi - 110003, Delhi, INDIA

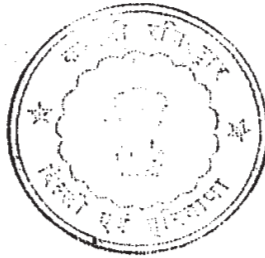
Corporate Identity Number : U74899DL1989PTC036849

**SECTION 18(1)(A) OF THE COMPANIES ACT, 1956**

**Certificate of Registration of the Special Resolution Confirming Alteration  
of Object Clause(s)**

The share holders of M/s MINA ESTATES PVT.LTD. having passed Special Resolution in the Annual/Extra  
ordinary General Meeting held on 15/05/2006, altered the provisions of its Memorandum of Association with  
respect to its objects and complied with the Section (18)(1) of the Companies Act, 1956 (No. 1 of 1956).

I hereby certify that the said Special Resolution together with the copy of the Memorandum of Association as  
altered has this day been registered. *The alteration is allowed subject to the condition that the  
Company shall get its name changed in accordance with the changed Main objects*  
Given under my hand at Delhi this TWELFTH day of JUNE TWO THOUSAND SIX.



*V. N. Sharma*

**V. N. SHARMA**

**Asst Registrar of Companies**

National Capital Territory of Delhi and  
Haryana





प्राच्य. एक

Form 1

निगमन का प्रमाण पत्र

## Certificate of Incorporation

सं० 55-36849 का सं० 1911

No. 55-36849 of 1989-90

मैं एतद् द्वारा प्रमाणित करता हूँ कि राज बीना एस्टेट्स प्राइवेट लिमिटेड कम्पनी अधिनियम 1956 (1956 का 1) के अधीन निगमित की गई है और यह कम्पनी परिसीमित है।

I hereby certify that MINA ESTATES PRIVATE LIMITED  
is this day incorporated under the Companies Act, 1956 (No. 1 of 1956)  
and that the Company is limited.

मेरे हस्ताक्षर से राज सं० 14 कांशाक, 1911 को दिया गया।

Given under my hand at NEW DELHI this FIFTH  
day of JULY One thousand nine hundred and EIGHTY NINE.



Sd/-

(बी० भवानी संकर)

कम्पनी रजिस्ट्रार

दिल्ली एवं हरियाणा

(B. BHAVANI SANKAR)

Registrar of Companies

DELHI & HARYANA



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

***Memorandum of Association***  
***of***  
***Pearl Global Industries Limited*** #

(INCORPORATED UNDER THE COMPANIES ACT, 1956)

- I. The Name of the Company is **Pearl Global Industries Limited**.#
- II. The Registered Office of the Company will be situated in the State of Delhi.
- III. (A) The objects to be pursued by the Company on its incorporation are:
  1. To carry on the business of manufacturers, fabricators, importers and exporters, wholesale and retail dealers of and in men's, women's and children's clothing and wearing apparel of every kind, nature and description including shirts, bush-shirts, pyjama suits, vest, underwears, suits, foundation garments for ladies dresses, brasses, brasseries, maternity belts, knee caps, coats, panties, nighties and so on.
  2. To carry on the business of manufacturers, importers and exporters, wholesale and retail dealers of and in hosiery goods of every kind, nature and description, for men, women and children including vest, underwears, socks, stockings, sweaters, laces, and so on and of all or anything which is used in hosiery goods.
  3. To carry on the business as manufacturers, traders, dealers and exporters of all kinds of fibres and yarn man-made or otherwise, textiles and textile materials natural or otherwise.
  4. To carry on the business of preparing, spinning, doubling, weaving, combing, scouring, sizing, mixing, twisting, bleaching, colouring, knitting, dyeing, printing and finishing whatever fibres or textile substances or any substitute for any of them.
- @5. To carry on business of providing Training and Development, Skill Development, as Knowledge Trainers and Disseminators, Project and Training Implementing Agencies under various Skill Development schemes of Authorities, Advisors, Consultants in all types of activities, fields, professions, products, industries, markets and areas and to conceptualise the ideas, projects, concepts and advise, consult, train the people for completion of such idea, project or concept for specific assignment from the idea to implementation stage and to carry on the business of recruitment, training, skill development and placement of all kind of personnel in India and abroad.

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# *Name of the Company changed vide Special Resolution passed by shareholders through Postal Ballot on 10-03-2012*

@ *Inserted vide Special Resolution passed by shareholders at the AGM held on 24-09-2018*

**(B) Matters which are necessary for furtherance of the objects specified in clause III(A) are:- :-**

1. To build, construct, erect, improve, maintain, alter, enlarge, purchase, hire or otherwise acquire or provide any buildings, offices, factories, workshops, plants or machinery, or other things necessary or useful for the purpose or carrying out the above objects of the Company, to purchase, take on lease or otherwise acquire lands and hereditaments, or any tenure, for the objects aforesaid, and to sell, lease or otherwise dispose of any property of the Company.
2. To advance money to any person or persons corporation, at interest, upon the security of freehold or leasehold property by way of mortgage, or upon marketable security and in particular to advance money upon the security of or for the purpose of enabling the person borrowing the same to erect or purchase, or enlarge or repair any house or building, or to purchase any estate or interest in, or to take a demise for any term or terms of year of any freehold leasehold property in India upon such terms and conditions as the Company may think fit.
3. To aid, encourage and promote setting on the property of the company and to colonize the same and for purposes aforesaid to lend, give credit or grant sums of money.
4. To appropriate impart or parts the property of the Company for the purpose of and to build and let shops, offices and other such places of business of all kinds.
5. To refer to arbitration and to institute, defend, compromise, withdraw or abandon, any legal or other proceedings and claims by or against the Company, by its officers or otherwise concerning the affairs of the Company.
6. To enter into agreements with companies, associations, societies, organisations, or persons, foreign or Indian, for securing any of the objects of the Company or for any purpose conducive to any objects.
7. To enter into any partnership, arrangement, for sharing profit union of interests, cooperation, joint ventures, reciprocal concession or otherwise, with any person or Company carrying on or engaged in, or about to carry on or engage in, or any business or transaction capable of being of conducted so as directly or indirectly to benefit this Company.
8. To acquire and undertake the whole or any part of the business property and liabilities of any person or persons or Company, carrying on any business which the Company is authorised to carry on.

9. To act as agents and/or to enter into agreements with any Government, semi Government, quasi-Government or public undertaking or Government owned Company or any authority, municipal or local or any manufacturer, merchant and other that may seem beneficial to the Company's objects and to obtain from such Government, authority or merchants or manufacturer rights, privileges and concessions which the Company may think desirable and carry out, exercise and comply with any arrangements, rights, privileges and concessions.
10. To indemnify members, officers, directors and servants of the Company against proceedings, causes, damages, claims and dividends in respect of anything done, ordered to be done by them for and in the interest of the Company or for any loss, damages or misfortune which shall happen in the execution of the duties of their offices in relation thereto.
11. To invest and deal with the money of the Company by purchasing securities of any other Company, or carrying on any business which this Company is authorised to carry on or in such other manner as may from time to time be determined by the Company and to distribute any of the properties of the Company in specie among the members as may be permissible in law, in the event of its winding up.
12. To promote any Company or companies for the purpose of acquiring all or any of the properties, rights and liabilities of the Company or for any other purpose which may seem directly or indirectly calculated to benefit the Company.
13. Subject to Section 230 to 240 of the Act, to amalgamate with any of the companies having objects altogether or in part similar those of the Company.
14. Subject to provisions of the Banking Regulation Act, 1949 and Section 73 and other applicable provisions of the Act to borrow raise or secure the payment of money or to receive money on deposit at interest for any of the purposes of the Company, and at such time or times and in such manner as may be thought fit and in particular by the issue of debentures-stock, perpetual or otherwise including debentures or debentures stock, convertible into shares of this or any other Company or perpetual annuities and as security for any such money so borrowed raised or received or of any such debentures or debenture stock so issued, to mortgage, pledge or charge the whole or any part of the property, assets, or revenue and profits of the Company, present or future, including its uncalled capital, by special assignment or to transfer or convey the same absolutely or in trust and to give the lenders power of sale and such other powers as may seem expedient, and to purchase, redeem or pay off any such securities.

15. To guarantee the payment of money unsecured or secured by or payable under or in respect of promissory notes, bonds, debentures stock, contracts, mortgages, charges, obligation, instruments and securities of any Company or authority, municipal, local or otherwise or any person whomsoever, whether incorporated or not and generally to guarantee or become surities for the performance of any contracts or obligations that may seem beneficial to the Company's objects.
16. To lend money to such persons or companies and on such terms as may seem expedient and in particular to customers of and such others having dealing with the Company, and to guarantee the performance of contracts by any such person or companies.
17. To act, improve, manage, develop, exchange, lease, mortgage or otherwise deal with all or any part of the properties and rights of the Company.
18. To purchase, run and maintain building, machinery, cranes, bull-dozer, pile drivers and such other items capable of being used in any business of the Company and to hire and let out such machineries to any person, Company or authority.
19. To sell the undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular for shares, debentures, debenture-stock, policies or securities of any other such Company having objects altogether or in part similar to those of this Company.
20. To open accounts with any bank or banks or bankers or shroff and to pay into withdraw money from such account or accounts.
21. To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of lading, warrant, debentures and other negotiable or transferable instruments.
22. To procure the Company to be registered or recognised in any foreign country or place.
23. To do all or any of the above things as are incidental or conducive to the attainment of any or all of the objects mentioned above in any part of India or in any part of the world either as principals, agents, trustees, contractors or otherwise and by or through or in conjunction with trustees, agents, sub contractors or otherwise.
24. To pay out of the funds of the Company all expenses of, and incidental to the formation, registration, advertisement and establishment of the Company and also all expenses attending the issue of any circular of notice and the printing, stamping, circulating of proxies and forms to be filled in by the members of the Company.



25. To create any reserve fund, insurance fund or any other special fund, whether for depreciation off or repairing, insuring, improving, extending or maintaining any property of the Company or for any other such purpose conducive to the interest of the Company.
26. To make donations, to such persons or institutions subject to the provisions of the Companies Act, 2013, in cash or in other assets and in particular to remunerate any person or corporation introducing business to this Company and to subscribe or guarantee money for charitable or benevolent objects for any exhibition or for any public, general or other objects and to establish and support or aid in the establishment and support or aid in the establishment and support of associations, institutions funds, trusts, and conveniences for the benefit of the employees or ex-employees or persons having dealing with the Company or the dependents, relatives, or the connections of such persons and in particular friendly or other benefit societies and to grant pensions, allowances, gratuities and bonuses, either by way of annual payments towards insurance, and to form and contribute to provident and benevolent funds of such persons.

**IV. The Liability of the members is limited.**

- \*V. The Share Capital of the Company is Rs. 84,01,00,000/- (Rupees Eighty-Four Crore and one Lakh only) divided into 10,28,80,000 equity shares of Rs. 5/- (Rupees Five Only) each, 32,56,000 10.5% non-cumulative preference shares of Rs. 100/- (Rupees one hundred only) each and 10,000 4% non-cumulative redeemable preference shares of Rs. 10/- (Rupees Ten only) each.**

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*Memorandum of Association were adopted pursuant to members' resolution passed at the 34<sup>th</sup> Annual General Meeting of the Company held on July 31, 2023.*

*\* Authorised Equity Share Capital were (Sub-division of Equity Share) altered from Rs. 10/- each to Rs. 5/- each by the shareholders through Postal Ballot on December 19, 2023.*

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

Name, Description, Occupation and address of each subscribers	Number of type of Subscribed shares	Signatures of Subscribers	Name, address, description and signature of witness or witnesses
<p>1. <b>Mr. Deepak Seth</b> S/o Shri M. L. Seth B-76, Paschimi Marg Vasant Vihar New Delhi (Business)</p>	<p>10 Equity Shares</p>	<p>Sd/-</p>	<p>I witness the signatures of both the subscribers who have signed in my presence at New Delhi</p> <p>Sd/- (HANS RAJ ARORA) S/o Shri A. N. Arora Chartered Accountant F-45, Bhagat Singh Market New Delhi - 110 001</p>
<p style="text-align: right;"><b>TOTAL</b></p>	<p>20 Equity Shares (Twenty)</p>		

Place : New Delhi

Dated : 9th day of June, 1989

**CERTIFIED TRUE COPY OF THE ORDINARY RESOLUTION PASSED BY THE SHAREHOLDERS OF PEARL GLOBAL INDUSTRIES LIMITED THROUGH POSTAL BALLOT ON TUESDAY, DECEMBER 19, 2023.**

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**ITEM NO. 2: APPROVAL FOR ALTERATION OF THE CAPITAL CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY**

“RESOLVED THAT pursuant to Section 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment or re-enactment thereof for the time being in force), and the rules framed thereunder, provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and as approved by the Board of Directors of the Company, the approval of the members of the Company be and is hereby accorded for amendment of the existing “Clause V” of the Memorandum of Association of the Company by substituting with the following clause:

V. The Authorised Share Capital of the Company is Rs. 84,01,00,000 (Rupees Eighty-Four Crore and one Lakh only) divided into 10,28,80,000 equity Shares of Rs.5/- (Rupees Five only) each, 32,56,000 10.5% Non-Cumulative Preference Shares of Rs.100/- (Rupees Hundred only) each and 10,000 4% Non-Cumulative Redeemable Preference Shares of Rs.10/- (Rupees Ten only) each.

**RESOLVED FURTHER THAT** the Board of Directors and Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary in relation to the above including the matters incidental thereto and to execute all such documents, instruments and writings as may be required in this connection and to delegate all or any of its powers herein conferred to any Committee of Director(s)/ any other Officer(s) of the Company to give effect to the aforesaid resolution.”

**Certified True Copy  
For Pearl Global Industries Limited**



**Shilpa Budhia  
Company Secretary & Compliance Officer  
ICSI Mem. No. A23564**

**Pearl Global Industries Limited**

Corp. Office: Pearl Tower, Plot No. 51, Sector-32, Gurugram – 122001, Haryana (India)

T: +91-124-4651000 | E: info@pearlglobal.com

CIN: L74899DL1989PLC036849

Regd. Office: C-17/1, Paschimi Marg, Vasant Vihar, New Delhi - 110057



(THE COMPANIES ACT, 2013)  
(COMPANY LIMITED BY SHARES)  
**Articles of Association**

**of**  
**Pearl Global Industries Limited**

(INCORPORATED UNDER THE COMPANIES ACT, 1956)

1. Applicability of Table F

- a) The regulations contained in Table “F” in the Schedule I to the Companies Act, 2013, shall apply to the Pearl Global Industries Limited (“Company”) only in so far as the same are not provided for or are not inconsistent with these Articles.
- b) The regulations for the management of the Company and for the observance of the members thereof and their representatives shall be such as are contained in these Articles subject however to the exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by special resolution as prescribed by the Companies Act, 2013.

2. **Definitions and Interpretation**

A. **Definitions**

Unless the context or the definition herein contained otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof for the time being in force at the date at which these Articles become binding on the Company.

- a) **‘Act’** means the Companies Act, 2013 along with the relevant Rules made there under, in force and any statutory amendment thereto or replacement thereof and including any circulars, notifications and clarifications issued by the relevant authority under the Companies Act, 2013 Reference to Act shall also include the Secretarial Standards issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980.
- b) **‘Annual General Meeting’** shall mean a General Meeting of the holders of Equity Shares held annually in accordance with the applicable provisions of the Act.
- c) **‘Articles’ or ‘Articles of Association’** means and includes these Articles, as amended, added, altered and modified from time to time.
- d) **‘Auditors’** means and includes those persons appointed as such for the time being by the Company.

- e) **'Beneficial Owner'** shall have the meaning assigned thereto in section 2(1)(a) of the Depositories Act.
- f) **'Board'** or **'Board of Directors'** shall mean the collective board of directors of the Company, as duly called and constituted from time to time, in accordance with Law and the provisions of these Articles.
- g) **'Board Meeting'** shall mean any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with law and the provisions of these Articles.
- h) **'Business Day'** shall mean a day on which scheduled commercial banks are open for normal banking business.
- i) **'Capital'** means the share capital for the time being raised or authorised to be raised, for the purpose of the Company.
- j) **'Chairman'** shall mean such person as is nominated or appointed in accordance with Article 28 herein below.
- k) **'Companies Act, 1956'** shall mean the Companies Act, 1956 (Act I of 1956), to the extent that such provisions have not been repealed or superseded by the Companies Act, 2013 or de-notified.
- l) **'Central Government'** means the Central Government of India acting through the Department of Company Affairs or such other ministry or department as the context may require.
- m) **'Company'** or **'this Company'** means Pearl Global Industries Limited.
- n) **'Company Secretary'** or **'Secretary'** means a Company Secretary as defined in clause (c) of subsection (1) of Section 2 of the Company Secretaries Act, 1980 (56 of 1980) who is appointed by a Company to perform the functions of the Company Secretary under the Act.
- o) **'Committees'** shall mean committee of the Board of Directors.
- p) **'Debenture(s)'** means Debenture(s) as defined in sub-section (30) of Section 2 of the Act.
- q) **'Depositories Act'** shall mean the Depositories Act, 1996 and includes any statutory modification or re-enactment thereof for the time being in force.
- r) **'Depository'** shall mean a Depository as defined in section 2(1)(e) of the Depositories Act.
- s) **'Directors'** means the directors of the Company for the time being and includes persons occupying the position of directors by whatever name called including alternate directors, independent directors and nominee directors appointed in accordance with the Law and the provisions of these Articles.

- t) **'Dividend'** includes interim and final dividend.
- u) **'Equity Share Capital'** means in relation to the Company, its Equity Share capital within the meaning of Section 43 of the Act, as amended from time to time.
- v) **'Equity Shares'** shall mean fully paid-up equity shares of the Company having a par value of INR 10 (Rupees Ten) per equity share of the Company, or any other issued Share Capital of the Company that is reclassified, reorganized, reconstituted or converted into equity shares of the Company.
- w) **'Executor'** or **'Administrator'** shall mean a person who has obtained probate or letters of administration, as the case may be, from a court of competent jurisdiction and shall include the holder of a succession certificate authorizing the holder thereof to negotiate or transfer the Shares or other Securities of the deceased Shareholder and shall also include the holder of a certificate granted by the Administrator-General appointed under the Administrator Generals Act, 1963.
- x) **'Employee Stock Option'** shall have the same meaning as provided under in sub-section (37) of Section 2 of the Act.
- y) **'Extraordinary General Meeting'** shall mean an extraordinary general meeting of the holders of Equity Shares duly called, constituted and any adjourned holding thereof in accordance with the provisions of the Act.
- z) **'Financial Year'** shall mean any fiscal year of the Company, beginning on April 1 of each calendar year and ending on March 31 of the following calendar year.
- aa) **'General Meeting'** means any duly convened meeting of the Shareholders of the Company and includes an extra-ordinary general meeting.
- bb) **'Independent Director'** means an independent director referred to in sub-section(6) of section 149 of the Act and applicable provisions of the SEBI Regulations.
- cc) **'In writing'** and **'written'** includes printing, lithography and other modes of representing or reproducing words in visible form.
- dd) **'Key Managerial Personnel (KMP)'** shall mean the persons as defined in sub-section(51) of Section 2of the Act.
- ee) **'Law/Laws'** shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, notifications, ordinances or orders of any governmental authority, Regulatory authority and SEBI, (ii) governmental approvals, (iii) orders, decisions, injunctions, judgments, awards and

decrees of or agreements with any governmental authority, (iv) rules or guidelines for compliance, of any stock exchanges, (v) international treaties, conventions and protocols, and (vi) Indian GAAP or Ind-AS or any other generally accepted accounting principles.

- ff) **'Member'** shall mean a duly registered holder, from time to time, of the Security of the Company and includes every person whose name is entered as beneficial owner in the records of the depository.
- gg) **'Memorandum'** shall mean the Memorandum of Association of the Company, as amended from time to time.
- hh) **'Office'** means the registered office for the time being of the Company.
- ii) **'Ordinary Resolution'** shall have the meanings assigned to it in Section 114 of the Act.
- jj) **'Paid-up'** shall include the capital credited as paid up.
- kk) **'Person'** shall mean any natural person, sole proprietorship, partnership, company, body corporate, governmental authority, joint venture, trust, association or other entity (whether registered or not and whether or not having separate legal personality).
- ll) **'Postal Ballot'** includes voting by Members by postal or electronic mode instead of voting personally by being present for transacting business in a general meeting of the Company, as per the provisions of sub-section (65) of section 2 of the Act.
- mm) **'Register of Members'** means the Register of Members to be kept pursuant to Section 88 of the Act.
- nn) **'The Registrar'** means the Registrar of Companies of the State in which the Office of the Company is for the time being situated.
- oo) **'Rules'** shall mean the rules made under the Act and as notified from time to time.
- pp) **'Seal'** means the Common Seal(s) for the time being of the Company, if any.
- qq) **'SEBI'** shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992 and amendment made thereof.
- rr) **'SEBI Regulations'** shall mean all the regulations, rules, circulars, notifications, orders, advisory including all forms of communication and amendments, modification or re-enactment to any thereof as applicable to the Company and issued by the SEBI, from time to time.
- ss) **'Securities'** means securities as defined in Section 2(h) of the Securities Contract (Regulation) Act, 1956 and includes any statutory modification or re-enactment thereof, for the time being in force.



- tt) **'Share'** or **'shares'** shall mean any share issued in the Share Capital of the Company, including Equity Shares and preference shares.
- uu) **'Shareholder'** or **'member'** shall mean any shareholder of the Company, from time to time.
- vv) **'Shareholders' Meeting'** shall mean any meeting of the Shareholders of the Company, including Annual General Meetings as well as Extraordinary General Meetings, convened from time to time in accordance with the Act, applicable Laws and the provisions of these Articles.
- ww) **'Stock Exchanges'** shall mean BSE, the National Stock Exchange of India Limited and any other stock exchange in India where the Securities of the Company are listed.
- xx) **'Special Resolution'** shall have the meaning assigned to it in Section 114 of the Act, as amended from time to time.
- yy) **'Tribunal'** means the National Company Law Tribunal constituted under Section 408 of the Act.
- zz) **'Working Days'** shall mean all days in a week except Sunday, Saturdays and other public holidays.

## **B. Interpretation**

In these Articles (unless the context requires otherwise):

- a) References to a person shall, where the context permits, include such person's respective successors, legal heirs and permitted assigns.
- b) In "Writing" and "Written" include printing, lithography and other modes of representing or reproducing words in a visible form including electronic mode as provided in the Information Technology Act, 2000 as amended from time to time.
- c) Words importing persons shall include bodies corporate, corporations, companies, individuals, sole proprietorship, unincorporated association, unincorporated organization, association of persons, partnership, joint venture, governmental authority, Hindu undivided family, trust, union, organization or any other entity that may be treated as a person under applicable Law (whether registered or not and whether or not having separate legal personality) and where the context permits, shall also include such person's respective successors, legal heirs and permitted assigns.
- d) The descriptive headings of Articles are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content thereof and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles.

- e) References to articles and sub-articles are references to Articles and sub-articles of and to these Articles unless otherwise stated and references to these Articles include references to the articles and sub-articles herein.
- f) Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.
- g) Wherever the words “include,” “includes,” or “including” is used in these Articles, such words shall be deemed to be followed by the words “without limitation”.
- h) The terms “hereof”, “herein”, “hereto”, “hereunder” or similar expressions used in these Articles mean and refer to these Articles and not to any particular Article of these Articles, unless expressly stated otherwise.
- i) Reference to statutory provisions shall be construed to include reference to any rules, regulations or other subordinate legislation made under the statute and shall, unless the context otherwise requires and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.
- j) Any reference to an agreement or other document shall be construed to mean a reference to the agreement or other document, as amended or novated from time to time.
- k) In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.

## **I. CAPITAL**

### **Share Capital & Variation of Rights**

- a) The Authorised Share Capital of the Company shall be such amount and be divided into such shares as may, from time to time, be provided in Clause V of the Memorandum of Association as altered from time to time with power to consolidate, increase, reduce, divide and/or sub-divide its subscribed, authorised, issued and paid-up Share Capital or reclassify them into several classes and attach thereto respectively such preferential, differential, deferred, qualified or special rights, privileges, conditions or restrictions, whether in regard to Dividend, voting, return of Capital, distribution of assets or otherwise, as may be determined in accordance with the Law and the regulations from time to time of the Company and the provisions of the Companies Act, 2013 for the time being

in force including Statutory modifications, amendments or re-enactment of the Act thereof and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner as may, from time to time, be provided by the regulations / resolutions of the Company and to consolidate or sub-divide or reorganise shares or issue shares of higher or lower denominations.

- b) Except so far as otherwise provided by the conditions of issue or by these Articles, any Share Capital raised by the creation of new Shares, shall be considered as part of the existing Share Capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
- c) Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased Capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to Persons in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with section 53 of the Act) at such time as they may, from time to time, think fit to give to any person or persons the option or right to call for any shares either at par or premium or at a discount subject to the provisions of the Act 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 be so allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid up shares.

Provided that option or right to call shares shall not be given to any person or persons without the sanction of the Company in General Meeting.

- d) Subject to applicable Law, the Directors are hereby authorised to issue Equity Shares or Debentures (whether or not convertible into Equity Shares) for offer and allotment to such of the officers, employees and workers of the Company as the Directors may decide or the trustees of such trust as may be set up for the benefit of the officers, employees and workers in accordance with the terms and conditions of such scheme, plan or proposal as the Directors may formulate. Subject to the consent of the Stock Exchanges and SEBI, the Directors may impose the condition that the shares in or debentures of the Company so allotted shall not be transferable for a specified period.

- e) If, by the conditions of allotment of any share, the whole or part of the amount thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the shares or by his executor or administrator.
- f) Every Shareholder, or his heirs, Executors, or Administrators shall pay to the Company, the portion of the Capital represented by his share or shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Articles require or fix for the payment thereof.

#### **Further issue of shares**

Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered-

- a) To persons who, at the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the Paid-up Share Capital on those shares by sending a letter of offer subject to the following conditions, namely:
  - (i) The offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined.
  - (ii) The offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other Person; and the notice referred to in these Articles above shall contain a statement of this right.
  - (iii) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Shareholders and the Company.
  - (iv) To employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law. Or
  - (v) To any persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in sub-articles (i) or Article (ii) above, either for cash or for a consideration other than cash at a price determined in the manner provided under the regulations issued by SEBI in this regard.

## **II. DEMATERIALISATION OF SECURITIES**

- a) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing Securities, rematerialize its Securities held in the Depositories and/or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.
- b) Subject to the applicable provisions of the Act, the Company may exercise an option to issue, dematerialize, hold the securities (including shares) with a 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.
- c) If a Person opts to hold his Securities with a Depository, the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.
- d) Securities in Depositories to be in fungible form: all Securities held by a Depository shall be dematerialized and be held in fungible form. Nothing contained in Sections 88, 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.
- e) Rights of Depositories & Beneficial Owners:
  - (i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner.
  - (ii) Save as otherwise provided in (i) 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.
  - (iii) Every person holding shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Shareholder of the Company.
  - (iv) The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository.
- f) Except as ordered by a court of competent jurisdiction or as may be required by Law required and subject to the applicable provisions of the Act, the Company shall be entitled to treat the person whose name appears on the Register as the holder of any share or whose name appears

as the Beneficial Owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them, subject to these Articles.

- g) Register and Index of Beneficial Owners:
- (i) The Company shall cause to be kept a register and index of members with details of shares and debentures held in materialized and dematerialized forms in any media as may be permitted by Law including any form of electronic media.
  - (ii) The register and index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a register resident in that state or country.
  - (iii) Cancellation of Certificates upon surrender by Person upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the Depository as the registered owner in respect of the said Securities and shall also inform the Depository accordingly.
- h) Service of Documents : notwithstanding anything contained in the Act or these Articles to the contrary, where Securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.
- i) Allotment of Securities dealt with in a Depository: Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant Securities thereof to the Depository immediately on allotment of such Securities.
- j) Certificate Number and other details of Securities in Depository: Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.

- k) Provisions of Articles to apply to Shares held in Depository: Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act.
- l) 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 Law and the Company in that behalf.
- m) Option to opt out in respect of any such Security: subject to compliance with applicable Law, if a Beneficial Owner seeks to opt out of a Depository in respect of any Security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfilment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.
- n) Overriding effect of this Article : Provisions of this Article will have full effect and force notwithstanding anything to the contrary or inconsistent contained in any other Articles.
- o) Save as otherwise provided above, the Depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.
- p) Overriding effect of this Article: Provisions of this Article will have full effect and force notwithstanding anything to the contrary or inconsistent contained in any other Articles.

### **III. POWER TO ISSUE PREFERENCE SHARES**

The Company, subject to the applicable provisions of the Act, shall have the power to issue on a cumulative or noncumulative basis, preference shares in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit.

### **IV. COMMISSION FOR PLACING SHARES, DEBENTURES ETC.**

Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any person in connection with the subscription or procurement of subscription to its securities, whether absolute or conditional, for any shares or Debentures in the Company in accordance with the provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014.



## **V. TRUST NO TRECognISED**

Save as herein otherwise provided and subject to provisions of the Act, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction, or as required by statutes be bound to recognise any equitable or any benami, trust or equity or equitable, contingent or other claim to or interest in such Equity Shares on the part of any other Person whether or not such Shareholder shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any Equity Shares in the joint names of any 2 (two) or more Persons or the survivor or survivors of them. The Company shall not be bound to register more than 3 (three) persons as the joint holders of any share except in the case of executors or trustees of a deceased member.

## **VI. BUY BACK ITS OWN SHARES OR GIVE LOANS FOR THE PURPOSE**

Pursuant to a resolution of the Board or a Special Resolution of the Shareholders, as required under the Act, the Company may purchase its own Equity Shares or other Securities, as may be specified by the Act read with Rules made there under from time to time, by way of a buy- back arrangement, in accordance with Sections 68, 69 and 70 of the Act, the Buy Back Rules and subject to compliance with the applicable Laws out of (i) its free reserves; or (ii) the securities premium account; or (iii) the proceeds of the issue of any Shares or other specified securities or (iv) otherwise specified by the law for the time being in force.

## **VII. REDUCTION OF CAPITAL**

The Company may, subject to the applicable provisions of the Act and applicable SEBI Regulations, from time to time, by special resolution, reduce its Capital and any Capital redemption reserve account or premium account in any manner for the time being authorised by Law. This Article is not to derogate any power the Company would have under Law, if it were omitted.

## **VIII. CONVERSION OF SHARES INTO STOCK AND RECONVERSION**

- a) The Company in general meeting may, by Ordinary Resolution, convert any Paid-up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interests, in the same manner and subject to the same regulations as those subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may, by an Ordinary Resolution, at any time reconvert any stock into Paid-up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so



however such minimum shall not exceed the nominal account from which the stock arose.

- b) The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose, but no such privileges or advantages, (except participation in the Dividends and profits of the Company and in the assets on winding-up), shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
- c) Where the shares are converted into stock, such provisions of these Articles as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

#### **IX. ALTERATION OF SHARE CAPITAL**

Subject to these Articles and Section 61 of the Act, the Company may from time to time, by an Ordinary Resolution in General Meeting from time to time, alter the conditions of its Memorandum as follows, that is to say, it may:

- a) Increase its Share Capital by such amount as it thinks expedient;
- b) Consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares:

Provided that no consolidation and division which results in changes in the voting percentage of Shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner.

- c) Convert all or any of its fully Paid-up shares into stock, and reconvert that stock into fully Paid-up shares of any denomination.
- d) Sub divide its existing Shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so, however, that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived and
- e) Cancel its Shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the shares so cancelled. Cancellation of shares in pursuance of this Article shall not be deemed to be reduction of Share Capital within the meaning of the Act.

## **X. VARIATION OF SHAREHOLDERS' RIGHT**

- a) It at any time the share Capital is divided into different classes of shares, rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Sections 48 of the Act and applicable Laws and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate General Meeting of the holders of the shares of that class. To every such separate General Meeting, the provisions of these Articles relating to General Meeting shall, to the extent consistent, shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
- b) The rights conferred upon the holders of the shares of any class with preferred or other rights shall not, unless otherwise expressly provided by 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.

## **XI. SHARES AND SHARE CERTIFICATES**

- a) The Company shall issue, re-issue and issue share certificate, as the case may be in accordance with the provisions of the Act and other applicable Laws.
- b) The Company shall be entitled to dematerialise its existing Shares, rematerialise its Shares held in the depository and/or to offer its fresh shares in a dematerialised form pursuant to the Depositories Act, and the regulations framed there under, if any.
- c) The provisions of this Article shall mutatis mutandis apply to Debentures and other Securities of the Company.
- d) When a new share certificate has been issued in pursuance of these Articles, it shall be in the form and manner stated under the Companies (Share Capital and Debentures) Rules, 2014.
- e) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may authorize for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.

- f) The Secretary of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates including the blank forms of the share certificate referred to in sub article (e) of this Article.
- g) All books referred to in sub-article (f) of this Article, shall be preserved in the manner specified in the Companies (Share Capital and Debentures) Rules, 2014.
- h) If any Shares stands in the names of 2 (two) or more Persons, the Person first named in the Register of Members shall as regards receipt of Dividends or bonus, or service of notices and all or any other matters connected with the Company except voting at meetings and the transfer of shares, be deemed the sole holder thereof, but the joint holders of such Shares shall be severally as well as jointly liable for the payment of all deposits, instalments and calls due in respect of such Shares, and for all incidents thereof according to these Articles.
- i) Except as ordered by a court of competent jurisdiction or as may be required by Law, the Company shall be entitled to treat the Shareholder whose name appears on the Register of Members as the holder of such Equity Shares or whose name appears as the beneficial owner of such Equity Shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such Equity Shares on the part of any other Person whether or not such Shareholder shall have express or implied notice thereof.
- j) The Board shall be entitled at their sole discretion to register any Equity Shares in the joint names of any 2 (two) or more Persons or the survivor or survivors of them. The Company shall not be bound to register more than 3 (three) persons as the joint holders of any share except in the case of executors or trustees of a deceased member.

## **XII. REGISTERS TO BE MAINTAINED BY THE COMPANY**

- a) The Company shall keep and maintain at its registered office or such other place as may be allowed under the Act and the Rules, all statutory registers (as and when required) namely, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of contracts and arrangements etc., minutes book of General Meeting , for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules.
- b) The registers and documents referred to in (a) and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all Working

Days, other than Saturdays, at the registered office of the Company or any other place where the register ,documents or copies of the annual return are kept in the manner as prescribed under the Act and the Rules, by the persons entitled thereto under the Act and Rules, on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

- c) Copy or extract of the registers and documents referred to in (a) and copies of annual return, if allowed under the Act or the Rules, can be obtained from the registered office of the Company or any other place where the register ,documents or copies of the annual return are kept in the manner as prescribed under the Act and the Rules by the persons entitled thereto , on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.
- d) The foreign register (if any) shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.
- e) The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.
- f) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board.

### **XIII. CALLS**

- a) The Board may, from time to time, subject to the terms on which any shares may have been issued, and subject to the provisions of Section 49 of the Act, make such calls as the Board thinks fit upon the Members in respect of all moneys unpaid on the shares held by them respectively and each Shareholder shall pay the amount of every call so made on him to the Person or Persons and Shareholders and at the times and places appointed by the Board. All calls shall not be of the uniform amount and the Board may call different amount at different point of time. A call may be payable by instalments. Further the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in the General Meeting.
- b) 14 (fourteen) days' notice in writing at the least of every call (otherwise than on allotment) shall be given by the Company specifying the time and place of payment, provided that before the time for payment of such call, the Board may revoke or postpone the same.

- c) The call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by the Shareholders whose names appear on the Register of Members on such date as shall be fixed by the Board.
- d) The joint holder of a share shall be jointly and severally liable to pay all instalments and calls due in respect thereof.
- e) The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Shareholders who, from residence at a distance or other cause the Board may deem fairly entitled to such extension; but no Shareholders shall be entitled to such extension save as a matter of grace and favour.
- f) When Amount Payable: If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by instalments at fixed times whether on account of the nominal amount of the share or byway of premium, every such amount or instalment shall be payable as if it were a call duly made by the Board and of which due notice has been given and all the provisions herein contained in respect of calls, forfeiture or otherwise shall relate to such amount or instalment accordingly and in case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.
- g) When Interest on Call or Instalment : If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof or any such extension thereof, the holder for the time being of the shares in respect of which the call shall have been made, or the instalments shall be due, shall pay interest for the same at the rate of ten percent per annum or such lower rate of interest as the Board may determine from time to time from the day appointed for the payment thereof till the time of actual payment, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Shareholder and the Board shall be at liberty to waive payment of any such interest either wholly or in part.
- h) Evidence in Action by Company Against Shareholder : on the trial or hearing of any action or suit brought by the Company against any shareholder or his legal representatives to recover any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the defendant is, or was, when the claim arose was on the Register of Members of the Company as a holder, or one of the holders of the number of shares in respect of which such claim is made, that the resolution making the call is duly recorded in the Minute Book, that notice of such call was duly given to the Shareholder or

his representatives so sued in pursuance of these Articles and that the amount claimed is not entered as paid in the books of the Company, and it shall not be necessary to prove the appointment of the Board who made any call, or that a quorum was present at the Board meeting at which any call was made nor that such meeting was duly convened or constituted, nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt and the same shall be recovered by the Company against the Shareholder or his representative from whom it is ought to be recovered, unless it shall be proved, on behalf of such Shareholder or his representatives against the Company that the name of such Shareholder was improperly inserted in the Register of Members or that the money sought to be recovered has actually been paid.

- i) Initial Payment not to Preclude Forfeiture : the Company may enforce a forfeiture of shares under these Articles below notwithstanding the a judgement in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall, from time to time, due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money.
- j) Voting Rights when Calls in Arrears : no member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company, has exercised, any right of lien.
- k) Payment of Calls in Advance: the Board may, if it thinks fit, subject to the provisions of the Act, receive from any member willing to advance the all or any part of the moneys due upon the shares held by him beyond the sum actually called for, and upon the moneys 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 to the Member paying such sum in advance as the Board may agree upon. Provided always that if at any time after the payment of any such money the rate of interest so agreed to be paid to any such Member appears to the Board to be excessive, it shall be lawful for the Board from time to time to repay to such Member so much of such money as shall then exceed the amount of the calls made upon such shares in the manner determined by the Board. Provided also that if at any time after the payment of any money so paid in advance, the Company shall go into liquidation, either voluntary or otherwise, before the full amount of the money so advanced shall have become due by the members to the Company, on instalments or calls, or in

any other manner, the maker of such advance shall be entitled (as between himself and the other Members) to receive back from the Company the full balance of such moneys rightly due to him by the Company in priority to any payment to members on account of capital, in accordance with and subject to the provisions of the Act.

- l) No Shareholder shall be entitled to voting rights in respect of the money (ies) so paid by him until the same would but for such payment, become presently payable.
- m) The provisions of these Articles shall mutatis mutandis apply to the calls on Securities of the Company.

#### **XIV. FORFEITURE AND LIEN**

- a) If Call or Instalment not Paid, Notice Maybe given : If any Member fails to pay any call or instalment of a call or any part thereof or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time, thereafter during such time as the call or instalment remains unpaid or a judgment or decree in respect thereof remain unsatisfied, serve notice on such Member or his legal representatives requiring him to pay the same, together with interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
- b) The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on or before which such call or instalment or such part or other money as aforesaid and interest thereon, (at such rate as the Board shall determine and payable from the date on which such call or instalment ought to have been paid). The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call was made or instalment is payable will be liable to be forfeited.
- c) If the requirements of any such notices aforesaid are not complied with, any share in respect of which such notice has been given may, at any time thereafter before payment of all calls or instalments, other money due in respect thereof, interests and expenses as required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other money payable in respect of the forfeited shares and not actually paid before the forfeiture subject to applicable provisions of the Act.
- d) When any share have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture or if any of his legal representatives or to any of the Persons



entitled to the shares by transmission, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

- e) Any share so forfeited shall be deemed to be the property of the Company, and the board may sell, re-allot or otherwise disposed of either to the original holder thereof or to any other Person upon such terms and the same in such manner as it thinks fit.
- f) The Board may, at any time before any share so forfeited shall have been re-allotted or otherwise disposed off annul the forfeiture thereof upon such conditions as it thinks fit.
- g) A person whose shares have been forfeited shall cease to be a Member in respect of the shares, but shall notwithstanding such forfeiture, remain liable to pay, and shall forthwith pay to the company on demand, all calls, or instalments, interest and expenses and other money owing upon or in respect of such shares, at the time of the forfeiture, together with interest thereon, from the time of the forfeiture until payment at such rate as the Board may, from time to time, determine and the board may enforce, (if it thinks fit), the payment thereof, as if it were a new call made at the date of forfeiture.
- h) The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.
- i) A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the shares.
- j) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Shareholder), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto, in accordance with the provisions of the applicable Laws.
- k) Upon any sale after forfeiture or for enforcing lien in the purported exercise of the powers hereinbefore given, the Board may appoint some persons, to execute an instrument of transfer of the share sold and cause



the purchasers' name to be entered in the Register in respect of the share sold, and the purchasers' shall not be bound to see to the regularity of the proceedings or 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.

- l) The Directors may subject to the provisions of the Act, accept a surrender of any share certificates from or by any Shareholder desirous of surrendering them on such terms as the Directors think fit.

#### **XV. COMPANY'S LIEN ON SHARES/ DEBENTURES**

- a) 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 clause.
- b) For the purposes of enforcing such a lien, the Board may sell such partly Paid-up shares, subject thereto in such manner as the Board shall think fit, and for that purpose may cause to be issued, a duplicate certificate in respect of such shares and may authorise one of their Shareholders to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to said shares be affected by any irregularity or invalidity in the proceedings in reference to the sale of such shares.

Provided that no sale of such Shares shall be made:

- (i) unless a sum in respect of which the lien exists is presently payable; or
- (ii) until the expiration of 14 (fourteen) days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

- c) The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the Person entitled to the shares at the date of the sale. The fully paid Shares shall be free from all lien and that in the case of partly paid Shares, the Company's lien, if any, shall be restricted to monies called or payable at a fixed time in respect of such shares.
- d) No Shareholder shall exercise any voting right in respect of any shares or Debentures 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 exercised any right of lien.
- e) Subject to the Act and these Articles, the right of lien under this Article XV shall extend to other Securities.

#### **XVI. TRANSFER AND TRANSMISSION OF SHARES**

- a) Subject to provisions of the Act, Depositories Act and other applicable laws, transfer or transmission, as the case may be, of Shares in the Company shall only be allowed in dematerialized form.
- b) The Board shall have power on giving not less than seven days' previous notice or such lesser period as may be specified by SEBI, by advertisement in a vernacular newspaper and in an English newspaper circulating in the city, town or village in which the Office of the Company is situated, is situated and by publishing a notice on the website of the Company, to close the transfer books, the Register of Members and/or Register of Debenture-holders at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year, as it may deem expedient.
- c) Subject to the provisions of the Act, a person entitled to a share by transmission shall, subject to the right of the Board to retain such Dividends as hereinafter provided in these Articles be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the shares.
- d) In case of the death of any one or more Members named in the Register of Members as the joint-holders of any shares, the survivor, shall be the only Member(s) recognized by the Company as having any title to his interest in such shares; but nothing herein contained shall release the estate of a deceased joint holder from any liability on shares held by him jointly with any other persons.
- e) Subject to applicable Laws, the Executors or Administrators or holder of the succession certificate or the legal representatives of a deceased

Shareholder, (not being one of two or more joint-holders) or his nominee(s), shall be the only Shareholders recognized by the Company as having any title to the shares registered in the name of such Shareholder, and the Company shall not be bound to recognize such Executors or Administrators or the legal representatives unless such Executors or Administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India.

- f) Subject to the provisions of Sections 58 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may, refuse to issue the letter of confirmation in case of transmission by operation of law of the right to, any Securities or interest of a Shareholder in the Company. The Company shall, within 30 (thirty) days from the date on which the intimation of such transmission, was delivered to the Company, send a notice of refusal to the person giving notice of such transmission, giving reasons for such refusal.

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

- g) Subject to the provisions of Articles, the Act and other applicable Laws, any Person becoming entitled to shares in consequence of the death, lunacy, bankruptcy of any Shareholder or Shareholders, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board, (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, be registered himself as the holder of the shares after obtaining necessary letter of confirmation.
- h) A Person becoming entitled to a share by reason of the death or insolvency of a Shareholder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a Shareholder in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company.
- i) The provision of these Articles shall be subject to the applicable provisions of the Act, the Rules and any requirements of Law. Such provisions shall mutatis mutandis apply to the transfer or transmission by operation of Law to other Securities of the Company.

- j) Nomination by securities holders : every holder of Securities of the Company holding the Securities in physical form may, at any time, nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as his nominee in whom the Securities of the Company held by him shall vest in the event of his death.
- k) Where the Securities of the Company are held by more than one Person jointly, the joint holders may together nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014 or rules issued under the Depositories Act, a Person as their nominee in whom all the rights in the Securities of the Company shall vest in the event of death of all the joint holders.
- l) Notwithstanding anything contained in any other Law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, purports to confer on any Person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of Securities of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in Securities of the holder or, as the case may be, of all the joint holders, in relation to such Securities of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014.
- m) Where the nominee is a minor, the holder of the Securities concerned, can make the nomination to appoint in prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014, any Person to become entitled to the Securities of the Company in the event of his death, during the minority.
- n) The transmission of Securities of the Company by the holders of such Securities and transfer in case of nomination shall be subject to and in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014.

## **XVII. BORROWING POWERS**

- a) The Board may, from time to time, and at its discretion, subject to the provisions of Sections 73, 179 and 180 and other applicable provisions of the Act and of these Articles, by resolution passed at the meeting of a Board the Board shall:
  - (i) accept deposits from Members
  - (ii) borrow money by way of issuance of Debentures;

- (iii) borrow money otherwise than on Debentures;
- (iv) accept deposits from Shareholders either in advance of calls or otherwise; and

and generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company, Provided however, where the moneys to be borrowed together with the moneys already borrowed (apart from the temporary loans obtained from the Company's bankers in ordinary course of business) exceed the aggregate of the Paid-up capital of the Company its free reserves and securities premium, the Board shall not borrow such money without the consent of the Company in General Meeting by an ordinary resolution.

- b) Subject to the provisions of these Articles, the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution of the Board (not by circular resolution) shall prescribe including by the issue of bonds, perpetual or redeemable Debentures or debenture-stock, or any mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the whole or any part of the property of the Company (including its uncalled Capital), both present and future. and Debentures and other Securities may be assignable free from any equities between the Company and the Person to whom the same may be issued.
- c) Subject to the applicable provisions of the Act and these Articles, any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, drawing, attending (but not voting) at the General Meeting, allotment of shares, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.
- d) The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages and charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied with within the time prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board. Company shall have

the power to keep in any state or country outside India a branch register of debenture holders resident in that state or country.

- e) Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board from time to time.
- f) The Company shall also comply with the provisions of the Companies (Registration of Charges) Rules, 2014 in relation to the creation and registration of aforesaid charges by the Company.

## **XVIII. GENERAL MEETING**

### **(A) ANNUAL GENERAL MEETING**

In accordance with the provisions of Section 96 of the Act, the Company shall in each year hold a General Meeting as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, subject to the provisions of the Act, not more than 15 (fifteen) months' gap shall elapse between the dates of two consecutive Annual General Meetings.

#### **a) Venue, Day and Time for holding Annual General Meeting**

An Annual General Meeting of the Company shall be called for a time during business hours, on a day that is not a public holiday, and shall be held at the Office of the Company or at some other place within the city in which the Registered Office of the Company is situated as the Board may determine and the notices calling the meeting shall specify it as the Annual General Meeting.

Every Member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor.

#### **b) Notice of General Meetings**

- (i) As per the provisions of section 101 of the Act, a General Meeting of the Company may be called by giving not less than 21 (twenty-one) days clear notice in writing or in electronic mode, excluding the day on which notice is served or deemed to be served and the date of meeting. However, a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode, in case of annual general meeting, by not less than 95 (ninety-five) percent of the Shareholders entitled to vote at that meeting and in case of any other general meeting, by members of the company holding, majority in number of members entitled to vote and who represent not less than ninety-five per cent. of such part of the paid-up share capital of the company as gives a right to vote at the meeting. The notice of every meeting shall be given to:

- i. Every Shareholder, legal representative of any deceased Shareholder or the assignee of an insolvent member of the Company,
- ii. Auditor or Auditors of the Company,
- iii. All Directors and
- iv. Such other persons as required under the Act

The accidental omission to give any such notice as aforesaid to any of the Shareholders, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.

- (ii) Notice of meeting to specify place, etc., and to contain statement of business: Notice of every meeting of the Company shall specify the place, date, day and hour of the meeting, and shall contain a statement of the business to be transacted thereat shall be given in the manner prescribed under Section 102 of the Act.
- (iii) Resolution requiring Special Notice: With regard to resolutions in respect of which special notice is required to be given by the Act, a special notice shall be given as required by Section 115 of the Act.
- (iv) Notice of Adjourned Meeting when necessary: When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting in accordance with the applicable provisions of the Act.
- (v) Notice when not necessary: Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- (vi) The notice of the General Meeting shall comply with the provisions of Companies (Management and Administration) Rules, 2014.

**(B) Requisition of Extra Ordinary General Meeting**

- a) The Board may, whenever it thinks fit, call an Extraordinary General Meeting or it shall do so upon a requisition received from such number of Shareholders who hold, on the date of receipt of the requisition, not less than one-tenth of such of the Paid up Share Capital of the Company as on that date carries the right of voting and such meeting shall be held at the Office or at such place and at such time as the Board thinks fit.
- b) Any valid requisition so made by Shareholders must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.



- c) Upon the receipt of any such valid requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within 21 (twenty -one) days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than 45 (forty-five) days from the date of deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the Paid up Share Capital held by all of them or not less than one-tenth of such of the Paid-up Share Capital of the Company as is referred to in Section 100 of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.
- d) Any meeting called under the foregoing sub-articles by the requisitionists, shall be called in the same manner, as nearly as possible, as that in which a meeting is to be called by the Board.
- e) No General Meeting, Annual or Extraordinary, shall be competent to enter into, discuss or transact any business which has not been mentioned in the notice or notices by which it was convened.
- f) The Extraordinary General Meeting called under this Article shall be subject to and in accordance with the provisions under the Act read with the Companies (Management and Administration) Rules, 2014.

**(C) No Business to be transacted in General Meeting if Quorum is not present**

The quorum for the General Meeting shall be in accordance with Section 103 of the Act. Subject to the provisions of Section 103(2) of the Act If such a quorum is not present within half an hour from the time appointed for holding the Shareholders' meeting, the meeting, if convened by or upon the requisition of Members shall stand dissolved, but in case of any other General Meeting, the meeting shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day at such other time and place as the Board may determine and the agenda for the adjourned General Meeting shall remain the same. If at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

**(D) Chairman of the General Meeting**

- a) As per the provisions of section 104 of the Act, the chairman of the Board shall be entitled to take the Chair at every General Meeting of the Company whether Annual or Extraordinary. If there is no such chairman of the Board, or if at any meeting he shall not be present within fifteen



minutes after the time appointed for holding such meeting or if he is unable or is unwilling to act as chairman of the meeting, the Directors present shall elect one of their Members to be the Chairman of the meeting and if no Director be present, or if all the Directors present decline to take the chair, then the Members present shall elect one of their Members, to be the chairman of such meeting.

- b) No business shall be discussed at any General Meeting except the election of a Chairman while the Chair is vacant.

**(E) Chairman can Adjourn the General Meeting**

The Chairman may, with the consent given in the meeting at which a quorum is present, if so directed by the meeting, adjourn the General Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situate, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

**(F) Demand or Poll**

- a) At any General Meeting, a resolution put to the vote of the General Meeting shall, unless voting is carried out electronically, be decided by way of show of hands. Before or on the declaration of the result of the voting on any resolution by a show of hands, a poll may be carried out in accordance with the applicable provisions of the Act electronically. Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, of passing of such resolution or otherwise.
- b) In the case of equal votes, the Chairman shall have a casting vote in addition to the vote or votes to which he may be entitled as a Shareholder.
- c) If a poll is demanded as aforesaid, the same shall subject to anything stated in these Articles be taken at such time, (not later than forty-eight hours from the time when the demand was made), and place within the city, town or village in which the Office of the Company is situated and either by a show of hands or by ballot or by postal ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.

- d) Where a poll is to be taken, the Chairman of the meeting shall appoint such number of scrutinizers as prescribed under the Act and Rules to scrutinise 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 scrutinizer from office and fill vacancies in the office of scrutinizer arising from such removal or from any other cause.
- e) Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment, shall be taken at the meeting forthwith.
- f) The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
- g) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.
- h) The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be in the sole judge of the validity of every vote tendered at such poll.
- i) All matters arising at a General Meeting of the Company, other than as specified in the Act or these Articles if any, shall be decided by a majority vote.
- j) The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, applicable SEBI Regulations or any other Law, if applicable to the Company.

**(G) Corporation Shareholder**

Any corporation or body corporate which is a Shareholder of the Company may, by resolution of the Board or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual Shareholder in the Company (including the right to vote by proxy).

**(H) Proxy**

- a) A Shareholder may appoint a proxy either for (i) the purposes of a particular meeting (as specified in the instrument) or (ii) for any

adjournment thereof or (iii) it may appoint a proxy for the purposes of every meeting of the Company, or (iv) of every meeting to be held before a date specified in the instrument for every adjournment of any such meeting.

- b) A Shareholder present by proxy shall be entitled to vote only on a poll.
- c) Every instrument of proxy whether for a specified meeting or otherwise should, as far as circumstances admit, be in any of the forms set out under Section 105 and other provisions of the Act and in the Companies (Management and Administration) Rules, 2014.
- d) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the Office before the meeting.

**(I) Vote in Respect of deceased and Insolvent Members**

Any person entitled under these Articles to transfer any shares may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or the adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of the right to transfer such shares, or the Board shall have previously admitted his right to vote at such meeting in respect thereof. If any member be a lunatic, idiot or non-composmentis, he may vote whether on a show of hands or at Poll by his committee curator bonis or other legal curator and such last mentioned persons may give their votes in person or by proxy on apoll.

**(J) Votes by Joint Executors Etc.**

Where there are several executors or administrators of a deceased Member in whose sole name any share is registered, any one of such executors or administrators may vote in respect of such share unless any other of such executors or administrators is present at the meeting at which such a vote is tendered and objects to the vote. In such case, the provisions relating to votes of joint-holders contained in these Articles shall.

**(K) Minutes of General Meeting and inspection thereof by Members**

- a) The Company shall cause minutes of all proceedings of every General Meeting to be kept within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.

- b) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that chairman within that period, by a Director duly authorised by the Board for that purpose.
- c) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- d) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- e) All appointments of officers made at any meeting aforesaid shall be included in the minutes of the meeting.
- f) Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the chairman of the meeting (a) is or could reasonably be regarded as defamatory of any person, or (b) is irrelevant or immaterial to the proceedings, or (c) is detrimental to the interests of the Company. The chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non- inclusion of any matter in the minutes on the aforesaid grounds.
- g) Any such minutes shall be evidence of the proceedings recorded therein.
- h) The book containing minutes of proceedings of General Meetings shall be kept at the Office of the Company and shall be open during business hours, for such periods not being less in the aggregate than two hours in each day as the Board may determine, to the inspection of any member without charge. Any member will do inspect the minutes of a General Meeting can do so by giving atleast three working day's advance written notice to the Secretary.

## **XIX. DIRECTORS**

### **(A) Numbers of Directors**

- a) Subject to the applicable provisions of the Act, the Board of Directors shall consist of not less than three Directors and not more than fifteen Directors. However, the Company may at any time appoint more than fifteen Directors after passing Special Resolution at a General Meeting. The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the applicable SEBI Regulations. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by Law from time to time.

- b) Subject to these Articles, Sections 149, 152 and 164 of the Act and other provisions of the Act, the Company may increase or reduce the number of Directors.
- c) The Company may, and subject to the provisions of Section 169 of the Act, remove any Director before the expiration of his period of office and appoint another qualified Director. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.
- d) At least one Director shall reside in India for a total period of not less than 182 (one hundred and eighty-two) days or for such number of days as may be notified by the Government from time to time in each Financial Year.

**(B) Debenture Directors**

If it is provided by a trust deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any Person/lender or Persons/lenders shall have power to nominate a Director of the Company, then in the case of any and every such issue of Debentures, the Person/lender or Persons/lenders having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to a Debenture Director. A Debenture Director may be removed from office at any time by the Person/lender or Persons/lenders 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 and shall not be liable to retire by rotation or be removed by the Company, but shall automatically cease and vacate office as a Director if and when the Debentures are fully discharged.

**(C) Independent Directors**

The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed SEBI Regulations.

**(D) Appointment of Nominee Director/s**

- a) The Board may appoint any person as a director nominated by any institution, body corporate, investor or any other person in pursuance of the provisions of any Law for the time being in force or of any agreement or arrangement or by the Central Government or the State Government by virtue of its shareholding in a Government Company.

- b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. Also at the option of the nominating party, such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and the privileges and subject to the same obligations as any other Directors of the Company.
- c) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board meetings and the meetings of the committee of which the Nominee Director/s is/are Members, as also the minutes of such meeting. The Corporation shall also be entitled to receive all such notices and minutes.
- d) The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled but if any other fees, commission, money or remuneration in any form is payable to the Directors of the Company, the fees, commission, moneys and the remuneration in relation to such Nominee Director/s shall accrue to the nominating party and the same shall accordingly be paid by the Company directly to the nominating party. Any expenses that may be incurred by the nominating party or such Nominee Director/s in connection with his/their appointment or directorship shall also be paid or reimbursed by the Company to the nominating party or such Nominee Director/s in connection with his/their appointment or directorship shall also be paid or reimbursed by the Company to the nominating party, or to such Nominee Director/s, as the case may be.

**(E) Appointment of Alternate Director**

Subject to Section 161 of the Act, the Board shall be entitled to nominate an Alternate Director to act for a Director of the Company during such (hereinafter called the "Original Director/s") during director's absence for a period of not less than three months from India. The Board may appoint such a person as an Alternate Director to act for the Original Director (subject to such person being acceptable to the Chairman) during the Original Director's absence. An Alternate Director/s appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director/s return/s to India. If the term of the office of the Original Director/s is determined before he/they so return/s to India, any provision in the Act or in these Articles for the automatic reappointment of Retiring Directors in default of another appointment shall apply to the Original Director/s and not to the Alternate Director.

**(F) Casual Vacancy and Additional Director**

Subject to the applicable provisions of the Act and these Articles, the Board shall have power at any time and from time to time, to appoint any qualified person to be a Director either as an Additional Director to the Board or to fill a casual vacancy but so that the total number of Directors shall not at any time exceed the maximum number fixed by these Articles. Any Person so appointed as an additional Director so appointed shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company at that meeting as a Director subject to the applicable provisions of the Act.

**(G) Chairman Emeritus**

- The Board shall be entitled to appoint any person who has rendered significant distinguished services to the Company or to the industry to which the Company's business relates or in the public field, as the Chairman Emeritus of the Company.
- The Chairman Emeritus may hold office for lifetime.
- The Chairman Emeritus may attend any meetings of the Board or Committee thereof but shall not have any right to vote and shall not be deemed to be a party to any decision of the Board or Committee thereof.
- The Chairman Emeritus shall not be deemed to be a director for any purposes of the Act, or any other statute or rules made thereunder or these Articles including for the purpose of determining the maximum number of Directors which the Company can appoint.
- The Board may decide to make any payment in any manner for any services rendered by the Chairman Emeritus to the Company.
- If at any time the Chairman Emeritus is appointed as a Director of the Company, he may, at his discretion, retain the title of the Chairman Emeritus."

**(H) Remuneration of Directors**

- a) Subject to the applicable provisions of the Act, the Rules, Law including the provisions of the SEBI Regulations, a Managing Director or Managing Directors, and any other Director/s who is/are in the whole-time employment of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, subject to the limits prescribed under the Act.
- b) Subject to the applicable provisions of the Act, a Director (other than a Managing Director or an executive Director) may receive a sitting fee not



exceeding such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board or any Committee thereof attended by him or remuneration in form of commission or fixed fees in accordance with the applicable provisions of the Act and the Rules.

- c) The remuneration payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to time by the Central Government pursuant to the first proviso to Section 197 of the Act.
- d) All fees/compensation to be paid to non-executive Directors including Independent Directors shall be as fixed by the Board subject to Section 197 and other applicable provisions of the Act, the Rules thereunder and of these Articles. Notwithstanding anything contained in this Article, the Independent Directors shall not be eligible to receive any stock options.

**(I) Special remuneration for extra services rendered by a Director**

If any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board. Such remuneration may either be in addition, to or in substitution for his remuneration otherwise provided, subject to the applicable provisions of the Act.

**(J) Miscellaneous expenses of Directors**

In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or (b) in connection with the business of the Company. The rules in this regard may be framed by the Board of Directors from time to time.

**(K) Continuing Directors**

The continuing Director may act notwithstanding any vacancy in their body, but so that if and so long as their number is below the number fixed by the Articles of the company as the necessary quorum for the Board the continuing Director or Directors as the case may be shall, except for the purposes of increasing the number of directors to that number or for summoning General Meeting, not act for any other purposes.



**(L) Chairman of the Board of Directors**

- a) Subject to the provisions of the Act, the Board of Directors shall elect any one of them as the Chairman of the Board. The Chairman shall preside at all meetings of the Board and the General Meeting of the Company. The Chairman shall have a casting vote in the event of a tie.
- b) If for any reason the Chairman is not present at the meeting or is unwilling to act as Chairman, the members of the Board shall appoint any one of the remaining Directors as the Chairman.

**(M) Disqualification and Vacation of office by a Director**

- a) A person shall not be eligible for appointment as a Director of the Company if he incurs any of the disqualifications as set out in section 164 and other relevant provisions of the Act. Further, on and after being appointed as a Director and subject to the provisions of the Act, the office of a Director shall ipso facto be vacated on the occurrence of any of the circumstances under section 167 and other relevant provisions of the Act.
- b) Subject to the applicable provisions of the Act, the resignation of a director shall take effect from the date on which the notice is received by the company or the date, if any, specified by the director in the notice, whichever is later.

**(N) Retirement of Directors by rotation**

- a) At every Annual General Meeting of the Company, one third of such of the Directors as are liable to retire by rotation in accordance with section 152 of the Act (excluding Independent Directors), or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re- election.
- b) The Directors to retire by rotation shall be those who have been longest in office since their last appointment but as between persons who become 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. Provided that and to the extent permissible under the Act and subject to the terms and condition of the appointment, the Managing Director, Joint Managing Director, Deputy Managing Director, Manager, Independent Directors and Whole-Time Director(s) appointed or such other directors nominated pursuant to Articles hereto shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article.

**XX. MANAGING DIRECTORS/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S) / MANAGER**

- a) Subject to the provisions of Section 203 of the Act and other applicable provisions of the Act and of these Articles, the Board may, from time to

time, appoint one or more of them to be managing director or Joint Managing Director or Whole Time Director or Deputy Managing Director or Manager of the Company on such terms and on such remuneration (in any manner, subject to it being permissible under the Act) as the Board may think fit in accordance with the applicable provisions of the Act and the Rules thereunder.

- b) Subject to the provisions of the Act, the Managing Director or Joint Managing Director or Whole time Director or Deputy Managing Director or Manager of the Company so appointed by the Board shall not while holding that office, be subject to retirement by rotation or taken into account in determining the rotation of retirement of directors unless otherwise provided in the terms and conditions of their appointment, but their office shall be subject to determination ipso facto if they cease from any cause to be a director or if the company in General Meeting resolve that their tenure of the office of Managing Director or Joint Managing Director or Whole time Director or Deputy Managing Director or Manager be so determined.
- c) Subject to the approval of the Board of Directors of the Company, the Chairman of the Board of Directors of the Company can hold the position of the Managing Director and / or the Chief Executive Officer of the Company at the same time.
- d) Power and duties of Managing Director(s)/ Whole Time Director(s) / Executive Director(s)/ Manager: Subject to the provisions of the Act, the Directors, may from time to time entrust and confer upon a Managing Director, whole time director(s), executive director(s) or managers for the time being such of the powers exercisable upon such terms and conditions and with such restrictions as they may think fit either collaterally with or to the exclusion of and in substitution for all or any of their own powers and from time-to-time revoke, withdraw, alter or vary ail or any of such powers.

## **XXI. PROCEEDINGS OF THE BOARD OF DIRECTORS**

### **(A) Meeting of Directors**

- a) At least 4 (four) Board Meetings shall be held in any calendar year and there should not be a gap of more than 120 (one hundred twenty) days between two consecutive Board Meetings.
- b) The participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio-visual means, as may be prescribed under the Act, which are capable of recording and recognising the participation of the Directors and of recording and storing the proceedings of such meetings along with date and time. Any meeting

of the Board held through video conferencing or other audio-visual means shall only be held in accordance with the Companies (Meetings of Board and its Powers) Rules, 2014.

- c) The Secretary, as directed by a Director, or any other Director shall, as and when directed by the Chairman or a Director convene a meeting of the Board by giving a notice in writing to every Director in accordance with the provisions of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014.
- d) At least 7 (seven) days' notice of every meeting of the Board shall be given in writing to every Director for the time being at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. A meeting of the Board may be convened in accordance with these Articles by a shorter notice in case of any urgent matters as directed by the Chairman or the Managing Director or the Executive Director, as the case may be, subject to the presence of 1 (one) Independent Director in the said meeting. If an Independent Director is not present in the said meeting, then decisions taken at the said meeting shall be circulated to all the Directors and shall be final only upon ratification by one Independent Director. Such notice or shorter notice may be sent by post or by fax or e-mail depending upon the circumstances.
- e) At any Board Meeting, each Director may exercise 1 (one) vote. The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted Board Meeting.

**(B) Quorum**

Subject to Section 174 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength (excluding directors, if any, whose places may be vacant at the time and any fraction contained in the One-third being rounded off as one), or two directors, whichever is higher, and the presence of Directors by video conferencing or by other audio-visual means shall also be counted for the purposes of calculating quorum. provided that where at any time the number of interested Directors exceeds or is equal to two-third of the total strength, the number of Directors who are not interested, and are present at the meeting, being not less than two, shall be the quorum for such time during such meeting.

**(C) Adjournment of Meeting for Want of Quorum**

If at a meeting of the Board, a quorum is not present then the meeting shall stand adjourned to such day, time and place as the chairman may fix.

#### **(D) Powers of the Board**

Subject to the applicable provisions of the Act, these Articles and other applicable provisions of Law:

- a) The Board shall be entitled to exercise all such power and to do all such acts and things as the Company is authorised to exercise and do under the applicable provisions of the Act or by the Memorandum and Articles of association of the Company.
- b) The Board is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company.

Provided that the Board shall not, except with the consent of the Company by a Special Resolution: -

- (i) Sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking. The term 'undertaking' and the expression 'substantially the whole of the undertaking' shall have the meaning ascribed to them under the provisions of Section 180 of the Act;
- (ii) Remit, or give time for repayment of, any debt due by a Director;
- (iii) Invest otherwise than in trust securities the amount of compensation received by the Company as a result of any merger or amalgamation; and
- (iv) Borrow money(ies) where the money(ies) to be borrowed together with the money(ies) already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of businesses), will exceed the aggregate of the paid-up capital of the Company, its free reserves and securities premium account.

#### **c) Certain Powers of the Board:**

Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article and other provisions of the Act, it is hereby declared that the Directors shall have the following powers, that is to say, power:

- (i) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the company.
- (ii) Payment out of Capital: To pay and charge to the capital account of the company any commission or interest lawfully payable thereout under the provisions of Sections 40(6) of the Act.

- (iii) To acquire property: Subject to Sections 179 and 188 of the Act to purchase or otherwise acquire for the Company any property, rights, privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they think fit, and in any such purchases or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.
- (iv) To pay for property, etc.: At their discretion and subject to the provisions of the Act, to pay for any property, rights, or privileges acquired or services rendered in the Company either wholly or partially, in cash or in shares, bonds, debentures, mortgages, or other securities of the such amount credited as 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 and its uncalled capital or not so charged.
- (v) To secure contracts: To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.
- (vi) To accept surrender of shares: To accept from any member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed.
- (vii) To appoint Trustees: To appoint any person to accept and to hold in trust for the Company any property belonging to the Company, or in which it is interested, or for any other purposes; and to execute and do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.
- (viii) To bring and defend actions: To institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company or its officers or otherwise payment or satisfaction of any debts due, and of any claims or demands by or against the Company, and to refer any differences to arbitration, and observe and perform any awards made thereon.
- (ix) To act in insolvency matters: To act on behalf of the Company in all matters relating to bankrupts and insolvents.
- (x) To give receipts: To make and give receipts, releases and other discharges for moneys payable to the Company, and for the claims and demands of the Company.
- (xi) To invest moneys: Subject to the provisions of Sections 179, 180 (1) (c), 185, and 186 of the Act, to invest, deposit and deal with any moneys of the Company not immediately required for the purpose thereof, upon such security (not being shares of this Company), or without security and in

such manner as they may think fit, and from time to time to vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.

- (xii) To provide for Personal Liabilities: To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety; for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit; and any such mortgage may contain a power of sale, and such other powers, provisions, covenants and agreements as shall be agreed upon.
- (xiii) To authorise acceptances: 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 necessary authority for such purpose.
- (xiv) To distribute bonus: To distribute by way of bonus amongst the staff of the Company a share in the profits of the Company, and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as part of the working expenses of the Company.
- (xv) To provide for welfare of employees: To provide for the welfare of Directors or Ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependants or connections of such persons by building or contributing to the building of houses, dwellings or chawls or by grants of moneys, pensions, gratuities, allowances, bonus or other payments; or by creating and from time to time subscribing or contributing to provident and other associations, institutions or funds or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit, and subject to the provisions of Section 180 of the Act. To subscribe or contribute or otherwise to assist or to guarantee money to any charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation, or of public and general utility or otherwise.
- (xvi) To create reserve fund : Before recommending any dividend to set aside, out of the profits of the Company such sums as they may think proper for depreciation or to a Depreciation Fund or to an Insurance Fund or as a Reserve Fund or Sinking Fund or any special fund to meet contingencies or to repay debentures or debenture-stock, or for special dividends or for equalising dividends or for repairing, improving, extending and

maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the preceding clause), as the Board may in their absolute discretion think conducive to the interest of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than shares of the Company) as they think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in their absolute discretion, think, conducive to the interest of the company notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the company might rightly be applied or expended, and to divide the reserve fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of the Reserve Fund into such special funds as the Board may think fit, with full power to transfer the whole or any portion of a Reserve Fund or division of a Reserve Fund and with full power to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the company or in the purchase or repayment of debentures or debenture- stock, and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.

**(E) Committees and delegation by the Board**

- a) Subject to the provisions of the Act, applicable provisions of Law and the applicable SEBI Regulations and these Articles, the Board may from time to time and at any time, delegate any of its powers to a Committee(s) consisting of such director or directors as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part, and either as to persons or purposes, but every Committee of the Board formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board, all acts done by any such committee of the Board in conformity with regulations and in fulfillment of purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board, subject to the provisions of the Act, the Board may from time to time fix the remuneration to be paid to any member of their body constituting a Committee appointed under this Article and may pay the same.



- b) Without prejudice to the powers conferred by the other Articles and so as not to in any way to limit or restrict those powers, the Board may, subject to the provisions of Section 179 of the Act, delegate any of its powers to the Managing Director(s), the executive director(s) or manager or the chief executive officer of the Company. The Managing Director(s), the executive director(s) or the manager or the chief executive officer(s) as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.
- c) Acts of Board or Committee valid notwithstanding informal appointment  
All acts undertaken at any meeting of the Board or of a Committee of the Board, or by any person acting as a Director shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director. Provided that nothing in this Article shall be deemed to give validity to the acts undertaken by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

**(F) Resolution by Circulation**

- a) A resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, if 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, as the case may be, at their respective addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be provided under the Companies (Meetings of Board and its Powers) Rules, 2014 and has been approved by a majority of directors or members of the committee as are entitled to vote on resolution. However, in case one-third of the total number of Directors for the time being require that any resolution under circulation must be decided at a meeting, the Chairman shall put the resolution to be decided at a meeting of the Board.
- b) A resolution mentioned above shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and be recorded in the minutes of such meeting.



**(G) Minutes of Proceedings of Meetings of the Board and Committee**

- a) The Company shall prepare, circulate and maintain minutes of each Board Meeting in accordance with the Act and Rules and such minutes shall contain a fair and correct summary of the proceedings conducted at the Board Meeting.
- b) The minutes kept and recorded under this Article shall also comply with the provisions of Secretarial Standard 1 issued by the Institute of Company Secretaries of India

**(H) Power to be exercised by the Board only by meeting**

- a) Subject to the provisions of the Act, the Board shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolutions passed at the meeting of the Board:
  - 1. To make calls on Shareholders in respect of money unpaid on their shares;
  - 2. To authorise buy-back of securities under Section 68 of the Act;
  - 3. To issue securities, including debentures, whether in or outside India;
  - 4. To borrow money(ies);
  - 5. To invest the funds of the Company;
  - 6. To grant loans or give guarantee or provide security in respect of loans; and
  - 7. Any other matter which may be prescribed under the Act, Companies (Meetings of Board and its Powers) Rules, 2014 and the applicable SEBI Regulations to be exercised by the Board only by resolutions passed at the meeting of the Board.
- b) The Board may, by a resolution passed at a meeting, delegate to any Committee of Directors, the Managing Director, or to any person permitted by Law the powers specified in sub clauses (d) to (f) above. In respect of dealings between the company and its bankers the exercise by the company of the powers specified in clause (d) shall mean the arrangement made by the company with its bankers for the borrowing of money by way of overdraft or cash credit or otherwise and not the actual day to day operation on overdraft, cash credit or other accounts by means of which the arrangement so made is actually availed of.
- c) The aforesaid powers shall be exercised in accordance with the provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and shall be subject to the restrictions on the powers of the Board under section 180 of the Act.

## **XXII. SECRETARY**

Subject to Section 203 of the Act the Board may from time to time appoint, any individual as the Secretary of the company ("Secretary") to perform such duties and functions, which by the Act or these Articles for the time being of the Company are to be performed by the Secretary of the Company, and to execute any other duties and functions, which may from time to time, be assigned to the Secretary by the Board. The Board may also at any time appoint some individual (who need not be the Secretary), to maintain the Registers required to be kept by the Company.

## **XXIII. THE SEAL**

### **(A) The Seal in Custody and Use**

- a) The Board may provide for a Common seal for the purposes of the Company, and shall have power from time to time, to substitute or destroy the same and substitute a new seal in lieu thereof.
- b) Subject to Article 59 (a), the Board may, if a Seal is required to be affixed on any instrument, affix the Seal of the Company, to any instrument by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least 2 (two) Directors and of the Secretary or such other person as the Board may appoint for the purpose; and those 2 (two) Directors and the Secretary or other person aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.

### **(B) Deeds How Executed**

Subject to the provisions of the Act and these Articles every deed or other instrument, to which the seal of the company is required to be affixed, by the authority of the resolution of the Board shall, unless the same is executed by a duly constituted attorney of the Company, be signed by atleast one director and shall be countersigned by another director or the Secretary or some other person appointed by the Board for the purpose, on every such deed or instrument.

## **XXIV. DIVIDENDS AND RESERVES**

### **(A) Division of Profits**

- a) The profits of the company, subject to any special rights relating thereto created or authorised to be created by the Memorandum or these Articles and subject to the provisions of these Articles, shall be divisible among the Members in proportion to the amount of Capital paid up or credited as Paid-up and to the period during the year for which the Capital is Paid-up on the share held by them respectively. Provided always that, subject as aforesaid, any Capital paid upon a share during the period in respect of which a Dividend is declared shall unless the Board otherwise determine,

only entitle the holder of such share to a proportionate amount of such Dividend as from the date of payment.

- b) Subject to the provisions of Section 123 of the Act, the Company in General Meeting may declare Dividends, to be paid to Shareholders according to their respective rights and interests in the profits. No Dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may, declare a smaller Dividend, and may fix the time for payments not exceeding 30 (thirty) days from the declaration thereof.
- c) Where Capital is paid in advance of calls upon the footing that the same shall carry interest, such Capital shall not whilst carrying interest, confer a right to participate in profits or Dividend.
- d) Subject to the rights of Persons, if any, entitled to shares with special rights as to Dividend, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof Dividend is paid but if and so long as nothing is paid upon any shares in the Company, Dividends may be declared and paid according to the amount of the shares.
- e) No amount paid or credited as paid on shares in advance of calls shall be treated for the purpose of this Article as paid on shares.
- f) All Dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the Dividend is paid, but if any shares are issued on terms providing that it shall rank for Dividend as from a particular date such shares shall rank for Dividend accordingly.

**(B) Loss of Dividend Warrants etc.**

The Company may issue a duplicate cheque or Dividend warrant or interest warrant on shareholder or holder of debenture furnishing such indemnity or otherwise as the Board may think proper.

**(C) Declarations of Interim Dividends**

- a) The Board may, from time to time, pay to the Members such interim Dividends as appear to the Board to be justified by the financial position of the Company.
- b) Subject to the applicable provisions of the Act and these Articles, the Board may retain the Dividends payable upon shares in respect of any Person, until such Person shall have become a Shareholder, in respect of such shares or until such shares shall have been duly transferred to him.
- c) Any one of several Persons who are registered as the joint -holders of any Share may give effectual receipts for all Dividends or bonus and payments

on account of Dividends or bonus or sale proceeds of fractional certificates or other money(ies) payable in respect of such shares.

- d) No Dividend shall be declared or paid otherwise by the Company for any financial year out of the profit for that year arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions of the Act and remaining undistributed or out of both provided that the declaration of the Board as to the amount of the net profits shall be conclusive.
- e) Subject to the applicable provisions of the Act, no Shareholder shall be entitled to receive payment of any interest or Dividends in respect of his Share(s), whilst any money may be due or owing from him to the Company in respect of such Share(s); either alone or jointly with any other Person or Persons; and the Board may deduct from the interest or Dividend payable to any such Shareholder all sums of money so due from him to the Company.
- f) Subject to Section 126 of the Act, a transfer of shares shall not pass the right to any Dividend declared thereon before the registration of the transfer.
- g) No unpaid Dividend shall bear interest as against the Company.

**(D) Unpaid or Unclaimed Dividend**

- a) Subject to the provisions of the Act, if the Company has declared a Dividend but which has not been paid or the Dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, transfer the total amount of dividend, which remained unpaid or unclaimed within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days to a special account to be opened by the Company in that behalf in any scheduled bank.
- b) Subject to provisions of the Act, any money so transferred to the unpaid Dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Fund established under sub-section (1) of Section 125 of the Act, viz. "Investors Education and Protection Fund".
- c) Subject to the provisions of the Act, no unpaid or unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by Law.

## **XXV. CAPITALISATION**

- a) Any General Meeting may, upon the recommendation of the Board, resolve:
  - (i) That it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the Company's profit and loss account or otherwise, as available for distribution,
  - (ii) That such sum be accordingly set free from distribution in the manner specified herein below in sub-article (c) as amongst the Shareholders who would have been entitled thereto, if distributed by way of Dividends and in the same proportions.
  - (iii) The sum aforesaid shall not be paid in cash but shall be applied either in or towards:
    - i. paying up any amounts for the time being unpaid on any shares held by such Shareholders respectively;
    - ii. paying up in full, un-issued shares of the Company to be allotted, distributed and credited as fully Paid up, to and amongst such Shareholders in the proportions aforesaid; or
    - iii. partly in the way specified in sub-article (i) and partly in the way specified in sub-article (ii).
- b) A securities premium account may be applied as per Section 52 of the Act, and a capital redemption reserve account may, duly be applied in paying up of unissued shares to be issued to Shareholders of the Company as fully paid bonus shares.
- c) Resolution for capitalisation of Reserves and issue of fractional certificate:
  - (i) The Board shall give effect to a Resolution passed by the Company in pursuance of these Articles.
  - (ii) Whenever such a Resolution as aforesaid shall have been passed, the Board shall:
  - (iii) make all appropriation and applications of undivided profits (resolved to be capitalized thereby), and all allotments and issues of fully paid shares or Securities, if any; and
  - (iv) generally do all acts and things required to give effect thereto.
  - (v) The Board shall have full power:
    - i. to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of Shares or Debentures becoming distributable in fraction; and

- ii. to authorize any person, on behalf of all the Shareholders entitled thereto, to enter into an agreement with the Company providing for the allotment to such Shareholders, credited as fully paid up, of any further Shares or Debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any parts of the amounts remaining unpaid on the shares.
- (vi) Any agreement made under such authority shall be effective and binding on all such shareholders.

#### **XXVI.ANNUAL RETURN**

The Company shall make the requisite annual return in accordance with the provisions of the Act.

#### **XXVII.ACCOUNTS AND BOARD'S REPORT**

##### **(A) Directors to keep true Accounts**

- a) The Company shall prepare and keep the books of accounts or other relevant books and papers and financial statements for every Financial Year which give a true and fair view of the state of affairs of the Company, including its branch office or offices, if any, in accordance with the Act, Rules and as required under applicable Law.
- b) In accordance with the provisions of the Act, along with the financial statements laid before the Shareholders, there shall be laid a 'Board's report' as to the state of the Company's affairs and as to the amounts, if any, which it proposes to carry to any reserves in such balance sheet and the amount, if any, which it recommends should be paid by way of dividend; and material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the company to which the balance sheet relates and the date of the report. The Board shall also give the fullest information and explanations in its report aforesaid or in an addendum to that report, on every reservation, qualification or adverse remark contained in the auditor's report and by the company secretary in practice in his secretarial audit report. Where the Board decides to keep all or any of the books of account at any place other than the Office of the Company, the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.
- c) The Company shall preserve in good order the books of account relating to a period of not less than eight years preceding the current year together with the vouchers relevant to any entry in such books of account.

- d) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarized periodical returns, are sent by the branch office to the Company at its Office or other place in India, at which the Company's Books of Accounts are kept as aforesaid.
- e) The books of account and other books and papers shall be open to inspection by any Director during business hours provided prior written notice of atleast 3 days is given to the Secretary.

**(B) As to inspection of accounts or books by Members**

- a) The Board may from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors, and no Member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by Law or authorised by the Board.

**(C) Copies shall be sent to each Member**

A copy of the financial statements, including consolidated financial statements, if any, auditor's report and every other document required by law to be annexed or attached to the financial statements, which are to be laid before a company in its general meeting, shall be sent to every member of the company, to every trustee for the debenture-holder of any debentures issued by the company, and to all persons other than such member or trustee, being the person so entitled, not less than 21 [twenty-one days] before the date of the meeting.

**XXVIII. AUDIT**

- (A)** Once at least in every year the books of accounts of the Company shall be examined by one or more Auditor or Auditors.

**(B) Appointment of Auditors**

The Company at each Annual General Meeting shall appoint an Auditor or Auditors to hold office till the conclusion of its sixth annual general meeting and thereafter till the conclusion of every sixth meeting and their appointment, remuneration, rights and duties shall be regulated by the provisions of the Act.

**(C) Auditor's report to be read**

The qualifications, observations or comments on financial transactions or matters, which have any adverse effect on the functioning of the company mentioned in the auditor's report shall be read before the company in general meeting and shall be open to inspection by any member of the Company.



**(D) Audited and approved Balance Sheet and Profit and Loss Account to be conclusive evidence**

Every Balance Sheet and Profit and Loss Account of the Company when audited and adopted by the Company in Annual General Meeting shall be conclusive, in respect of transactions of the Company for the relevant year.

**XXIX. NOTICES AND DOCUMENTS**

- a) A document or notice may be given or served by the Company to or on any Shareholder whether having his registered address within or outside India either personally or by sending it by post or by registered post or by courier or by any electronic means to him to his registered address.
- b) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a Shareholder has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due or by cable or telegram and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall be deemed to be effected unless it is sent in the manner intimated by the Shareholder. Such service shall be deemed to have effected in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the document or notice is posted or after a telegram has been dispatched and in any case, at the time at which the letter would be delivered in the ordinary course of post or the cable or telegram would be transmitted in the ordinary course. A document or notice may be given or served by the Company to or on the joint - holders of a Share by giving or serving the document or notice to or on the joint- holder named first in the Register of Members in respect of the Share.
- c) Every person, who by operation of Law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which previous to his name and address being entered on the register of Shareholders, shall have been duly served on or given to the Person from whom he derives his title to such Share.
- d) Any document or notice to be given or served by the Company may be signed by a Director or the Secretary or some Person duly authorised by the Board for such purpose and the signature thereto may be written, printed, photostat or lithographed.
- e) All documents or notices to be given or served by Shareholders on or to the Company or to any officer thereof shall be served or given by sending the



same to the Company or officer at the Office by post under a certificate of posting or by registered post or by leaving it at the Office.

- f) Where a document is sent by electronic mail, service thereof shall be deemed to be effected properly, where a member has registered his electronic mail address with the Company,. Provided that the Company, shall provide each member an opportunity to register his email address and change therein from time to time with the Company or the concerned depository. The Company shall fulfil all conditions required by Law, in this regard.
- g) Service on Members having no registered address: if a Shareholder does not have registered address in India, and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighbourhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.
- h) Subject to the applicable provisions of the Act, any document required to be served or sent by the Company on or to the Shareholders, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Office is situated.

### **XXX. WINDINGUP**

#### **(A) DISTRIBUTION OF ASSETS**

- a) If the Company shall be wound up, the Liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act divide amongst the Shareholders, in specie or kind the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- b) For the purpose aforesaid, the Liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders.
- c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

### **XXXI.SECRECY CLAUSE**

- a) No shareholder shall be entitled to visit or inspect the Company's work without permission of the Directors or to require discovery of any

information respectively of any details of the Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the Directors will be inexpedient in the interest of the Shareholders of the Company to communicate to the public.

- b) Duties of the Officer to observe secrecy : every Director, Managing Directors, Manager, Secretary, Auditor, trustee, member of committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Board, before entering upon his duties, or any time during his term of office, sign a declaration pledging himself or observe a strict secrecy respecting all transactions of the Company with the customers and the state of accounts with individuals and in matters relating thereto, and shall by such declarations pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his official duties except when required so to do by the Board or the Auditors, or by resolution of the Company in the General Meeting or by a court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

#### **XXXII. INDEMINITY**

- a) Every officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any *bonafide* proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in which relief is granted to him by the Court.
- b) Director's etc. not liable for certain acts : Subject to the applicable provisions of the Act, no Director, Manager or other Officer of the Company shall be liable for any acts, receipts, neglects, or defaults of any other Director, Manager or Officer or for joining in any receipt or other act for the sake of conformity or for any loss or expenses happening to the Company through 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 insolvency or tortuous act of any person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by any error of judgement or oversight on his part, or for any other loss damage or misfortune whatever, which shall happen in the execution thereof, unless the same shall happen through the negligence, default, misfeasance, breach of the duty or breach of trust of the relevant Director, Manager or Officer.

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

Name, Description, Occupation and address of each Subscriber	Signature of subscribers	Name, addresses, description, occupation and signature of witness or witnesses
<p>1. <b>Mr. Deepak Seth</b> S/o Shri M. L. Seth B-76, Paschimi Marg Vasant Vihar New Delhi (Business)</p>	<p>Sd/-</p>	<p>I witness the signatures of both the subscribers who have signed in my presence at New Delhi</p> <p>Sd/- (HANS RAJ ARORA) S/o Shri A. N. Arora Chartered Accountant F-45, Bhagat Singh Market New Delhi - 110 001</p>
<p>2. <b>Ms. Payal Seth</b> W/o Shri Deepak Seth B-76, Paschimi Marg Vasant Vihar New Delhi (Business)</p>	<p>Sd/-</p>	

Place : New Delhi

Dated : 9th day of June, 1989

# PEARL GLOBAL

Exceeding Expectations...Always

**CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED IN THE 34<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF PEARL GLOBAL INDUSTRIES LIMITED HELD ON MONDAY, JULY 31, 2023 AT 5:00 PM THROUGH VIDEO CONFERENCING (VC)/ OTHER AUDIO VISUAL MEANS (OAVM)**

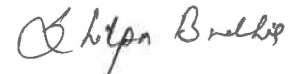
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**ITEM NO.5: ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION OF THE COMPANY IN PURSUANCE TO THE PROVISIONS OF COMPANIES ACT, 2013**

**“RESOLVED THAT** pursuant to the provisions of Sections 5, 14 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and rules thereunder including any statutory modification(s) or re-enactment(s) thereof and subject to necessary approval(s), as may be required, from the competent authorities, if any, approval of the Members of the Company be and is hereby accorded for adoption of new Articles of Association, in substitution of the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors and Company Secretary of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be deemed necessary and/or expedient and to settle any question, difficulty or doubt that may arise in regard thereto, without requiring to seek any further approval of the Members of the Company or otherwise, including acceptance of any changes as may be suggested by the Registrar of Companies and/or any other competent authority, for the purpose of giving effect to this Resolution.”

Certified True Copy  
for Pearl Global Industries Limited



**(Shilpa Budhia)**  
**Company Secretary**  
**ICSI M. No. ACS-23564**

**Pearl Global Industries Limited**

Corp. Office: Pearl Tower, Plot No. 51, Sector-32, Gurugram – 122001, Haryana (India)

T: +91-124-4651000 | E: info@pearlglobal.com

CIN: L74899DL1989PLC036849

Regd. Office: C-17/1, Paschimi Marg, Vasant Vihar, New Delhi - 110057

DEPARTMENT OF COMPANY AFFAIRS  
OFFICE OF THE REGISTRAR OF COMPANIES  
JAWAHARLAL NEHRU STADIUM  
GATE NO. 36, LOKHI ROAD  
NEW DELHI - 110 003.

DATE: 30-1-20

COMPANY NO. 55- 36855

CERTIFICATE OF REGISTRATION OF ORDERS OF COURT  
CONFIRMING AMALGAMATION OF COMPANIES

(Section 391(2) and 394 of the Companies Act, 1956)

Certified that the certified copy of the Delhi High Court Order in C.A. No 604 of 1999 in Company Petition No 90 of 2000 dated 24/10/2000 regarding the amalgamation of undermentioned companies:-

1. Seth Real Estates Pvt Ltd. (36855)
2. Passion Estates Pvt Ltd (36846)
3. India watch company Pvt Ltd (6326)
4. Atlanta Estates Pvt Ltd. (36855)
5. Pearl Housing (India) Pvt Ltd (10102)
6. J.R. Apparel Pvt Ltd. (38605)
- 7.

(Transfer Cos.)

WITH

M/s. Mima Estates Pvt Ltd

(Co. No. 36849 Transferee Company)

has been registered under the Companies Act, 1956.

Given under my hand at NEW DELHI this 30<sup>th</sup> January day of Two Thousand One.



(D.K. GUPTA)  
DEPUTY REGISTRAR OF COMPANIES  
NCT OF DELHI & HARYANA



IN THE HIGH COURT OF DELHI AT NEW DELHI  
ORIGINAL JURISDICTION  
COMPANY PETITION NO. 90 OF 2000  
IN  
COMPANY APPLICATION NO. 1604 OF 1999

IN THE MATTER OF :

Mina Estates Private Limited

...Petitioner/  
Transferee Company

And

Seth Real Estates Private Limited & Ors.

... Petitioners/  
Transferor Companies No. 1 to 6

**MEMO OF PARTIES**

IN THE MATTER OF

MINA ESTATES PRIVATE LTD., a company incorporated under the Companies Act, 1956 as a Private Limited Company, having its registered office at A-3, Naraina Industrial Area, Phase-II, New Delhi-110 028

... Petitioner/  
Transferee Company

AND

- (1) SETH REAL ESTATES PRIVATE LIMITED, a Company incorporated under the Companies Act, 1956 on the 5th Day of July, 1989 as a Private Limited Company and having its Registered Office at A-3, Community Centre, Naraina Industrial Area, Phase-II, New Delhi.
- (2) PASSION ESTATES PRIVATE LIMITED, a Company incorporated under the Companies Act, 1956 on the 5th Day of July, 1989 as a Private Limited Company and having its Registered Office at A-3, Community Centre, Naraina Industrial Area, Phase-II, New Delhi.
- (3) INDIA WATCH COMPANY PRIVATE LIMITED, a Company incorporated under the Companies Act, 1956 on the 9th Day of December, 1986 as a Private Limited Company and having its Registered Office at A-3, Community Centre, Naraina Industrial Area, Phase II, New Delhi.
- (4) ATLANTA ESTATES PRIVATE LIMITED, a Company incorporated under the Companies Act, 1956 on the 5th day of July, 1989 as a Private Limited Company and having its Registered Office at A-3, Community Centre, Naraina Industrial Area, Phase II, New Delhi.

- (5) PEARL HOUSING (INDIA) PRIVATE LIMITED, a Company incorporated under the Companies Act, 1956 on the 5th Day of June, 1985 as a Private Limited Company and having its Registered Office at A-3, Community Centre, Naraina Industrial Area, Phase II, New Delhi.
- (6) J. R. APPAREL PRIVATE LIMITED, a Company incorporated under the Companies Act, 1956 on the 11th Day of December, 1989 as a Private Limited Company and having its Registered Office at A-3, Community Centre, Naraina Industrial Area, Phase II, New Delhi.

... Petitioners/  
Transferor Companies No. 1 to 6

Sd/-  
(KHAITAN & KHAITAN)  
ADVOCATES FOR THE PETITIONERS  
C-73, HIMALAYA HOUSE, 7TH FLOOR,  
23, KASTURBA GANDHI MARG,  
NEW DELHI - 110 001

New Delhi  
Dated : 6/4/2000



IN THE HIGH COURT OF DELHI AT NEW DELHI

Company Petition No. 90 of 2000

DATE OF DECISION : OCTOBER 24, 2000

In the matter of

Mina Estates Pvt. Ltd. .... Transferee Company

and

Seth Real Estates Pvt. Ltd. .... Transferor Company No. 1.

Passion Estates Pvt. Ltd. .... Transferor Company No. 2.

India Watch Company Pvt. Ltd. .... Transferor Company No. 3.

Atlanta Estates Pvt. Ltd. .... Transferor Company No. 4.

Pearl Housing (India) Pvt. Ltd. .... Transferor Company No. 5.

J. R. Apparel Pvt. Ltd. .... Transferor Company No. 6.

through Ms. Kum Kum Sen, Advocate

ORDER

This petition has been filed under Sections 391(1) and 394 of the Companies Act, 1956 praying for sanction to a scheme of amalgamation between Mina Estates (P) Ltd. (Transferee company and Seth Real Estate Pvt. Ltd. (Transferor Company No. 1)., Passion Estate Pvt. Ltd. (Transferor Company No. 2), India Watch Co. Pvt. Ltd. (Transferor Company No. 3), Atlanta Estates Pvt. Ltd. (Transferor Company No. 4), Pearl Housing India Pvt. Ltd. (Transferor Company No. 5), and J.R. Apparel Pvt. Ltd. (Transferor Company No. 6). The petition is jointly filed by the transferee company and the transferor companies.

The registered offices of the transferor companies and the transferee company are at Delhi within the territorial jurisdiction of this Court.

The main objects of the transferor and transferee companies as well as their financial position have been explained in the company petition. The petitioners have also placed on record a copy of the proposed scheme of amalgamation. As per the scheme of amalgamation of the transferor companies with the transferee company, all the properties rights and claims of the transferor companies and their entire undertaking together with all rights and obligations relating thereto will be transferred to and vested in the transferee company on the terms and conditions stated in the scheme. The circumstances, reasons and grounds which necessitated and justify the scheme of amalgamation are stated in the petition. It is stated that the scheme will integrate the operations and take advantage of combined resources of the companies to rationalise the management structure by effecting amalgamation of the transferor companies with the transferee company. The scheme of amalgamation will be beneficial to all the companies, their shareholders, creditors, employees and all concerned. It will enable the companies to achieve and fulfill their objectives. It is also stated that the scheme will contribute in furthering and fulfilling the objectives of the transferor and transferee company and in the growth and development of their business.

The Boards of Directors of the transferee company and the transferor companies have passed resolutions unanimously approving the scheme of amalgamation. It is stated that none of the directors of the transferor and transferee companies has any material interest in the scheme of amalgamation except as shareholders in general. It is also stated that the aggregate assets of the transferor companies and the transferee company are more than sufficient to meet all their liabilities and that the scheme of

amalgamation will not adversely affect the rights of any of the creditors of the transferor and transferee companies and that due provisions have been made for payment of all liabilities as and when the same fall due in the general course.

The transferee company has two unsecured creditors and both of them have given their consent/ no objection to the scheme of amalgamation. The transferee company has no secured creditors. The transferor company No. 1 has only one unsecured creditor and the said unsecured creditor has given its consent/no objection to the scheme of amalgamation. The transferor company No. 2 has only 3 unsecured creditors and all or them have given their consent/no objection to the scheme of amalgamation. Transferor Company No. 4 has only one unsecured creditor and the said creditor has given its consent/no objection to the scheme of amalgamation. The transferor Company No. 5 has only 2 unsecured creditors and both of them have given their consent/no objection to the scheme of amalgamation. Transferor company No. 6 has only 3 unsecured creditors and all them have given consent/no objection to the scheme of amalgamation. Considering the fact that all of the creditors of the transferor and the transferee companies have given their consent/no objection to the scheme of amalgamation, this Court by order dated 24.11.1999 passed in CA 1604/99 dispensed with the requirement of convening the meetings of the creditors of the transferor and transferee companies for the purpose of considering and if thought fit approving with or without modification the scheme of amalgamation. However, by the said order dated 24.11.1999 this Court directed to convene separate meetings of the shareholders of the transferor and transferee companies for considering and if thought fit approving with or without modification the proposed scheme of amalgamation. In compliance with the above mentioned order dated 24.11.1999 of this Court, separate meetings of the shareholders of the transferor and transferee companies were held on 26th February, 2000 after issuing individual notice to the shareholders and advertising the notice in the newspapers. The meetings of the shareholders of the transferor and transferee companies approved the scheme of amalgamation without any modification. The Chair Person appointed by this Court to hold the meetings of the shareholders has filed her report in this Court.

The petitioners have stated that there are no proceedings pending against them under Section 235 to 251 of the Companies Act, 1956. It is also stated that no one will be prejudiced if the proposed scheme of amalgamation is sanctioned by this Court.

In view of the approval of the scheme of amalgamation by the Boards of Directors, equity shareholders and creditors of the transferor and transferee companies the petitioners have filed this petition under Section 391(2) and 394 of the Companies Act for sanction to the scheme. Notice of this petition was duly served on the Regional Director, Department of Company Affairs, Kanpur and the Official Liquidator. Notice of hearing of the petition was published in 'Statesman' (English) and 'Jansatta' (Hindi). Nobody has filed any objection to the grant of sanction to the scheme of amalgamation. Both the Official Liquidator and the Regional Director, Department of Company Affairs, Kanpur have filed reports stating that they have no objection to the proposed scheme of amalgamation.

I have considered the averments in the petition, the materials, placed on record and the reports of the Official Liquidator and the Regional Director, Department of Company Affairs, Kanpur. I am satisfied that the petitioners have disclosed to the Court all material facts relating to the transferor and transferee companies including the latest financial position, the latest audit report on the account of the companies and the pendency of any investigation proceedings under Section 235 to 251 of the Companies Act. I do not find any legal impediment for granting sanction to the scheme of amalgamation. Hence in my view sanction can be granted to the proposed scheme of amalgamation.

Therefore, sanction is hereby granted to the proposed scheme of amalgamation. The transferor companies shall stand dissolved without any process of winding up.

The petition stands disposed of in the above terms.

24th October, 2000

Sd/-  
Cyriac Joseph, J.

IN THE HIGH COURT OF DELHI AT NEW DELHI  
(ORIGINAL JURISDICTION)  
IN THE MATTER OF THE COMPANIES ACT, 1956  
AND  
IN THE MATTER OF SCHEME OF AMALGAMATION  
BETWEEN  
COMPANY PETITION NO. 90/2000  
CONNECTED WITH  
COMPANY APPLICATION NO. 1604/1999

IN THE MATTER OF Mina Estates (P) Ltd.  
having its Regd. Office at  
A-3, Community Centre,  
Naraina Industrial Area,  
Phase-II, New Delhi  
.....Petitioner  
Transferee Company

AND

IN THE MATTER OF Seth Real Estate (P) Ltd.  
having its Regd. Office at  
A-3, Community Centre,  
Naraina Industrial Area,  
Phase-II, New Delhi  
.....Petitioner  
Transferor Company No. 1

IN THE MATTER OF Passion Estates (P) Ltd.  
having its Regd. Office at  
A-3, Community Centre,  
Naraina Industrial Area,  
Phase-II, New Delhi  
.....Petitioner  
Transferor Company No. 2

IN THE MATTER OF India Watch Co. (P) Ltd.  
having its Regd. Office at  
A-3, Community Centre,  
Naraina Industrial Area,  
Phase-II, New Delhi  
.....Petitioner  
Transferor Company No. 3

IN THE MATTER OF Atlanta Estates (P) Ltd.  
having its Regd. Office at  
A-3, Community Centre,  
Naraina Industrial Area,  
Phase-II, New Delhi  
.....Petitioner  
Transferor Company No. 4

IN THE MATTER OF Pearl Housing India (P) Ltd.  
having its Regd. Office at  
A-3, Community Centre,  
Naraina Industrial Area,  
Phase-II, New Delhi  
.....Petitioner  
Transferor Company No. 5

IN THE MATTER OF J. R. Apparel (P) Ltd.  
having its Regd. Office at  
A-3, Community Centre,  
Naraina Industrial Area,  
Phase-II, New Delhi  
.....Petitioner  
Transferor Company No. 6

BEFORE HON'BLE MR. JUSTICE CYRIAC JOSEPH  
DATED THIS THE 24TH DAY OF OCTOBER, 2000

ORDER UNDER SECTION 394

The above petition for Sanction of Scheme of Amalgamation proposed to be made between Mina Estates (P) Ltd. (hereinafter referred to as the Transferee Company) and (1) Seth Real Estates (P) Ltd., (2) Passion Estates (P) Ltd. (3) India Watch Co. (P) Ltd. (4) Atlanta Estates (P) Ltd., (5) Pearl Housing India (P) Ltd. and (6) J. R. Apparel (P) Ltd. (hereinafter referred to as the Transferor Companies) coming on for hereinafter referred to as the Transferor Companies) coming on for hearing on 24/10/2000, upon reading the said petition, the order dated 24/11/1999 whereby the meetings of creditors of the Transferor Companies and Transferee Company were dispensed with as they had given consent letters to the scheme and whereby the above said petitioner companies were ordered to convene only meetings of its shareholders for the purpose of considering and, if thought fit, approving, with or without modification, the scheme of amalgamation and upon reading the affidavit of Sh. Deepak Seth Director of Petitioner Companies filed on 20/11/1999 and the newspapers namely (1) Statesman and (2) Vir Arjan both dated 28/12/1999 and Delhi Gazette dated 13/1/2000 each containing the advertisement of the said notice convening the said meetings directed to be held by the said order dated 24/11/1999, the affidavit of Ram Hari Dass, Clerk filed the 16/2/2000 and 3/3/2000 showing the publication and despatch of notices convening the said meetings, the report of the Chairman of the said meetings dated 3/3/2000 as to the result of the said meetings and upon hearing Ms. Kum Kum Sen, Advocate of the petitioner companies and none for the Official Liquidator and Regional Director and it appearing from the reports of the Chairman that the proposed scheme of amalgamation has been approved unanimously without any modification by the said shareholders of Transferor Companies and Transferee company present & voting either in person or by proxy and upon reading the affidavit dated 6/9/2000 of Sh. L. M. Gupta Regional Director Northern Region, Department of Company Affairs, Kanpur on behalf of Central Government inter alia stating that affairs of the companies do not appear to have been conducted in a manner prejudicial to the interest of their members or to public interest and the affidavit of Sh. S. P. Dixit, Official Liquidator dated 9/10/2000 stating therein that the affairs of the Transferor companies have not been conducted in a manner prejudicial to the interest of their shareholders or creditors or the public interest and transfer companies could be dissolved without process of winding up and there being no investigation pending against Petitioner companies under Sections 235 to 251; of the Companies Act, 1956.

THIS COURT DOTH HEREBY SANCTION THE SCHEME OF AMALGAMATION

setforth in Schedule-I annexed hereto as Annexure "A" and DOTH HEREBY DECLARE the same to be binding on all the shareholders and creditors of the Transferor Companies and Transferee Company and their all concerned and doth approve the said Scheme of Amalgamation from the appointed date i.e. 1/1/1999 (as mentioned in Scheme)

THIS COURT DOTH FURTHER ORDER:

1. That all the property, rights and powers of the Transferor Companies specified in the first, second and third parts of the Schedule-II annexed hereto marked as Annexure 'B' and all other property, rights and powers of the Transferor Companies be transferred without further act or deed to the Transferee company and accordingly the same shall pursuant to Section 394(2) of the Company Act, 1956 be transferred to and vest in the Transferee Company for the all the estate and interest of the Transferor Companies therein but subject nevertheless to all charges now affecting the same;

2. That all the liabilities and duties of the Transferor Companies be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to Section 394 (2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of the Transferee Company; and
3. That all proceedings now pending by or against the Transferor Companies be continued by or against the Transferee Company; and
4. That the Transferee Company do without further application allot to such members of the Transferor Companies as have not given such notice of dissent as is required by Clause given in the Scheme of Amalgamation herein the shares in the Transferee Company to which they are entitled under the said Amalgamation: and
5. That the Petitioner Companies do within 30 days after the date of this order cause a certified copy of this order in respect of Transferor Companies to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered, the Transferor Companies shall be dissolved, and the Registrar of Companies shall place all documents relating to the Transferor Company and registered with him on the file kept by him in relation to the Transferee Company and the files relating to the said companies shall be consolidated accordingly; and
6. That any person interested shall be at liberty to apply to the Court in the above matter for any directions that may be necessary.

Given under my hand and the seal of the Court this the 24th day of October, 2000.

(By order of the Court)

Sd/-  
Registrar

SCHEME OF AMALGAMATION

OF

(1) SETH REAL ESTATES PRIVATE LIMITED

(2) PASSION ESTATES PRIVATE LIMITED

(3) INDIA WATCH COMPANY PRIVATE LIMITED

(4) ATLANTA ESTATES PRIVATE LIMITED

(5) PEARL HOUSING (INDIA) PRIVATE LIMITED

(6) J. R. APPAREL PRIVATE LIMITED

WITH

MINA ESTATES PRIVATE LIMITED

**PART-I**

**DEFINITIONS:**

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

1. "The Act" means the Companies Act, 1956.
2. "The Effective Date" means the date or the last of the dates on which the certified copy of the order of the Hon'ble High Court of Delhi at New Delhi is filed with the appropriate Registrar of Companies, by all the Transferor Companies and the Transferee Company.
3. "Appointed Date" means the commencement of business on the 1st day of April, 1999.
4. "The Transferor Company" means collectively:
  - (1) SETH REAL ESTATES PRIVATE LIMITED, a Company incorporated under the Companies Act, 1956 on the 5th Day of July, 1989 as a Private Limited Company and having its Registered Office at A-3, Community Centre, Naraina Industrial Area, Phase-II, New Delhi-110 028.
  - (2) PASSION ESTATES PRIVATE LIMITED, a Company incorporated under the Companies Act, 1956 on the 5th Day of July, 1989 as a Private Limited Company and having its Registered Office at A-3, Community Centre, Naraina Industrial Area, Phase-II, New Delhi-110 028.
  - (3) INDIA WATCH COMPANY PRIVATE LIMITED, a Company incorporated under the Companies Act, 1956 on the 9th Day of December, 1986 as a Private Limited Company and having its Registered Office at A-3, Community Centre, Naraina Industrial Area, Phase-II, New Delhi-110 028.
  - (4) ATLANTA ESTATES PRIVATE LIMITED, a Company incorporated under the Companies Act, 1956 on the 5th Day of July, 1989 as a Private Limited Company and having its Registered Office at A-3, Community Centre, Naraina Industrial Area, Phase-II, New Delhi-110 028.
  - (5) PEARL HOUSING (INDIA) PRIVATE LIMITED, a Company incorporated under the Companies Act, 1956 on the 5th Day of June, 1985 as a Private Limited Company and having its Registered Office at A-3, Community Centre, Naraina Industrial Area, Phase-II, New Delhi-110 028.

- (6) J. R. APPAREL PRIVATE LIMITED, a Company incorporated under the Companies Act, 1956 on the 11th Day of December, 1989 as a Private Limited Company and having its Registered Office at A-3, Community Centre, Naraina Industrial Area, Phase-II, New Delhi-110 028.

Or any one or more of them as the context may require.

5. "The Transferee Company" means, Mina Estates Private Limited, a company incorporated under the Indian Companies Act, 1956 as a Private Limited Company on the 5th day of July, 1989 and having its registered office at A-3, Naraina Industrial Area, Phase-II, New Delhi - 110 028
6. "Undertaking of the Transferor Company" means in respect of each one of the Transferor Company, the entire business and undertaking of the Transferor Company, including all the properties, assets and liabilities of the Transferor Company immediately before the amalgamation including all rights, powers, interests, authorities, privileges, liberties and all properties and assets, movable or immovable, real or personal, corporeal or incorporeal, in possession or reversion, present or contingent of whatsoever nature and wherever situate including lease, tenancy and agency rights and all other interests and rights in or arising out of such properties together with all contracts, licenses, trade mark rights, permissions, approvals, registrations, permits, patents, copy rights, import entitlement and other quotas, reliefs, grants, subsidies, benefits under existing agreements, if any, held, applied for or as may be obtained hereafter by the Transferor Company or which the Transferor Company is entitled to and all debts, liabilities, duties and obligations of the Transferor Company of whatsoever kind.

#### **PREAMBLE**

WHEREAS the above mentioned companies are closely held (by the Seth Group) and have overlapping/ common objects.

NOW THEREFORE it is proposed to amalgamate all these companies with Mina Estates Pvt. Ltd. The object of the Scheme of Arrangement and Amalgamation is to integrate operations and take advantage of the combined resources of the group Companies and to rationalise the management structure by effecting amalgamation of the Transferor Companies with the Transferee Companies.

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

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

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

#### **PART II THE SCHEME**

1. With effect from the Appointed Date, the Undertaking of each one of the Transferor Company shall without further act or deed be transferred to and be vested or deemed to be transferred to and vested in the Transferee Company pursuant to Sections 391(2) and 394(2) of the Act subject however, to all charges, liens, mortgages, if any, then affecting the same or any part thereof.
- 2(a). For the purpose of this Scheme the undertaking of each one of the Transferor Company shall include
- (i) all the properties of each one of the Transferor Company as on the Appointed Date and,
  - (ii) all the liabilities of each one of the Transferor Company as on the Appointed Date.



- 2(b). Without prejudice to the generality of sub-clause (a) hereinabove, the undertaking of each of the Transferor Company shall include all rights, privileges, powers and authorities and all property, movable or immovable, real, corporeal or incorporeal in possession or reversion, present or contingent of whatsoever nature and wheresoever situate including in particular all leases and tenancy rights, fittings & fixtures, telephones, telex and fax connections, and other communications held by each of the Transferor Company or to which the Transferor Companies are entitled cash balances, reserves, security deposits, refunds, outstanding balances, stocks, investments, licenses, quotas, contracts, agreements and other rights and interests of all description in or arising out of such properties as may belong to or be in possession of the Transferor Company and all books of Account and documents and records relating thereto and all debts, liabilities and duties of the Transferor Companies and all other obligations of whatsoever kind, including liabilities for payment of gratuity, pension benefits, provident fund or compensation in the event of retrenchment. Provided that transfer of all leases and tenancies will be subject to approval of the respective landlords wherever required in terms of the lease or the tenancy law:

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

The liability of the Transferor Company in relation to the deposits received by them under Section 58A of the Companies Act, 1956 shall be discharged by the transferee Company on the same terms and conditions on the Scheme becoming effective. For this purpose, holders of the deposit receipts issued by the Transferor company shall on intimation after the effective date surrender such deposit receipts to the Transferee Company for necessary endorsements under this Scheme as the Board of Directors of the Transferee Company may decide.

3. If any suit, appeal or any other proceedings of whatever nature (hereinafter called "the proceedings") by or against each or any of the Transferor Companies be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking of each of the Transferor Companies or anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against each or any of the Transferor Company if this Scheme had not been made.
4. The transfer and vesting of the Undertaking of each one of the Transferor Company under Clause 1 hereof and the continuance of the proceedings by or against the Transferee Company under Clause 2 hereof shall not affect any transaction or proceedings already concluded by each or any of the Transferor Company on or after the Appointed Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by or on behalf of each and/or any of the Transferor Companies as acts, deeds and things done and executed by or on behalf of the Transferee Company.
5. Subject to the provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other documents and instruments of whatsoever nature to which each or any of the Transferor Company is a party subsisting or having effect immediately before the amalgamation shall remain in full force and effect against or in favour of the Transferee Company and may be enforced as



fully and effectively, as if instead of each or any of the Transferor Company, the Transferee Company had been a party thereto.

6. With effect from the 'Appointed Date' upto the 'Effective Date' :-
- (a) Each of the Transferor Companies shall carry on and shall be deemed to have carried on all its business and activities in respect of the Undertaking and stand possessed of its properties and assets for and on account of and in trust for the Transferee Company;
  - (b) All the profits or income accruing or arising to each of the Transferor Companies or expenditure or losses arising or incurred by each of the Transferor Companies shall for all purposes be treated and be deemed to be and accrued as, the profits or incomes or expenditure or losses of the Transferee Company, as the case may be;
  - (c) Each one of the Transferor Companies shall carry on its business activities in relation to the undertaking under reasonable diligence, utmost prudence and shall not alienate, charge, mortgage encumber or otherwise deal with the said Assets or any part thereof, except in the ordinary course of business, or without the prior written consent of the Transferee Company or pursuant to any pre-existing obligation undertaken by the concerned Transferor Company prior to the Appointed Date;
  - (d) None of the Transferor Companies shall, without the written consent of the Transferee Company, undertake any new business;
  - (e) Save as specifically provided in this Scheme, neither any of the Transferor Companies nor the Transferee Company shall make any change in its capital structure either by any increase, (by issue of rights shares, equity or preference shares, bonus shares, convertible debentures or otherwise) decrease, reduction, reclassification, sub division or consolidation, reorganisation, or in any other manner which may in any way affect the share exchange ratio prescribed in clause 9(a) except by mutual consent of the Board of Directors of the concerned/affected Companies; The Transferee Company may however take action to increase its authorised capital and amend its object so as to include the objects of the proposed Transfer Companies and to facilitate the proposed merger;
  - (f) The Transferee Company shall also be entitled, pending the sanction of the Scheme to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law (including without limitation, under the Industries (Development & Regulation) Act, 1951, Monopolies and Restrictive Trade Practices Act, 1969, Transfer of Property Act, 1973 etc.) for such consent, approvals and sanctions which the Transferee Company, may require.
6. (a) (i) The Authorised Share Capital of the Transferor Company No. 1 (Seth Real Estates Private Limited) is Rs. 15,00,000/- divided in 1,40,000 Equity Shares of Rs. 10/- each and 10,000 4% Non Cumulative Preference Shares of Rs. 10/- each. The issued, subscribed and paid up share capital of the Transferor Company No. 1 is Rs. 13,60,000/- divided into 1,36,000 Equity Shares of Rs. 10/- each.
- (ii) The Authorised Share Capital of the Transferor Company No. 2 (Passion Estates Private Limited) is Rs. 15,00,000/- divided in 1,40,000 Equity Shares of Rs. 10/- each and 10,000 4% Non Cumulative Preference Shares of Rs. 10/- each. The issued, subscribed and paid up share capital of the Transferor Company No. 2 is Rs. 13,60,000/- divided into 1,36,000 Equity Shares of Rs. 10/- each.
- (iii) The Authorised Share Capital of the Transferor Company No. 3 (India Watch Company Private Limited) is Rs. 50,00,000/- divided in 3,50,000 Equity Shares of Rs. 10/- each and 1,50,000 4% Redeemable Non Cumulative Preference Shares of Rs. 10/- each. The issued, subscribed and paid up share capital of the Transferor Company No. 3 is Rs. 27,20,000/- divided into 2,72,000 Equity Shares of Rs. 10/- each.

- (iv) The Authorised Share Capital of the Transferor Company No. 4 (Atlanta Estates Private Limited) is Rs. 15,00,000/- divided in 1,40,000 Equity Shares of Rs. 10/- each and 10,000 4% Non Cumulative Preference Shares of Rs. 10/- each. The issued, subscribed and paid up share capital of the Transferor Company No. 4 is Rs. 13,60,000/- divided into 1,36,000 Equity Shares of Rs. 10/- each.
- (v) The Authorised Share Capital of the Transferor Company No. 5 (Pearl Housing (India) Private Limited) is Rs. 6,50,000/- divided in 50,000 Equity Shares of Rs. 10/- each and 5,000 4% Non Cumulative, Non Voting, Non Redeemable Preference Shares of Rs. 10/- each and 10,000 Redeemable Preference Share of 10/- each. The issued, subscribed and paid up share capital of the Transferor Company No. 5 is Rs. 3,50,400/- divided into 35,040 Equity Shares of Rs. 10/- each.
- (vi) The Authorised Share Capital of the Transferor Company No. 6 (J. R. Apparels Private Limited) is Rs. 5,00,000/- divided in 10,000 Equity Shares of Rs. 10/- each and 5,000 4% Non Cumulative Non Voting, Preference Shares of Rs. 10/- each and 10,000 Non Cumulative Preference Share of Rs. 10/- each. The issued, subscribed and paid up share capital of the Transferor Company No. 6 is Rs. 300/- divided into 30 Equity Shares of Rs. 10/- each.
- (b) The Authorised Share Capital of the Transferee Company is Rs. 15,00,000/- divided in 1,40,000 Equity Shares of Rs. 10/- each and 10,000 4% Non Cumulative Preference Shares of Rs. 10/- each. The issued, subscribed and paid up share capital of the Transferor Company No. 2 is Rs. 13,60,000/- divided into 1,36,000 Equity Shares of Rs. 10/- each.
- (c) Fair value of one Equity Share of Rs. 10/- in the Transferee Company is Rs. 239/- as on 1.4.1999 based on the Valuation report by M/s S. R. Dinodia & Co., Chartered Accountants.
- (d) Fair value of one Equity Share of Rs. 10/- in the Transferor Companies is as under:-
- |  |              |
|--|--------------|
| i) Transferor Company No. 1<br>Seth Real Estate Pvt. Ltd.      | Rs. 230/-    |
| ii) Transferor Company No. 2<br>Passion Estates Pvt. Ltd.      | Rs. 242/-    |
| iii) Transferor Company No. 3<br>India Watch Co. Pvt. Ltd.     | Rs. 153/-    |
| iv) Transferor Company No. 4<br>Atlanta Estates Pvt. Ltd.      | Rs. 195/-    |
| v) Transferor Company No. 5<br>Pearl Housing (India) Pvt. Ltd. | Rs. 737/-    |
| vi) Transferor Company No. 6<br>J. R. Apparel Pvt. Ltd.        | Rs. 15,165/- |

Based on the Valuation Reports by S. R. Dinodia & Co., Chartered Accountants.

9. (a) The Transferee Company shall without further act or deed, issue and allot, against production of such evidence of title or on compliance with such requirements as the Board of Directors of the Transferee Company may prescribe, to those members of the Transferor Companies whose names stand on the Register of members of the Transferor Companies on the 'Effective Date' the following shares :-

i) in respect of every 1 (one) Equity Share of Rs. 10/- each in the Transferor Company No. 1 Seth Real Estates Pvt. Ltd.	1 (one) Equity Shares of Rs. 10/- each of the Transferee Company credited as fully paid.
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ii) in respect of every 1 (one) Equity Share of Rs. 10/- each in the Transferor Company No. 2 Passion Estates Pvt. Ltd.	1 (one) Equity Shares of Rs. 10/- each of the Transferee Company credited as fully paid.
iii) in respect of every 5 (five) Equity Share of Rs. 10/- each in the Transferor Company No. 3 India Watch Co. Pvt. Ltd.	3 (three) Equity Shares of Rs. 10/- each of the Transferee Company credited as fully paid.
iv) in respect of every 5 (five) Equity Share of Rs. 10/- each in the Transferor Company No. 4 Atlanta Estates Pvt. Ltd.	4 (four) Equity Shares of Rs. 10/- each of the Transferee Company credited as fully paid.
v) in respect of every 1 (one) Equity Share of Rs. 10/- each in the Transferor Company No. 5 Pearl Housing India Pvt. Ltd.	3 (three) Equity Shares of Rs. 10/- each of the Transferee Company credited as fully paid.
vi) in respect of every 2 (two) Equity Share of Rs. 10/- each in the Transferor Company No. 6 J. R. Apparel Pvt. Ltd.	130 (one hundred thirty) Equity Shares of Rs. 10/- each of the Transferee Company credited as fully paid.

- (b) On the 'Effective Date' Equity Shares of the Transferor Companies held by the Transferee Company will be cancelled.
- (c) Equity Shares of the Transferor Companies held inter-se each other will also be cancelled.
- (d) No fractional certificates shall be issued in favour of any member of any of the Transferor Companies holding Equity shares, but the total number of the fractions shall be consolidated into Equity shares of Rs. 10 each of the Transferee Company and the Board of Directors of the Transferee Company shall make an allotment of such shares as fully paid up to such person or persons (including one or more of themselves or one or more of the officers of the Transferee Company) as such Board of Directors may in their absolute discretion select for the purpose of holding and selling the shares so allotted, provided that such Board of directors may without making an allotment of all or some of the said Equity shares resulting from such consolidation as aforesaid direct the sale of any or all such Equity Shares. Every sale under this clause shall be at such prices and at such time or times as may be approved by the Board of directors and upon receipt of the purchase price in respect of such sale, provided the Board of Directors approve of the purchaser or his nominee, the Board of Director shall allot the Equity shares covered by such sale to the approved purchased or nominee. The aggregate sale proceeds of all such sales, after deducting therefrom all costs, charges and expenses of and incidental to the sale, shall be distributed among such members of the Transferor Companies holding Equity shares as would otherwise have been entitled to such fractions respectively in proportionate to their respective entitlement in such fractions.
- (e) All shareholders whose names shall appear on the Register of Members of each of the Transferor Companies on such date (after the Effective Date) as the Board of Directors of the Transferee Company may determine, shall surrender their share certificates for cancellation thereof to the Transferee Company. In default, upon the new shares in the Transferee Company being issued and allotted by it to the shareholders whose names shall appear on the Register of Members of the Transferor Companies on such date as aforesaid, the Share Certificates in relation to the shares held by them in the Transferor Companies shall be deemed to have been cancelled. All Certificates for the new shares shall be sent by the Transferee Company to the shareholders of the Transferor Companies at their respective registered addresses as appearing in the said Register (or in the case of joint holders to the address of that one of the joint holders whose name stand first in such Register in respect of such joint holding) and the Transferee Company shall not be responsible for any loss in transmission.

- (f) All mandates or other instructions in force at the close of business on the Effective Date relating to the payment of dividends on the equity shares of the Transferor Companies shall unless and until revoked be deemed to be valid and subsisting mandates or instructions to the Transferee Company in relation to the corresponding equity shares of the Transferee Company to be issued and allotted pursuant to the Scheme.
  - (g) It is further provided that upon the Scheme coming into effect, the debit balances appearing under the head "Miscellaneous Expenditure" in the books of accounts of the Transferor Company shall thereafter be dealt with in the same manner as if they have been created by the Transferee Company in its own books i.e. amounts equal to the balance lying to the debit of "Profit and Loss Account" and "Miscellaneous Expenses to the extent not written off or adjusted" in the books of the Transferor Company shall be aggregated by the Transferee Company with similar amounts lying in its own losses as if the same was created by the Transferee Company out of its own funds.
  - (h) All the employees of the Transferor Company shall become the employees of the Transferee Company without interruption in service and on terms no less favourable to them than those then applicable to them on the Effective Date. It is expressly provided that the Provident Fund, Gratuity Fund etc. created or existing for the benefit of the employees the Transferor Company shall stand substituted by the Transferee Company.
  - (i) Upon the Scheme becoming effective and subject to an order being made by the High Court of Delhi under Section 394 of the Act the Transferor Companies shall stand dissolved without winding up as and from the effective date or such date as the said High Court may direct.
  - (j) The Transferee Company shall make suitable alterations to its Memorandum and Articles of Association for proper implementation of this Scheme.
7. The Transferee Company shall on or before the allotment of shares in terms of Clause 6(i) to (iv) hereinabove, increase its share capital by the creation of at least such number of equity shares of Rs. 10/- each as may be necessary to satisfy its obligations under the said clauses.
8. The Transferee Company shall cause a Special Resolution to be passed pursuant to Section 81(1-A) of the Act for the offer and allotment of Equity Shares in the Transferee Company to the Shareholders of Transferor Companies in accordance with and subject to the provisions of the Scheme.

### **PART-III**

1. The Scheme is conditional upon and subject to the following :-
- (a) The Scheme being approved by the respective requisite majorities of the members of each of the Transferor Companies and the Transferee Company and it being sanctioned by the High Court of Delhi respectively under Section 391 of the Act and the appropriate orders being made by the said High Courts pursuant to Section 394 of the Act for effecting the amalgamation under the Scheme and the implementation of the Scheme.
  - (b) The approval and consent of any authorities/banks concerned of the Transferor Companies and the Transferee Company as may be required under any contract or statute being obtained and granted in respect of any of the matters in respect of which such approval and consent be required.
  - (c) The certified copies of the respective orders of the High Court of Delhi being filed with the Registrar of Companies, Delhi by all the Transferor Companies and the Transferee Company.
2. The Transferor and Transferee Companies shall make necessary applications to the Hon'ble High Courts of Delhi for obtaining the Hon'ble Court's sanction of this Scheme and for the consequent dissolution without winding up of all the Transferor Companies.
3. The Scheme although operative from the transfer date shall take effect finally and from the date on which any of the aforesaid sanctions or approvals or orders shall be last obtained, which shall be the Effective Date for the purpose of the scheme.

4. Until the Scheme is sanctioned and transfers effected as aforesaid and until the Transferee Company is effectively able to take over and obtain all necessary transfer effected with the parties concerned, each of the Transferor Companies shall carry on its business in usual course and shall be deemed to be carrying on the said business for and on behalf of and in trust for the Transferee Company with effect from the Appointed Date.
5. In case the scheme is not sanctioned by the Hon'ble High Court of Delhi for any reason whatsoever or for any other reason the Scheme cannot be implemented before 31st March, 2001 or within such further period or periods as may be agreed upon between the Transferor Companies (by their Directors) and the Transferee Company (by its Directors) the Scheme shall become null and void and in that event no rights and liabilities shall accrue to or be incurred inter-se by the parties in terms of the Scheme.
6. The Transferor Companies (by its Directors) and the Transferee Company (by its Directors) or any person authorised by them may assent from time to time on behalf of all persons concerned to any modifications or amendments of this Scheme or of any conditions or limitations which the respective High Courts and/or any other authorities under law may deem fit to approve of or impose and to resolve all doubts or difficulties that may arise for carrying out the Scheme and to do and execute all acts, deeds, matters and things necessary and/or expedient for the purpose of implementing this Scheme. For the purpose of giving effect to this Scheme or to any modifications or amendments thereof, the Directors of the Transferee Company may give and are authorised to give all such directions as are necessary including directions for settling any question or doubt or difficulty that may arise.
7. All costs, charges and expenses of each or any of the Transferor Companies in relation to or in connection with this Scheme and incidental to the completion of the Amalgamation of the undertaking of any or all of the Transferor Companies in pursuance of this Scheme shall, except as specifically provided herein be borne and paid by the Transferee Company.

TRANSFEE COMPANY	For Mina Estates Private Limited Sd/- Director
TRANSFEROR COMPANY NO. 1	For Seth Real Estates Pvt. Ltd. Sd/- Director
TRANSFEROR COMPANY NO. 2	For Passion Estates Pvt. Ltd. Sd/- Director
TRANSFEROR COMPANY NO. 3	For India Watch Company Pvt. Ltd. Sd/- Director
TRANSFEROR COMPANY NO. 4	For Atlanta Estates Pvt. Ltd. Sd/- Director
TRANSFEROR COMPANY NO. 5	For Pearl Housing (India) Pvt. Ltd. Sd/- Director
TRANSFEROR COMPANY NO. 6	For J. R. Apparel Pvt. Ltd. Sd/- Director

IN THE HIGH COURT OF DELHI AT NEW DELHI

CP No. 90 of 2000

In the matter of :

Mina Estates Pvt. Ltd. Plaintiff/Petitioner

*Versus*

..... Defendant/Respondents

**INDEX**

S.No.	Particulars	Page No.	Court Fee
1)	Shedule of Assets	1-12	

New Delhi

Dated : 22/11/2000

Sd/-  
(KHAITAN & KHAITAN)  
Advocates for the Petitioner  
"Himalaya House"  
7th Floor, Flat C-73,  
23, Kasturba Gandhi Marg,  
New Delhi - 110 001

**SCHEDULE OF ASSETS OF M/S SETH REAL ESTATES PVT. LTD.  
(THE TRANSFEROR COMPANY) TO BE TRANSFERRED TO AND VESTED  
IN MINA ESTATES PVT. LTD. (THE TRANSFEREE COMPANY)**

**PART - I**

(A short description of the Free-hold property of the Transferor Company)

All that piece or parcel of land admeasuring 11.256 acres, situated at Village Tenthar, Sub Tehsil Sohna, Distt. Gurgaon (Haryana) as per the following particulars :-

KHEWAT NO. 10, KHATAUNI NO. 14-15

Killa Nos.	Area	
	K	M
31/3	8	0
31/4/2	6	0
31/7	8	0
31/8	8	0
31/13	8	0
31/24	8	0
31/25 (6/2)	4	2

KHEWAT NO. 11, KHATAUNI NO. 16-17

Killa Nos.	Area	
	K	M
24/11/1 (Min.)	1	18
24/21/1 (Min.)	2	1
24/11/1 (Min.)	0	5
24/20/1 (Min.)	0	3

KHEWAT NO. 69, KHATAUNI NO. 84-85-86

Killa Nos.	Area	
	K	M
25/15	7	18
25/16	8	0
25/25/1	7	0
24/20/3	1	10
31/4/1	2	0
31/5/1	3	10
31/14	8	0
31/15/1	0	3
31/17	8	0
31/18	5	16
31/19/1	5	15
31/22	3	18
31/23	8	0
31/28	2	4
39/3	4	16
39/4	8	0
39/7	5	1
	<b>147</b>	<b>7</b>

3/5<sup>th</sup> Share of the total Area of 147 Kanal 7 Marla i.e., 90 Kanal 1 Marla or 11.256 Acres.

Contd...



**PART-II**

(A short description of the Lease-hold property of the Transferor Company)

Nil

**PART-III**

(A short description of all shares, securities, debentures and other charges in action of the Transferor Company)

**EQUITY SHARES:**

<b>Sl. No.</b>	<b>Name of Company in which Investment has been made</b>	<b>Face Value (Rs.)</b>	<b>No. of Shares</b>
01	Pearl Global Limited	Rs. 10/-	10,00,000
02	Premium Rubber & Plastics Pvt. Ltd.	Rs. 10/-	3,750
03	Aries Travels Pvt. Ltd.	Rs. 10/-	10
04	Aar Jey Agencies Pvt. Ltd.	Rs. 10/-	10
05	Anand Fashion Pvt. Ltd.	Rs. 10/-	10
06	B. K. Apparel Pvt. Ltd.	Rs. 10/-	10
07	B. K. Fashion Pvt. Ltd.	Rs. 10/-	10
08	Crown Computerised Embroideries Pvt. Ltd.	Rs. 10/-	10
09	Concept Real Estates Pvt. Ltd.	Rs. 10/-	10
10	Exla Real Estates Pvt. Ltd.	Rs. 10/-	10
11	J. S. Fashion Pvt. Ltd.	Rs. 10/-	10
12	J. P. Garments Pvt. Ltd.	Rs. 10/-	10
13	Mina Exports Limited	Rs. 10/-	10
14	Mina Labels Pvt. Ltd.	Rs. 10/-	10
15	R. B. Apparel Pvt. Ltd.	Rs. 10/-	10
16	R. S. Apparel Pvt. Ltd.	Rs. 10/-	10
17	Pearl Styles Limited	Rs. 10/-	10
18	Vau Apparels Pvt. Ltd.	Rs. 10/-	10
19	Pearl Jewellery India Limited	Rs. 10/-	10
20	Pearl Retail Limited	Rs. 10/-	10
21	P. B. Fashion Pvt. Ltd.	Rs. 10/-	1,02,010
22	Winner Estates Pvt. Ltd.	Rs. 10/-	45,010
23	R. M. Textiles Pvt. Ltd.	Rs. 10/-	10
24	Pearl Clothing Limited	Rs. 100/-	10

For Seth Real Estates Pvt. Ltd.

Sd/  
Director

Dated : This 15th day of November 2000.



**SCHEDULE OF ASSETS OF M/S PASSION ESTATES PVT. LTD.  
(THE TRANSFEROR COMPANY) TO BE TRANSFERRED TO AND VESTED  
IN MINA ESTATES PVT. LTD. (THE TRANSFEREE COMPANY)**

**PART-I**

(A short description of the Free-hold property of the Transferor Company)

1. All that piece or parcel of land admeasuring 17.83 acres, situated at Village Tenthar, Sub Tehsil Sohna, Distt. Gurgaon (Haryana) as per the following particulars :-

Khasra Nos.	Area	
	K	M
20/12	8	0
20/13	8	0
13/21/1	2	3
13/20	6	0
20/2	8	0
13/22/2	2	4
13/22/1	1	0
20/11/1	6	0
20/11/2	2	0
14/25/1	5	5
14/16/2	2	0
19/5	9	7
19/7	3	0
19/15	7	10
19/6	7	10
19/14	4	5
20/3	8	0
20/1/2	7	19
13/19/2	0	11
13/21/2	5	17
13/22/3	4	16
13/23	8	0
20/8	8	0
20/9/1	5	12
20/9/2	2	8
20/10	8	0
13/19/3	1	6
	<b>142</b>	<b>13</b>

Contd...

2. All that piece or parcel of land admeasuring 3.07 acres, situated at Village Tenthar, Sub Tehsil Sohna, Distt. Gurgaon (Haryana) as per the following particulars :-

KHEWAT NO. 10, KHATAUNI NO. 14-15

Killa Nos.	Area	
	K	M
31/3	8	0
31/4/2	6	0
31/7	8	0
31/8	8	0
31/13	8	0
31/24	8	0
31/25 (6/2)	4	2

KHEWAT NO. 11, KHATAUNI NO. 16-17

Killa Nos.	Area	
	K	M
24/11/1 (Min.)	1	18
24/21/1 (Min.)	2	1
24/11/1 (Min.)	0	5
24/20/1 (Min.)	0	3

KHEWAT NO. 69, KHATAUNI NO. 84-85-86

Killa Nos.	Area	
	K	M
25/15	7	18
25/16	8	0
25/25/1	7	0
24/20/3	1	10
31/4/1	2	0
31/5/1	3	10
31/14	8	0
31/15/1	0	3
31/17	8	0
31/18	5	16
31/19/1	5	15
31/22	3	18
31/23	8	0
31/28	2	4
39/3	4	16
39/4	8	0
39/7	5	1
	<b>147</b>	<b>7</b>

1/6<sup>th</sup> Share of the total Area of 147 Kanal 7 Marla i.e., 24 Kanal 11 Marla or 3.07 Acres

Contd...

**PART-II**

(A short description of the Lease-hold property of the Transferor Company)

Nil

**PART III**

(A short description of all shares, securities, debentures and other charges in action of the Transferor Company)

**EQUITY SHARES:**

<b>Sl. No.</b>	<b>Name of Company in which Investment has been made</b>	<b>Face Value (Rs.)</b>	<b>No. of Shares</b>
01	Pearl Global Limited	Rs. 10/-	10,00,000
02	Premium Rubber & Plastics Pvt. Ltd.	Rs. 10/-	3,750
03	Aries Travels Pvt. Ltd.	Rs. 10/-	10
05	Anand Fashion Pvt. Ltd.	Rs. 10/-	10
06	B. K. Apparel Pvt. Ltd.	Rs. 10/-	10
07	B. K. Fashion Pvt. Ltd.	Rs. 10/-	10
08	City Estates Pvt. Ltd.	Rs. 10/-	10
09	Concept Real Estates Pvt. Ltd.	Rs. 10/-	10
10	Dolphin Estates Pvt. Ltd.	Rs. 10/-	10
11	Exla Real Estates Pvt. Ltd.	Rs. 10/-	10
12	J. S. Fashion Pvt. Ltd.	Rs. 10/-	10
13	J. P. Garments Pvt. Ltd.	Rs. 10/-	10
14	Mina Exports Limited	Rs. 10/-	10
15	Mina Labels Pvt. Ltd.	Rs. 10/-	10
16	R. B. Apparel Pvt. Ltd.	Rs. 10/-	10
17	R. S. Apparel Pvt. Ltd.	Rs. 10/-	10
18	Pearl Styles Limited	Rs. 10/-	10
19	P. B. Fashion Pvt. Ltd.	Rs. 10/-	1,02,010
20	Winner Estates Pvt. Ltd.	Rs. 10/-	49,990
21	Nim International Commerce Pvt. Ltd.	Rs. 100/-	1,750
22	Vau Apparels Pvt. Ltd.	Rs. 10/-	15

For Passion Estates Pvt. Ltd.

Sd/  
Director

Dated : This 15th day of November 2000.

**SCHEDULE OF ASSETS OF M/S INDIA WATCH CO. PVT. LTD.  
(THE TRANSFEROR COMPANY) TO BE TRANSFERRED TO AND VESTED,  
IN MINA ESTATES PVT. LTD. (THE TRANSFEREE COMPANY)**

**PART-I**

(A short description of the Free-hold property of the Transferor Company)

All that piece or parcel of First Floor in the building, situated at N-10 (Basement and Ground Floor), NDSE-I, New Delhi as per the following particulars:-

Floor Area at 1st Floor	-	3,080 Sq. ft.
Plot Area	-	600 sq. yds.
Situated at	-	N-10, NDSE-I, New Delhi.

With proportionate right to use the Plot of Land at N-10, NDSE-I, New Delhi.

**PART - II**

(A short description of the Lease-hold property of the Transferor Company)

All that piece or parcel of land admeasuring 400 Sq. yds. situated at B-98/3, Naraina Industrial Area, Phase-I, New Delhi-110 028 and building thereon with fixtures and fittings.

Contd...

### **PART - III**

(A short description of all shares, securities, debentures and other charges in action of the Transferor Company)

#### **A. EQUITY SHARES:**

<b>Sl. No.</b>	<b>Name of Company in which Investment has been made</b>	<b>Face Value (Rs.)</b>	<b>No. of Shares</b>
01	Indian Oil Corporation Limited	Rs. 10/-	100
02	Oil and Natural Gas Corporation Limited	Rs. 10/-	60
03	Pearl Global Limited	Rs. 10/-	10,03,100
04	Pearl Clothing Limited	Rs. 100/-	10
05	Premium Rubber and Plastics Pvt. Ltd.	Rs. 10/-	2,520
06	Shrinkhla Enterprises Pvt. Ltd.	Rs. 10/-	2,500
07	Aar Jey Agencies Pvt. Ltd.	Rs. 10/-	10
08	Anand Fashion Pvt. Ltd.	Rs. 10/-	10
09	B. K. Apparel Pvt. Ltd.	Rs. 10/-	10
10	B. K. Fashion Pvt. Ltd.	Rs. 10/-	10
11	City Estates Pvt. Ltd.	Rs. 10/-	10
12	Crown Computerised Embroideries Pvt. Ltd.	Rs. 10/-	10
13	Dolphin Estates Pvt. Ltd.	Rs. 10/-	10
14	J. S. Fashion Pvt. Ltd.	Rs. 10/-	10
15	J. P. Garments Pvt. Ltd.	Rs. 10/-	10
16	Mina Labels Pvt. Ltd.	Rs. 10/-	10
17	P. B. Fashion Pvt. Ltd.	Rs. 10/-	10
18	Pearl Jewellery India Limited	Rs. 10/-	10
19	R.M. Textiles Pvt. Ltd.	Rs. 10/-	10
20	R. B. Apparel Pvt. Ltd.	Rs. 10/-	10
21	R. S. Apparel Pvt. Ltd.	Rs. 10/-	10
22	Pearl Styles Limited	Rs. 10/-	10
23	Vau Apparels Pvt. Ltd.	Rs. 10/-	10
24	Nim International Commerce Pvt. Ltd.	Rs. 100/-	2,250

#### **B. Interest in Partnership Firm**

Hopp Fashions

Capital A/c Rs. 48,69,043.37

For India Watch Company Pvt. Ltd.

Sd/-  
Director

Dated : This 15th day of November, 2000.

**SCHEDULE OF ASSETS OF M/S ATLANTA ESTATES PVT. LTD.  
(THE TRANSFEROR COMPANY) TO BE TRANSFERRED TO AND VESTED  
IN MINA ESTATES PVT. LTD. (THE TRANSFEREE COMPANY)**

**PART-I**

(A short description of the Free-hold property of the Transferor Company)

NIL

**PART-II**

(A short description of the Lease-hold property of the Transferor Company)

NIL

**PART-III**

(A short description of all shares, securities, debentures and other charges in action of the Transferor Company)

**EQUITY SHARES :**

<b>Sl. No.</b>	<b>Name of Company in which Investment has been made</b>	<b>Face Value (Rs.)</b>	<b>No. of Shares</b>
01	Pearl Global Limited	Rs. 10/-	10,13,000
02	Winner Estates Pvt. Ltd.	Rs. 10/-	47,500
03	Pearl Housing (India) Pvt. Ltd.	Rs. 10/-	8,750
04	Nim International Commerce Pvt. Ltd.	Rs. 100/-	2,100

For Atlanta Estates Pvt. Ltd.

Sd/-  
Director

Dated : This 15th day of November, 2000.

**SCHEDULE OF ASSETS OF M/S PEARL HOUSING (INDIA) PVT. LTD.  
(THE TRANSFEROR COMPANY) TO BE TRANSFERRED TO AND VESTED  
IN MINA ESTATES PVT. LTD. (THE TRANSFEREE COMPANY)**

**PART-I**

(A short description of the Free-hold property of the Transferor Company)

All that piece or parcel of Basement and Ground Floor in the building situated at N-10 (Basement and Ground Floor), NDSE-I, New Delhi as per the following particulars :-

FLOORS	AREA
Basement	2365 Sft.
Ground	3080Sft.

Plot Area : 600 Sq. yds.

Situated at N-10, NDSE-I, New Delhi

With proportionate right to use the Plot of Land at N-10, NDSE-I, New Delhi.

**PART-II**

(A short description of the Lease-hold property of the Transferor Company)

All that piece or parcel of land admeasuring 190.46 Sq. yds. situated at A-3, Naraina Industrial Area, Phase-II, New Delhi-110 028 and building thereon with fixtures and fittings.

**PART-III**

(A short description of all shares, securities, debentures and other charges in action of the Transferor Company)

**A. EQUITY SHARES :**

Sl. No.	Name of Company in which Investment has been made	Face Value (Rs.)	No. of Shares
01	International Travel House Limited	10/-	1000

**B. Interest in Partnership Firm :**

Hopp Fashion

Capital A/c Rs. 19,93,348.48

For Pearl Housing (India) Pvt. Ltd.

Sd/-  
Director

Dated : This 15th day of November, 2000.

**SCHEDULE OF ASSETS OF M/S J. R. APPAREL PVT. LTD.  
(THE TRANSFEROR COMPANY) TO BE TRANSFERRED TO AND VESTED  
IN MINA ESTATES PVT. LTD. (THE TRANSFEREE COMPANY)**

**PART-I**

(A short description of the Free-hold property of the Transferor Company)

NIL

**PART-II**

(A short description of the Lease-hold property of the Transferor Company)

NIL

**PART-III**

(A short description of all shares, securities, debentures and other charges in action of the  
Transferor Company)

NIL

For J. R. Apparel Pvt. Ltd.

Sd/-  
(Authorised Signatory)

Dated : This 15th day of November, 2000.



**IN THE HIGH COURT OF DELHI AT NEW DELHI**  
**COMPANY JURISDICTION**  
**Company Petition No. 157 of 2011**  
**Connected With**  
**Company Application (Main) No. 209 of 2010**  
**(Under Sections 391 and 394 of the Companies Act, 1956)**

**IN THE MATTER OF:**

The Companies Act. 1956

**AND IN THE MATTER OF:**

An Application under Sections 391(1), 393 and 394 of the Companies Act, 1956.

**AND IN THE MATTER OF:**

A Scheme of Arrangement of

**PEARL GLOBAL LIMITED**

a Company incorporated under the Companies Act, 1956 with its registered office at A-3, Community Centre, Naraina Industrial Area, Phase II, New Delhi 110028

.....Petitioner Company No.  
1/Transferor Company

**AND**

**HOUSE OF PEARL FASHIONS LIMITED**

a company incorporated under the Companies Act, 1956 with its registered office at A-3, Community Centre, Naraina Industrial Area, Phase II, New Delhi 110028

.....Petitioner Company No.  
2/Transferee Company

**MEMO OF PARTIES**

**PEARL GLOBAL LIMITED**

a Company incorporated under the Companies Act, 1956 with its registered office at A-3, Community Centre, Naraina Industrial Area, Phase II, New Delhi 110028

.....Petitioner Company No.  
1/Transferor Company

**AND**

**HOUSE OF PEARL FASHIONS LIMITED**

a company incorporated under the Companies Act, 1956 with its registered office at A-3, Community Centre, Naraina Industrial Area, Phase II, New Delhi 110028

.....Petitioner Company No.  
2/Transferee Company

Sd/-

Niti Dixit/Vidur Bhatia  
S&R Associates, Advocates  
64, Okhla Industrial Estate, Phase III  
New Delhi 110 020  
Phone No.: +91 11 4069 8000

Place : New Delhi  
Dated : March 16<sup>th</sup> 2011

**IN THE HIGH COURT OF DELHI AT NEW DELHI**

CO.PET. 157/2011

IN THE MATTER OF  
PEARL GLOBAL LIMITED

.....Petitioner

Through: Mr. Darpan Wadhwa with Ms. Niti Dixit  
& Mr. Vidur Bhatia, Adv. for petitioner companies  
Mr. Rajiv Bahl, Adv. for Official Liquidator  
Mr. K.S. Pardhan, Deputy Registrar of Companies for RD (NR)

**CORAM:**  
**HON'BLE MR. JUSTICE MANMOHAN**

**ORDER**  
**11.11.2011**

1. This second motion joint petition has been filed under Sections 391(2) & 394 of the Companies Act, 1956 (for short 'Act') seeking sanction of the Scheme of Arrangement (for short 'scheme') of Pearl Global Limited (Transferor Company) with House of Pearl Fashions Limited ('Transferee Company').
2. The registered offices of the Petitioner Companies are situated at New Delhi, within the jurisdiction of this Court.
3. Details with regard to the date of incorporation of Transferor and Transferee Companies, their authorized, issued, subscribed and paid up capital have been given in the Petition.
4. Copies of the Memorandum and Articles of Association as well as the audited Annual Accounts for the year ended 31<sup>st</sup> March, 2010 of the Petitioner Companies have also been enclosed with the first motion application being CA(M) No. 209 of 2010.
5. Copies of the Resolutions passed by the Board of Directors of the Petitioner Companies approving the Scheme have also been placed on record.
6. It has been submitted that no proceeding under Sections 235 to 251 of the Act pending against the Petitioner Companies.
7. So far as the share exchange ratio for amalgamation is concerned, the Scheme provides that, upon the Scheme finally coming into effect, the Transferee Company shall issue shares in the following manner:  
*➤ two Equity Shares of Rs. 10/- each, credited as fully paid-up, of the Transferee Company for every three Equity shares of Rs. 10/- each held in the Transferor Company.*
8. The Petitioner Companies had earlier filed CA (M) No. 209 of 2010 seeking directions of this Court for convening meetings of their equity shareholders and creditors and for dispensing with the requirement of convening a meeting of the preference shareholders of the Transferor Company. Vide order dated 3<sup>rd</sup> December, 2010 this Court had, *inter alia*:
  - a. *directed separate meetings of equity shareholders, secured creditors and unsecured creditors of the Transferor and Transferee Companies to be convened;*
  - b. *appointed Chairpersons and alternate Chairpersons for each of the meetings; and*
  - c. *dispensed with the requirement of convening a meeting of the preference shareholders of the Transferor Company.*
9. The Chairpersons appointed to conduct the meetings have filed their respective reports stating that such meetings were duly convened in accordance with the order of this Court dated 3<sup>rd</sup> December, 2010, and that the Scheme has been approved in terms of Section 391(2) of the Act at each of such meetings.
10. Mr. Wadhwa, learned counsel for the petitioner companies states that after filing of the second motion petition, the Company Law Board has allowed all the compounding petitions filed by the Transferor Company and that now there are no pending petitions for compounding. The said statement is taken on record.
11. The Petitioner Companies have thereafter filed the present Petition seeking sanction of the Scheme. Vide order dated 4<sup>th</sup> April, 2011, notice in the Petition was directed to be issued to the Regional Director, Northern Region and the Official Liquidator. Citations were also directed to be published in 'Financial Express' (English Edition) and 'Navbharat Times' (Hindi Edition). Affidavit of Service

and Publication has been filed by the Petitioners showing compliance regarding service of the Petition on the Regional Director, Northern Region and the Official Liquidator, and also regarding publication of citations in the aforesaid newspapers on 23rd September, 2011. Copies of the newspapers' cuttings, in original, containing the publications have been filed along with the Affidavit of Service.

12. Pursuant to the notices issued, the Official Liquidator sought information from the Petitioner Companies. Based on the information received, the Official Liquidator has filed his report on 4th July, 2011, wherein he has stated that he has not received any complaint against the proposed Scheme from any person/party interested in the Scheme in any manner and that the affairs of the Transferor Company do not appear to have been conducted in a manner prejudicial to the interest of its members, creditors or to public interest.
13. In response to the notices issued in the Petition, Mr. B.K. Bansal, Regional Director, Northern Region, Ministry of Corporate Affairs has filed his Affidavit on 1st June, 2011. Relying on Clause 4.4.1 of the Scheme, he has stated that all the employees of the Transferor Company shall become the employees of the Transferee Company without any break or interruption in their services upon sanctioning of the Scheme by the Court.
14. He further submits that the Bombay Stock Exchange Limited ('BSE') in its letter dated September 1, 2010 has given its 'No Objection' to the proposed Scheme and stated that Transferee Company by letter dated 16<sup>th</sup> August, 2010 has undertaken to lock in 25% of the new equity shares to be issued pursuant to the Scheme for a period of the three years from the date of listing of the new shares on the BSE and that the Transferee Company be advised to comply with the condition imposed by the BSE. The Petitioner Companies have filed a reply to the affidavit of the Regional Director on 16<sup>th</sup> September, 2011 stating that the Transferee Company has given such undertaking to the BSE on 16<sup>th</sup> August, 2010 and that the Transferee Company confirms it will comply with the undertaking. In view of the reply of the Petitioner Companies, the issue raised by the the Regional Director does not survive.
15. No objection has been received to the Scheme from any other party. Mr. Sandeep Sabharwal, Company Secretary of the Transferee Company, has filed an affidavit dated 1st October, 2011, confirming that neither the Petitioner Companies nor Legal Counsel has received any objection pursuant to citations published in the newspapers.
16. Even today, during the course of hearing, neither Mr. Rajiv Bahl, learned counsel for the Official Liquidator nor Mr. K.S. Pardhan, Deputy Registrar of Companies appearing for Regional Director (NR) have raised any objection to the present Scheme being sanctioned by the Court.
17. In view of the approval accorded by the Shareholders and Creditors of the Petitioner Companies; affidavit/report filed by the Regional Director, Northern Region and the Official Liquidator, attached with this Court to the proposed Scheme, there appears to be no impediment to the grant of sanction to the Scheme. Consequently, sanction is hereby granted to the Scheme under Sections 391 and 394 of the Act. The Petitioner Companies will comply with the statutory requirements in accordance with law. Certified copy of the order be filed with the Registrar of Companies within thirty days from the date of receipt of the same. In terms of the provisions of Sections 391 and 394 of the Act, and in terms of the Scheme, the whole or part of the undertakings, the properties, rights and powers of the Transferor Company be transferred to and vest in the Transferee Company without any further act or deed. Similarly, in terms of the Scheme, all the liabilities and duties of the Transferor Company be transferred to the Transferee Company without any further act or deed. Upon the Scheme coming into effect, the Transferor Company shall stand dissolved without winding up. It is, however, clarified that this order will not be construed as an order granting exemption from payment of stamp duty or taxes or any other charges, if payable in accordance with any law; or permission/compliance with any other requirement which may be specifically required under any law.
18. Learned Counsel for the Petitioners states that the Petitioner Companies would voluntarily deposit a sum of Rs. 2,00,000/- with the Common Pool fund of the Official Liquidator within three weeks from today. The said statement is accepted.
19. The Petition is allowed in the above terms.

Order dasti.

Sd/-  
MANMOHAN,J

NOVEMBER 11, 2011  
NG

IN THE HIGH COURT OF DELHI AT NEW DELHI  
(ORIGINAL JURISDICTION)  
IN THE MATTER OF THE COMPANIES ACT, 1956  
AND  
IN THE MATTER OF SCHEME OF AMALGAMATION  
OF  
COMPANY PETITION NO. 157/2011  
CONNECTED WITH  
COMPANY APPLICATION (M) NO.209/2010

IN THE MATTER OF Pearl Global Ltd.  
Having its regd. Office at:  
A-3, Community Centre,  
Naraina Industrial Area, Phase II,  
New Delhi 110028  
....Petitioner/Transferor Company

WITH  
IN THE MATTER OF House of Pearl Fashions Ltd.  
Having its regd. Office at:  
A-3, Community Centre,  
Naraina Industrial Area, Phase II,  
New Delhi 110028  
....Petitioner/Transferee Company

**BEFORE HON'BLE MR. JUSTICE MANMOHAN  
DATED THIS THE 11<sup>th</sup> DAY OF NOVEMBER, 2011**

**ORDER UNDER SECTION 394 OF THE COMPANIES ACT. 1956**

The above joint petition came up for hearing on 11/11/2011 for sanction of the Scheme of Amalgamation proposed to be made of Pearl Global Ltd. (herein referred to as Transferor Company) with House of Pearl Fashions Ltd. (herein referred to as Transferee Company). The Court examined the petition; the order dated 03/12/2010, passed in CA (M) 209/2010, whereby the requirement of convening and holding the meeting of the Preference Shareholders of the Transferor Company was dispensed with and the meetings of the Equity Shareholders, Secured and Unsecured Creditors of the Transferor and Transferee Companies were ordered to be convened for the purpose of considering and, if thought fit, approving with or without modification, the Scheme of Amalgamation annexed to the affidavit dated 30/11/2010 of Mr. Deepak Kumar Seth, Authorized Signatory of the Petitioner Companies and the publication in the newspapers namely 'Statesman' (English) and 'Veer Arjun' (Hindi) both dated 21/01/2011 containing the advertisement of the notice convening the said meetings and the reports/affidavits of Chairpersons showing the publication and dispatch of the notices convening the said meetings.

The court also examined the affidavits dated 27/05/2011 & 02/11/2011 of the Regional Director, Northern Region, Ministry of Corporate Affairs and observed that the objection raised by the Regional Director did not survive and the Regional Director has no objection to the said scheme being sanctioned.

Upon hearing Mr. Darpan Wadhwa with Ms. Niti Dixit & Mr. Vidur Bhatia, Advocates for the petitioner companies, Mr. Rajiv Bahl, Advocate for the Official Liquidator and Mr. K.S. Pardhan, Dy. Registrar of Companies for Regional Director (Northern Region) and in view of the approval of the Scheme of Amalgamation without any modification by the Equity Shareholders and Creditors of the Transferor and Transferee Companies and in view of the report dated 03/06/2011 of the Official Liquidator stating therein that the affairs of the Transferor Company have not been conducted in a manner prejudicial to the interest of its members, creditors or to public interest and there being no investigation proceedings pending in relation to the Petitioner Companies under Section 235 to 251 of the Companies Act, 1956,

THIS COURT DOTH HEREBY SANCTION THE SCHEME OF AMALGAMATION under sections 391 and 394 of the Act and set forth in Schedule-I annexed hereto and Doth hereby declare that same to be binding on all the Shareholders & Creditors of the Transferor and Transferee Companies and all concerned and doth approve the said Scheme of Amalgamation with effect from the appointed date i.e. 01/04/2010.

AND THIS COURT DOTH FURTHER ORDER:

1. That in terms of the Scheme, the whole or part of the undertakings, the properties, rights and powers of the Transferor Company specified in Schedule-II hereto and all other properties, rights and powers of the Transferor Company be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and vest in the transferee Company for all the estate and interest of the Transferor Company therein but subject nevertheless to all charges now affecting the same; and
2. That in terms of the scheme, all the liabilities and duties of the Transferor Company be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to section 394(2) of the Companies Act, 1956, be transferred to and become the liabilities and duties of the Transferee Company; and
3. That all the proceedings now pending by or against the Transferor Company be continued by or against the Transferee Company; and
4. That the Transferee Company without any further application, allot to such members of the Transferor Company as have not given such notice of dissent as is required by Clause 2.2 given in the Scheme of Amalgamation herein the shares in the Transferee Company to which they are entitled under the said Amalgamation; and
5. That the Petitioner Companies do within 30 days after the date of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered, the Transferor Company shall be dissolved without undergoing the process of winding up and the concerned Registrar of Companies shall place all documents relating to the Transferor Company and registered with him on the file kept in relation to the Transferee Company and the files relating to the said Transferor and Transferee Companies shall be consolidated accordingly; and
6. It is clarified that this order will not be construed as an order granting exemption from payment or stamp duty that is payable in accordance with law; and
7. That any person interested shall be at liberty to apply to the Court in the above matter for any directions that may be necessary.

SCHEME OF AMALGAMATION AND ARRANGEMENT

AMONG

PEARL GLOBAL LIMITED

The Transferor Company

AND

HOUSE OF PEARL FASHIONS LIMITED

The Transferee Company

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

**Parts of the Scheme**

- (A) **PART 1** deals with the Definitions, Appointed Date and Effective Date, Share Capital, Purpose of and Rationale for the Scheme;
- (B) **PART II** deals with the transfer and vesting of the Undertaking of the Transferor Company into the Transferee Company;
- (C) **PART III** deals with the Issue, Allotment and Listing of Shares;
- (D) **PART IV** deals with the General Clauses, Terms and Conditions; and
- (E) **PART V** deals with Other Terms and Conditions.

**PART I. DEFINITIONS, APPOINTED DATE AND EFFECTIVE DATE, SHARE CAPITAL, PURPOSE OF AND RATIONALE FOR THE SCHEME**

**1.1 DEFINITIONS**

In the Scheme of Arrangement the following words and expressions shall, unless the context requires otherwise, have the following meanings ascribed to them:

- 1.1.1 "**Act**" means the Companies Act, 1956 or any statutory modification or re-enactment thereof for the time being in force;
- 1.1.2 "**Appointed Date**" means April 1, 2010 or such other date as may be determined by the Board of Directors of the Transferor Company and the Transferee Company and approved by the High Court;
- 1.1.3 "**Court**" or "**High Court**" means the High Court of Delhi. In the event that the Central Government, by a notification to this effect, constitutes a National Company Law Tribunal and the proceedings under sections 391 to 394 of the Act pursuant to the Scheme are transferred to such tribunal, the term "Court" or "High Court" shall be deemed to include the National Company Law Tribunal;
- 1.1.4 "**Effective Date**" means the date on which the last of the approvals or events specified under Clause 5.4 of the Scheme are obtained or have occurred or the requirement of which has been waived;
- 1.1.5 "**Encumbrances**" has the meaning given to it in Clause 2.1.13(a);
- 1.1.6 "**Funds**" has the meaning given to it in Clause 4.4.2;
- 1.1.7 "**Income Tax Act**" means the Income Tax Act, 1961, or any statutory modification or re-enactment thereof for the time being in force;
- 1.1.8 "**PGA**" means Pearl Global Australia Pty. Ltd, a company incorporated in Australia with its registered office at Suite 307, Building No. 434, St. Kilda Road Melbourne Victoria 3004, Melbourne, Australia;
- 1.1.9 "**PGLFE**" means Pearl Global Fareast Limited a company incorporated in Hong Kong with its registered office at 7/F, Park Feek Industrial Building, 615-617, Tai Wan West St. Cheung Sha Wan Kowloon, Hong Kong;
- 1.1.10 "**RBI**" means the Reserve Bank of India;



- 1.1.11 **"Record Date"** means the date to be fixed by the Board of Directors of the Transferor Company and the Transferee Company which will be subsequent to the Effective Date;
- 1.1.12 **"Scheme' or Scheme of Arrangement"** means this Scheme of Amalgamation and Arrangement, subject to any modifications thereto as may be imposed by the Court, or any modifications sought by the Transferor Company and the Transferee Company, as approved by the Court;
- 1.1.13 **"Share Ratio"** has the meaning given to it in Clause 3.1.1(a);
- 1.1.14 **"Stock Exchanges"** has the meaning given to it in Clause 3.3.1;
- 1.1.15 **"Transferee Company"** or **"HOPFL"** means House of Pearl Fashions Limited, a company incorporated under the Act with its registered office at A-3, Community Center, Naraina Industrial Area. Phase II, New Delhi 110 028 India;
- 1.1.16 **"Transferor Company"** or **"PGL"** means Pearl Global Limited, a company incorporated under the Act with its registered office at A-3, Community Center, Naraina Industrial Area. Phase II, New Delhi 110 028 India;
- 1.1.17 **"Transferor Company's Shareholders"** has the meaning given to it in Clause 3 2.1(b); and
- 1.1.18 **"Undertaking"** means:
- (a) all the present and future moveable assets, including all the moveable and fixed plant and machinery, equipment, installations, appliances, tools, accessories, computers, furniture, fixtures and office equipment of the Transferor Company;
  - (b) all the vehicles and the current assets including sundry debtors, receivables, cash, bank balances, loans and advances, actionable claims, bills, credit notes and all inventories, stock-in-trade, raw materials, work-in-progress, finished products, spares, stores and packing material of the Transferor Company;
  - (c) all licenses, approvals, authorisations, permissions, consents, registrations, certifications, rights, entitlements, concessions, exemptions, subsidies, tax deferrals, privileges, advantages and all other rights and facilities of every kind, nature and description whatsoever of the Transferor Company;
  - (d) all agreements, contracts (including forward contracts), arrangements, understandings, engagements, deeds and instruments including lease agreements, tenancy rights, equipment purchase agreements, agreements with suppliers, agreements with clients or purchasers and all rights, titles, interest, claims and benefits thereunder of the Transferor Company;
  - (e) all application monies, advance monies, earnest monies and/or security deposits paid, and payments against other entitlements of the Transferor Company;
  - (f) all present and future investments including long term, short term, quoted, unquoted investments in different instruments including, without limitation, shares, debentures, units, warrants and bonds of the Transferor Company including the Transferor Company's investments in its wholly-owned subsidiaries, namely, PGLFE and PGA;
  - (g) all present and future liabilities (including contingent liabilities), loans, debts (secured or unsecured), guarantees, duties responsibilities and obligations of the Transferor Company;
  - (h) all present and future immoveable assets including all freehold, leasehold and any other title, interest or right in such immoveable assets, of the Transferor Company;
  - (i) all reserves, provisions and funds, all records, files, papers, engineering and process information, computer programs, manuals, data, catalogues, quotations, sales and advertisement materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records, whether in physical form or electronic forms of the Transferor Company; and
  - (j) any other assets and liabilities of the Transferor Company.
- In the event any question arises in relation to whether a particular asset or liability forms a part of the Undertaking or otherwise, such question shall be resolved by the respective Boards of Directors of the Transferor Company and the Transferee Company

such that the determination is in accordance with the provisions of section 2(1B) of the Income Tax Act.

## 1.2 INTERPRETATION

- 1.2.1 The words importing the singular include the plural and the words importing any gender include every gender.
- 1.2.2 Reference in the Scheme to any deed, document and writing or to any statute shall include any modification or re-enactment thereof,
- 1.2.3 All terms and words used in the Scheme but not specifically defined herein shall, unless contrary to the context thereof, have the meaning ascribed to them under the Act or the Securities Contracts (Regulation) Act, 1956,

## 1.3 APPOINTED DATE AND EFFECTIVE DATE

- 1.3.1 The Scheme set out herein in its present form, or with modification(s), if any, shall be effective from the Appointed Date, but shall be operative from the Effective Date.

## 1.4 SHARE CAPITAL

- 1.4.1 The authorised, issued, subscribed and paid-up share capital of the Transferor Company as on March 31, 2010 was as under:

SHARE CAPITAL	INR
<b>Authorised share capital:</b>	
26,450,000 equity shares of Rs. 10 each	264,500,000
3,256,000 10.5% non-cumulative redeemable preference shares of Rs. 100 each	325,600,000
<b>Total</b>	<b>590,100,000</b>
<b>Issued, subscribed and paid-up share capital:</b>	
8,214,980 equity Shares of Rs. 10 each	82,149,800
2,239,400 10.5% non-cumulative redeemable preference shares of Rs. 100 each	223,940,000
<b>Total</b>	<b>306,089,800</b>

There has been no change in the authorised, issued, subscribed and paid-up share capital of the Transferor Company since March 31, 2010.

- 1.4.2 The authorised, issued, subscribed and paid-up share capital of the Transferee Company as on March 31, 2010 was as under:

SHARE CAPITAL	INR
<b>Authorised share capital:</b>	
24,990,000 equity shares of Rs. 10 each	249,900,000
10,000 4% non-cumulative redeemable preference shares of Rs. 10 each	100,000
<b>Total</b>	<b>250,000,000</b>
<b>Issued, subscribed and paid-up share capital:</b>	
19,500,343 equity shares of Rs. 10 each	195,003,430
<b>Total</b>	<b>195,003,430</b>

There has been no change in the authorised, issued, subscribed and paid-up share capital of the Transferee Company since March 31, 2010.

## 1.5 PURPOSE OF THE SCHEME

- 1.5.1 HOPFL was incorporate on July 5, 1989 as Mina Estates Private Limited, a private limited company, with the Registrar of Companies, Delhi and Haryana. Its name was changed to House of Pearl Fashions Private Limited with effect from June 19, 2006. Its name was further changed to its current name, House of Pearl Fashions Limited, with effect from July 31, 2006



consequent upon its conversion to a public limited company. HOPFL is a multinational, ready to wear apparel company. HOPFL is the holding company of PGL. The shares of HOPFL are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

- 1.5.2 PGL was incorporated on October 23, 1979 as Pearl Agencies Private Limited, a private limited company, with the Registrar of Companies, Delhi and Haryana. Its name was changed to Pearl Agencies Limited with effect from August 29, 1991 consequent to becoming a deemed public company under section 43A(1) of the Act. Its name was further changed to its current name, Pearl Global Limited, with effect from September 2, 1993. PGL is engaged in the business of manufacture of ready-made garments. PGL is the holding company of PGLFE and PGA. The shares of PGL are currently not listed on any stock exchange in India.
- 15.3 The Scheme is presented under sections 391 to 394 of the Act and other applicable laws for the transfer and vesting of the Undertaking from the Transferor Company to the Transferee Company.
- 1.5.4 The Scheme provides for:
- (a) the issue and allotment of shares of the Transferee Company to the shareholders of the Transferor Company, except the Transferee Company, as consideration for the transfer of the Undertaking from the Transferor Company to the Transferee Company, and the subsequent listing of such shares on the Stock Exchanges; and
  - (b) other matters consequential or otherwise integrally connected with the transfer and vesting of the Undertaking from the Transferor Company to the Transferee Company.

## 1.6 RATIONALE FOR THE SCHEME

- 1.6.1 The Transferor Company is a subsidiary of the Transferee Company. The Transferor Company and the Transferee Company are both engaged in the business of ready-made garments. The management of each of the Transferor Company and the Transferee Company believes that the Scheme of Arrangement will, *inter alia* have the following benefits.
- (a) simplify the ownership structure, improve management focus and facilitate the unified, control of operations;
  - (b) facilitate greater integration and provide greater financial strength and flexibility for the amalgamated entity, which would result in maximising overall shareholder value, and will improve the competitive position of the combined entity;
  - (c) result in greater efficiency in cash management of the amalgamated entity and unfettered access to cashflow generated by the combined business, which can be deployed more efficiently to fund organic and inorganic growth opportunities to maximise shareholder value;
  - (d) provide operational synergies to the combined entity; and
  - (e) enhance economics of scale, reduce overheads and administrative, managerial and other expenditure, result in operational and organisational rationalisation, provide greater efficiency and more optimal utilisation of various resources and reduce legal and regulatory compliances.
- 1.6.2 The Scheme is also expected to benefit the shareholders of HOPFL and PGL as it will enhance shareholder value. The current equity shareholders of PGL, except HOPFL, will be issued and allotted equity shares of HOPFL and consequently, become shareholders of HOPFL. Such new shares of HOPFL will be listed on the Stock Exchanges as set out in Clause 3.3.1 below. The shareholders of PGL and HOPFL will therefore benefit from the opportunity to participate in the management, operations, decision-making and profits of the amalgamated entity.
- 1.6.3 The proposed Scheme of Arrangement is in the interest of all the parties to the Scheme and their respective shareholders and creditors, and will in the long term be in the interest and welfare of the employees.

## **PART II. TRANSFER AND VESTING OF THE UNDERTAKING OF TRANSFEROR COMPANY INTO THE TRANSFEREE COMPANY**

The provisions of Part II of the Scheme are intended to comply with the conditions relating to 'Amalgamation' as specified under section 2(1B) of the Income Tax Act. If, at a later date, any terms or provisions of Part II of the Scheme are found or interpreted to be inconsistent with the provisions of section 2(1B) of the Income Tax Act including resulting from an amendment of law or for any other reason whatsoever, the provisions of section 2(1B) of the income Tax Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with section 2(1B) of the Income Tax Act. Such modification(s) will however not affect the other parts of the Scheme.

### **2.1 TRANSFER AND VESTING OF THE UNDERTAKING**

- 2.1.1 Upon the Scheme being effective and with effect from the Appointed Date, pursuant to the provisions of sections 391 to 394 and other applicable provisions of the Act and the Scheme, without any further act, instrument, deed, matter or thing, the Undertaking of the Transferor Company shall stand transferred, to, and vested in, and/or be deemed to be transferred to, and vested in, the Transferee Company, on a going concern basis, so as to become the business, assets, liabilities and property of the Transferee Company, and the Transferor Company shall stand amalgamated with, and merged into, the Transferee Company, subject to all charges, liens, mortgages and encumbrances, if any, arising out of the liabilities of the Transferor Company, which shall also stand transferred to the Transferee Company.
- 2.1.2 The Transfer of the Undertaking shall be in accordance with the provisions of section 2(1B) of the Income Tax Act. The Undertaking shall be transferred at book value as on close of business in India on March 31, 2010.
- 2.1.3 Such of the assets of the Undertaking as are moveable in nature or incorporeal property, or are otherwise capable of transfer by physical delivery or by endorsement and delivery, or by vesting, and recordable pursuant to the Scheme, including, without limitation, investments, plant and machinery and cash in hand, shall stand transferred to, and vested in, the Transferee Company with effect from the Appointed Date and shall become the property of the Transferee Company, without any further act or execution of an instrument. Such delivery and transfer shall be made on a date mutually agreed upon between the Board of Directors of the Transferor Company and the Transferee Company.
- 2.1.4 Such of the moveable assets of the Undertaking as art intangible in nature (other than those specified in Clause 2.1.3 above), including, without limitation, actionable claims, sundry debtors, receivables, bills, credits, loans and advances, recoverable in cash or in kind or for value to be received, bank balances and deposits with government, semi-government authorities, local and other authorities and bodies or with any company or other person, shall stand transferred to and vested in the Transferee Company with effect from the Appointed Date, without any notice or other intimation to the debtors, although the Transferee Company may, if it so deems appropriate, give notice in such form as it may deem fit and proper to each of such person, debtor or depositee, as the case may be, that pursuant to the High Court having sanctioned the Scheme, such debt, loan, advance, bank balance, deposit or other asset be paid or made good or held on account of the Transferee Company as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realise all such debts (including the debts payable by such person or depositee to the Transferor Company) stands transferred and assigned to the Transferee Company and that appropriate entries should be passed in their books to record the aforesaid change.
- 2.1.5 All assets and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all assets and properties which are acquired by the Transferor Company after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to, and vested in, and/or be deemed to have been transferred to, and vested in, the Transferee Company upon the coming into effect of the Scheme pursuant to the provisions of sections 391 to 394 of the Act.
- 2.1.6 All permits, registrations, approvals, consents, quotas, rights, entitlements and any licences, including those relating to trademarks, patents, copyrights, tenancies, privileges, powers and facilities of every kind and description of whatsoever nature, to which the Transferor Company

is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be, and remain, in full force and effect in favour of or against the Transferee Company, as the case may be, with effect from the Appointed Date, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party, a beneficiary or an obligee thereto. For the avoidance of doubt, all intellectual property rights included in the Undertaking, such as, without limitation, trademarks, patents, copyrights and design rights, shall include all goodwill attaching to such intellectual property rights.

- 2.1.7 Upon the Scheme being effective and with effect from the Appointed Date, all agreements entered into by the Transferor Company shall be assigned in favour of the Transferee Company without any further act or deed. Any statutory licences, authorisations, statutory rights, permissions, approvals, registrations including with sales tax and service tax authorities, no-objection certificates or consents to use or to carry on the operations shall stand transferred to, and vested in, the Transferee Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company upon the vesting and transfer of the Undertaking pursuant to the Scheme so as to empower and facilitate the continuation of operations of the Undertaking in the Transferee Company without any hindrance from the Appointed Date.
- 2.1.8 To the extent there are inter corporate loans or balances between the Transferor Company and the Transferee Company, the obligations in respect thereof shall on and from the Appointed Date come to an end and such loans shall stand cancelled.
- 2.1.9 From the Appointed Date, all taxes payable by the Transferor Company relating to the Undertaking including, without limitation, all or any refunds and claims shall, for all purposes, be treated as the tax liabilities or refunds and claims of the Transferee Company. Accordingly, upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise its value added tax and sales tax returns, excise and Modvat/Cenvat returns, other tax returns, and to claim refunds or credits, if any, pursuant to the provisions of the Scheme. Further, in accordance with any enactment, rules or provisions as are prevalent at the time of the sanction of the Scheme, the unutilized credits relating to excise duties paid on inputs or capital goods lying to the account of the Transferor Company as well as the unutilised credits relating to service tax paid on input services consumed by the Transferee Company, if any, shall be permitted to be transferred to the credit of the Transferee Company, as if all such Modvat/Cenvat/service tax credits were lying to the account of the Transferee Company. The Transferee Company shall be entitled to set off all such unutilized Modvat/Cenvat/service tax credits, as aforesaid, against the excise duty/service tax payable by it.
- 2.1.10 Upon the Scheme being effective and with effect from the Appointed Date, pursuant to the provisions of sections 391 and 394 of the Act and other applicable provisions of the Act and the Scheme, without any further act, instrument, deed, matter or thing, all liabilities, debts, duties, obligations, dues and loans of every kind, nature and description of the Transferor Company shall stand transferred to, and vested in, and/or be deemed to be transferred to, and vested in, the Transferee Company, on a going concern basis, so as to become the liabilities, debts, duties, obligations, dues and loans of the Transferee Company on the same terms and conditions as applicable to the Transferor Company and further that It shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities, debts, duties, obligations, dues and loans have arisen, in order to give effect to the provisions of this Clause.
- 2.1.11 All liabilities, debts, duties, dues, obligations and loans of every kind, nature, and description of the Transferor Company as on the Appointed Date, whether or not provided in the books of the Transferor Company, and all debts and loans raised, and duties, liabilities, dues and obligations incurred or which arise or accrue to the Transferor Company after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the debts and loans raised, and duties, liabilities, dues and obligations incurred, by the Transferee Company by virtue of the Scheme.
- 2.1.12 Where any such liabilities, debts, duties, dues, obligations and loans of the Transferor Company as on the Appointed Date have been discharged or satisfied by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.

- 2.1.13 The transfer and vesting of the assets comprised in the Undertaking to and in the Transferee Company under the Scheme shall be subject to the mortgages and charges, if any, affecting the same, as and to the extent hereinafter provided:
- (a) All the existing securities, mortgages, charges, encumbrances or liens (the “**Encumbrances**”), if any as on the Appointed Date and created by the Transferor Company after the Appointed Date, over the assets comprised in the Undertaking or any part thereof transferred to the Transferee Company by virtue of the Scheme and in so far as such Encumbrances secure or relate to liabilities of the Transferor Company, shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company, and such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company, provided however that no Encumbrances shall have been created by the Transferor Company over its assets after the date of filing of the Scheme without the prior written consent of the Board of Directors of the Transferee Company.
  - (b) The existing Encumbrances over the assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of the Scheme.
  - (c) Any reference to the Transferor Company and its assets and properties in any security documents or arrangements relating to the loans and liabilities of the Transferor Company in connection with the Undertaking, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company by virtue of the Scheme. Without prejudice to the foregoing provisions, the Transferor Company and the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge(s), with the Registrar of Companies to give formal effect to the above provisions, if required.
  - (d) Upon the coming into effect of the Scheme, the Transferee Company alone shall be liable to perform all obligations in respect of the liabilities which have been transferred to it in terms of the Scheme.
  - (e) It is expressly provided that, save as herein provided, no other term or condition of the liabilities transferred to the Transferee Company is modified by virtue of the Scheme except to the extent that such amendment is required statutorily or by necessary implication.
  - (f) The provisions of this Clause 2.1.13 shall operate in accordance with the terms of the Scheme, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall be deemed to stand modified and/or superseded by the foregoing provisions.
- 2.1.14 The Transferee Company may, at any time after coming into effect of the Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation or notice in relation to the Undertaking in favour of any other party to any contract or arrangement to which the Transferor Company is a party of any writings as may be necessary to be executed in order to give formal effect to the provisions of the Scheme. The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings in relation to the Undertaking on behalf of the Transferor Company and to implement or carry out all such formalities or compliance referred to above on the part of the Transferor Company to be carried out or performed.
- 2.1.15 With effect from the Appointed Date, the borrowing limits of the Transferee Company shall be deemed without any further act or deed to have been enhanced by the aggregate liabilities of the Transferor Company, such limits being incremental to the existing limits of the Transferee Company.

- 2.1.16 On the Effective Date but with effect from the Appointed Date, the Transferee Company shall, in addition to the business of the Transferee Company, commence and carry on and shall be authorised to carry on the business carried on by the Transferor Company.
- 2.1.17 The transfer of the Undertaking from the Transferor Company to the Transferee Company is not likely to impose any additional burden or hardship on the members of the Transferor Company or the Transferee Company nor will it adversely affect the interests of any of the employees and creditors of the Transferor Company and the Transferee Company.

## **2.2 CONSIDERATION**

- 2.2.1 Upon the coming into effect of the Scheme and in consideration of the transfer of the Undertaking from the Transferor Company to the Transferee Company, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of the Transferor Company, whose names are registered in the Register of Members of the Transferor Company on the Record Date, 2 (two) fully paid-up equity share(s) of face value of Rs. 10 (Rupees ten) each of the Transferee Company for every 3 (three) equity share(s) of face value of Rs. 10 (Rupees ten) each held in the Transferor Company on the Record Date by such equity shareholders or their respective legal heirs, executors, administrators or as the case may be, the successors in title, with the rights attached thereto as mentioned in the Scheme, For the avoidance of doubt, no shares will be issued to the Transferee Company as shareholder of the Transferor Company.
- 2.2.2 It is clarified that shares of the Transferor Company held by the Transferee Company on the Record Date shall be cancelled without any further application, act, instrument or deed and the Transferee Company shall not issue shares to the extent of the shares held by itself in the Transferor Company.

## **2.3 ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEEE COMPANY**

- 2.3.1 Upon the coming into effect of the Scheme, the Transferee Company shall give effect to the following accounting treatment as at the Appointed Date.
- (a) the Transferee Company shall record the assets and liabilities comprised in the Undertaking transferred to and vested in it pursuant to the Scheme, at the same value as that appearing in the books of the Transferor Company on the close of business in India on March 31, 2010 in accordance with the pooling of interest method provided in Accounting Standard 14 ("Accounting for Amalgamations") issued by the Institute of Chartered Accountants of India;
  - (b) the Transferee Company shall credit its Share Capital Accounts in its books of account with the aggregate face value of the new equity shares issued to the shareholders of the Transferor Company pursuant to Clause 2.2.1 of the Scheme;
  - (c) to the extent that there are inter-company loans, deposits, advances, receivables, payables, balances or other obligations between the Transferor Company and the Transferee Company, the obligations or rights in respect thereof shall, on and from the Appointed Date, come to an end and shall stand cancelled and corresponding effect shall be given in the books of accounts and the records of the Transferee Company and there shall be no accrual of interest or other charges in respect of such obligations or rights;
  - (d) if considered appropriate for the purpose of application of uniform accounting methods and policies between the Transferor Company and the Transferee Company, the Transferee Company may make suitable adjustments and reflect the effect thereof in the General Reserve of the Transferee Company;
  - (e) the excess, if any, of the value of the assets over the value of the liabilities of the Transferor Company and the face value of the equity shares issued by the Transferee Company pursuant to the Scheme shall be recorded as Capital Reserve in the books of the Transferee Company; and
  - (f) the deficit, if any, in the value of the assets over the value of the liabilities of the Transferor Company and the face value of the equity shares issued by the Transferee Company pursuant to the Scheme shall be adjusted in the following sequence: (i) against the balance standing to the credit of Capital Reserve; and (ii) against the balance standing to the credit of General Reserve.



### PART III. GENERAL TERMS IN RELATION TO THE ISSUE, ALLOTMENT AND LISTING OF SHARES

#### 3.1 ISSUE AND ALLOTMENT OF EQUITY SHARES

3.1.1 For the purpose of issue and allotment of equity shares pursuant to the Scheme, the following terms shall apply:

- (a) The ratio in which the equity shares of the transferee Company is to be issued and allotted to the shareholders of the Transferor Company, as mentioned in Clause 2.2.1 above (the “**Share Ratio**”), is based on the recommendations of the Board of Directors of the Transferor Company and the Board of Directors of the Transferee Company and is further certified by independent valuers, namely, SSPA & Co., Chartered Accountants, and Deloitte Touche Tohmatsu India Private Limited. In the event that the Transferor Company restructures its equity share capital by way of share split/consolidation during the pendency of the Scheme, the Share Ratio shall be adjusted accordingly to take into account the effect of such corporate actions.
- (b) No special resolution under section 81(IA) of the Act, shall be required to be passed by the Transferee Company separately in a General Meeting for issue of shares to the shareholders of the Transferor Company under the Scheme and upon members of the Transferee Company approving the Scheme, it shall be deemed that they have given their consent to the issue of shares of the Transferee Company to the shareholders of the Transferor Company in the Share Ratio.
- (c) Where shares are to be allotted under this Clause to the heirs, executors or administrators or as the case may be, to the successors of the deceased equity shareholders of the Transferor Company, the concerned heirs, executors or administrators or, as the case may be, the successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of the Transferee Company.
- (d) The shares proposed to be allotted pursuant to the Scheme shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Transferee Company and shall rank *pari passu* with the existing shares of the Transferee Company including the rights in respect of dividend and bonus shares, if declared by the Transferee Company on or after the Effective Date as specified in Clause 3.2.1.
- (e) The issue and allotment of the shares as provided in the Scheme shall be carried out in accordance with the provisions of the Act. Each of the shareholders of the Transferor Company holding shares in physical form shall have the option, exercisable by notice in writing by them to the Transferee Company on or before the Record Date, to receive the shares of the Transferee Company either in certificate form or in dematerialised form, in lieu of their shares in the Transferor Company in accordance with the terms hereof. In the event that such notice has not been received by the Transferee Company in respect of any of the members of the Transferor Company, the shares of the Transferee Company shall be issued to such members in physical form. Those of the members of the Transferor Company who exercise the option to receive the shares in dematerialised form shall be required to have an account with a depository participant and shall provide full details thereof and such other confirmations as may be required in the notice provided by such shareholder to the Transferee Company. It is only thereupon that the Transferee Company shall issue and directly credit the demat/dematerialised securities account of such member with the shares of the Transferee Company.
- (f) The members of the Transferor Company holding shares of the Transferor Company in dematerialised form shall have the option, exercisable by a notice in writing by them to the Transferee Company on or prior to the Record Date, to receive the shares of the Transferee Company either in certificate form or in dematerialised form, in lieu of their shares in the Transferor Company in accordance with the terms hereof. In the event that such notice has not been received by the Transferee Company in respect of any of the members of the Transferor Company, the shares of the Transferee Company shall be issued to such members in dematerialised form as per the records maintained by the National Securities Depository Limited and/or Central Depository Services (India) Limited in terms of Clause 2.2.1 above.
- (g) In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of Directors of the Transferor

Company shall be empowered in appropriate cases, prior or subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date in order to remove any difficulties arising to the transferor or transferee of equity shares in the Transferor Company, after the effectiveness of the Scheme.

- (h) The shares allotted by the Transferee Company pursuant to the Scheme in respect of any equity shares of the Transferor Company which are held in abeyance under the provisions of section 206A of the Act or otherwise shall, pending settlement of the dispute by an order of the court or otherwise, be held in abeyance by the Transferee Company.
- (i) For the purpose of issue and allotment of the shares to the shareholders of the Transferor Company, the Transferee Company shall, if and to the extent required, apply for and obtain the required statutory approvals and approvals of other concerned regulatory authorities.
- (j) No fractional certificate(s) shall be issued by the Transferee Company in respect of the fractional share entitlements, if any, to which the members of the Transferor Company may be entitled under the Scheme. The directors of the Transferee Company shall consolidate all such fractional entitlements to which such members are entitled upon issue and allotment of shares in the Scheme and thereafter issue and allot the shares in lieu thereof to a director or officer of the Transferee Company, on the express understanding that such director or officer to whom such shares are allotted, shall sell the same in the market at the available price and pay to the Transferee Company the net sale proceeds thereof whereupon the Transferee Company shall distribute such net sale proceeds to its members in proportion to their fractional share entitlements.

### 3.2 DECLARATION OF DIVIDEND

- 3.2.1 The Transferee Company shall declare and pay dividends in accordance with the following provisions:
  - (a) For the avoidance of doubt, it is hereby clarified that nothing in the Scheme shall prevent the Transferee Company from declaring and paying dividends, whether interim or final, to its equity shareholders as on the respective record dates for the purpose of payment of dividend and the shareholders of the Transferor Company shall not be entitled to dividends, if any, declared by the Transferee Company prior to the Effective Date.
  - (b) In the event that the Transferee Company declares any dividend between the Effective Date and the Record Date, then in such event, the shareholders of the Transferor Company who are entitled to receive shares of the Transferee Company pursuant to Clause 2.2.1 above (the “**Transferor Company’s Shareholders**”) shall, on the Record Date, also be eligible to receive an amount representing such dividend proportionate to the shares they are entitled to receive. For this purpose, the Transferee Company shall, at the time of declaration of dividend to its shareholders as aforesaid, reserve the amount required for payment of dividend to the Transferor Company’s Shareholders. The Board of Directors of the Transferee Company shall declare the aforesaid reserved amount as dividend to the Transferor Company’s Shareholders after the Record Date and the amount set apart will be appropriated towards such declaration. For the avoidance of doubt it is clarified that no interest shall be payable by the Transferee Company to the Transferor Company’s Shareholders in relation to such amount to be applied towards payment of such dividend.
- 3.2.2 The Transferor Company shall be entitled to, consistent with past practice and in the ordinary course, declare or pay dividends, whether interim or final, to their equity shareholders in respect of any accounting period prior to the Effective Date.
- 3.2.3 Until the coming into effect of the Scheme, the holders of equity shares of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in the Scheme continue to enjoy their existing respective rights under their respective Articles of Association.
- 3.2.4 It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and/or the Transferee Company to demand or claim

any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Boards of Directors of each of the Transferor Company and the Transferee Company and subject wherever necessary, to the approval of the shareholders of the Transferor Company and the Transferee Company, respectively.

### **3.3 LISTING OF EQUITY SHARES**

- 3.3.1 The shares of the Transferee Company issued in terms of the Scheme will be listed and/or admitted to trading on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited (the “**Stock Exchanges**”) where the shares of the Transferee Company are listed and/or admitted to trading. The Transferee Company shall make such applications to the Securities and Exchange Board of India and/or the Stock Exchange as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, or any other applicable law, for listing of the shares of the Transferee Company on the Stock Exchanges and also enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the Stock Exchanges.

## **PART IV. GENERAL CLAUSES, TERMS AND CONDITIONS**

### **4.1 CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE**

- 4.1.1 With effect from the date of filing the Scheme with the High Court and up to and including the Effective Date, the Transferor Company undertakes that it will preserve and carry on its business with reasonable diligence and business prudence and except in the ordinary course of business, the Transferor Company shall not, without the prior written consent of the Board of Directors of the Transferee Company or pursuant to any pre-existing obligation, undertake any financial commitment or sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with, or dispose of, the Undertaking or any part thereof.
- 4.1.2 With effect from the Appointed Date and up to and including the Effective Date:
- (a) the Transferor Company shall carry on its business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all the estates, assets, rights, title, interests, authorities, contracts, investments and strategic decisions of the Undertaking for and on account of, and in trust for, the Transferee Company;
  - (b) all profits and income accruing or arising to the Transferor Company, and losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) based on the audited accounts of the Transferor Company shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the Transferee Company and shall be available to the Transferee Company for being disposed of in any manner as it thinks fit;
  - (c) any tax withholding or tax compliance by the Transferor Company with respect to the expenditure relating to the establishment, operation and maintenance of its business shall be treated as tax withholding or tax compliance on behalf of the Transferee Company; and
  - (d) any of the rights, powers, authorities, privileges attached, related or pertaining to and exercised by or available to the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Undertaking that have been undertaken or discharged by the Transferor Company shall be deemed to have undertaken or discharged for and on behalf of and as an agent for the Transferee Company.
- 4.1.3 The Transferee Company shall, if required, be entitled to file or revise its tax returns, tax deduction at source certificates, tax deduction at source returns and other statutory returns, and shall have the right to claim refunds or credits, and/or set-off all amount paid by the Transferor Company or the Transferee Company under the relevant laws relating to income tax, sales tax, service tax or any other tax, whether or not arising due to any inter-corporate transaction that may occur in the period between the Appointed Date and the Effective Date. The right to make such revisions in the tax returns and to claim refunds or credits is expressly reserved in favour of the Transferee Company.



## **4.2 LEGAL PROCEEDINGS**

- 4.2.1 All legal or other proceedings of whatsoever nature by or against the Transferor Company pending and/or arising before the Effective Date, shall be continued and enforced as intended by the Transferee Company.
- 4.2.2 All legal or other proceedings of whatsoever nature by or against the Transferor Company pending and/or arising on and after the Effective Date, shall be continued and enforced as intended by or against the Transferee Company, as the case may be, in the same manner and to the same extent as they would or might have been continued and enforced by or against the Transferor Company.

## **4.3 CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

- 4.3.1 Notwithstanding anything to the contrary contained in any contract, deed, bond, agreement or any other instrument, but subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date to which the Transferor Company is a party, shall continue in full force and effect against or in favour of the Transferee Company, and may be enforced effectively by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.

## **4.4 STAFF, WORKMEN AND EMPLOYEES**

- 4.4.1 Upon the coming into effect of the Scheme, all employees, consultants and advisors whether full time or part time or on retainer of the Transferor Company and who are in such employment as on the Effective Date shall become the employees, consultants or advisors, as the case may be, of the Transferee Company, and, subject to the provisions of the Scheme, on terms and conditions not less favourable than those on which they are engaged by the Transferor Company and without any interruption of or break in service as a result of the transfer of the Undertaking
- 4.4.2 Insofar as the existing provident fund, gratuity fund and pension and/or superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by the Transferor Company for its employees (collectively referred to as the “Funds”), the Funds and such of the investments made by the Funds which are referable to the employees being transferred to the Transferee Company in terms of Clause 4.4.1 above shall be transferred to the Transferee Company and shall be held for their benefit pursuant to the Scheme in the manner provided hereinafter. The Funds shall, subject to the necessary approvals and permissions and at the discretion of the Transferee Company, either be continued as separate Funds of the Transferee Company for the benefit of the employees or be transferred to and merged with other similar funds of the Transferee Company. In the event that the Transferee Company does not have its own funds in respect of any of the above, the Transferee Company may, subject to necessary approvals and permissions, continue to contribute to the relevant Funds of the Transferor Company, until such time that the Transferee Company creates its own fund, at which time the Funds and the investments and contributions pertaining to the employees shall be transferred to the funds created by the Transferee Company

## **4.5 COMBINATION OF AUTHORISED SHARE CAPITAL**

- 4.5.1 On the Effective Date, the authorised share capital of the Transferee Company shall automatically stand increased by the authorised share capital of the Transferor Company from Rs. 25,00,00,000 (Rupees twenty five crore only) divided into 2,49,90,000 equity shares of Rs. 10 each and 10,000 4% non-cumulative redeemable preference shares of Rs. 10 each to Rs. 84,01,00,000 (Rupees eighty four crore and one lakh only) divided into 5,14,40,000 equity shares of Rs. 10 each, 32,56,000 10.5% non-cumulative preference shares of Rs. 100 each and 10,000 4% non-cumulative redeemable preference shares of Rs. 10 each, without any further act, instrument or deed by the Transferee Company including payment of stamp duty and fees payable to the Registrar of Companies.

The Memorandum of Association and Articles of Association of the Transferee Company shall stand amended accordingly without any further act, instrument or deed by the Transferee Company to reflect the increased authorised share capital of the Transferee Company pursuant to this Clause 4.5.

- 4.5.2 The consent of the shareholders of the Transferee Company and the Transferor Company to the Scheme shall be sufficient for the purposes or effecting the modification set out in this

Clause 4.5, and no separate resolutions under sections 16, 31, 94 and 394 and other applicable provisions of the Act, as the case may be, shall be required to be adopted for effecting such modification.

- 4.5.3 The stamp duties and fees paid on the authorised share capital of the Transferor Company shall be utilised and applied to the increased authorised share capital of the Transferee Company. Accordingly, there shall be no requirement for any further payment of stamp duty and/or fee by the Transferee Company in relation to the increase in its authorised share capital as contemplated in this Clause 4.5.

#### **4.6 TREATMENT OF TAXES**

- 4.6.1 Any tax liabilities under the Income Tax Act or other applicable laws or regulations allocable to the Transferor Company, to the extent not provided for or covered by any tax provisions in the accounts of the Transferor Company made as on the date immediately preceding the Appointed Date, shall be transferred to the Transferee Company. Any surplus in the provision for taxation or duties or levies in the accounts of the Transferor Company including advance tax and tax deducted at source as on the close of business in India on March 31, 2010 will also be transferred to the account of the Transferee Company.

### **PART V. OTHER TERMS AND CONDITIONS**

#### **5.1 APPLICATION TO COURT**

- 5.1.1 The Transferor Company and the Transferee Company shall make all necessary applications and/or petitions under sections 391 to 394 and other applicable provisions or the Act to the High Court for approval of the Scheme and all matters ancillary or incidental thereto, as may be necessary to give effect to the terms of the Scheme.

#### **5.2 DISSOLUTION OF THE TRANSFEROR COMPANY**

- 5.2.1 Upon the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound-up, and the Board of Directors and any committees thereof of the Transferor Company shall without any further act, instrument or deed be and stand dissolved.

#### **5.3 MODIFICATION OR AMENDMENT TO THE SCHEME**

- 5.3.1 The Transferor Company and the Transferee Company, through their respective Boards of Directors, may assent to any modification or amendment to the Scheme or to any condition or limitation that the Court and/or any other authority may direct or impose or which may otherwise be considered necessary, desirable or appropriate for resolving any doubt or difficulty that may arise for implementing or carrying out the Scheme. The Transferor Company and the Transferee Company acting through their respective authorised representatives, are hereby authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any direction or order of the Court or of any other authorities or otherwise arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

#### **5.4 SCHEME CONDITIONAL ON SANCTION AND APPROVAL**

- 5.4.1 The Scheme is and shall be conditional upon and subject to:
- (a) The Scheme being approved by the requisite majorities in number and value of such classes of persons including the members and creditors of the Transferor Company and the members and creditors of the Transferee Company as may be directed by the High Court and any other competent authority, as applicable.
  - (b) The Scheme being sanctioned by the Court or any other authority under sections 391 to 394 of the Act and the appropriate orders being passed by the Court pursuant to section 394 of the Act.
  - (c) Certified copies of the orders of the Court sanctioning the Scheme being filed with the relevant Registrar of Companies by the Transferor Company and the Transferee Company and being taken on record by the relevant Registrar of Companies.
  - (d) The Scheme and any matter incidental thereto being approved by the relevant governmental or other authorities, including the RBI, as may be required by applicable law.

## **5.5 EFFECT OF NON-RECEIPT OF APPROVALS**

- 5.5.1 In the event the Scheme is not sanctioned by the Court or other competent authorities referred to in Clause 5.4.1 above before which the Scheme is presented for approval, the Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved as is specifically provided in the Scheme or as may otherwise arise in law.

## **5.6 COSTS, CHARGES AND EXPENSES**

- 5.6.1 All costs, charges, taxes, duties, levies and all other expenses, if any (save as expressly otherwise agreed), arising out of, or incurred in, carrying out and implementing the Scheme and matters incidental thereto, including any stamp duty payable, shall be borne by the Transferor Company and the Transferee Company in such proportion as may be mutually agreed. In the event the Scheme is not sanctioned by the Court or other competent authorities or does not become effective for any reason whatsoever, all costs, charges, taxes, duties, levies and all other expenses, if any, arising out of, or incurred in relation to, the Scheme, shall be borne by the Transferor Company and the Transferee Company in such proportion as may be mutually agreed.

## **5.7 RESIDUAL PROVISIONS**

- 5.7.1 Upon the Scheme becoming effective, the Transferee Company shall be entitled to operate all bank accounts, realise all monies and complete and enforce all pending contracts and transactions in the name of the Transferor Company to the extent necessary until the transfer of the rights and obligations of the Transferor Company to the Transferee Company under the Scheme is formally accepted by the parties concerned.
- 5.7.2 In the event of the Scheme not becoming effective, the Scheme shall become null and void and no rights or liabilities whatsoever shall accrue to, or be incurred *inter se* by, the parties or their respective shareholders or creditors or employees or any other person.
- 5.7.3 The Transferor Company and the Transferee Company, acting through their respective Boards of Directors, shall each be at liberty to withdraw from the Scheme of Arrangement in case any condition or alteration imposed by the Court or any authority is unacceptable to any of them.
- 5.7.4 If any part of the Scheme is found to be unworkable for any reason whatsoever, this shall not, subject to the decision of the Transferor Company and the Transferee Company, affect the validity or implementation of the other parts and/or provisions of the Scheme.
- 5.7.5 In the event a part of the Scheme is found unworkable and the Transferor Company and the Transferee Company decide to implement the remaining part of the Scheme, the Scheme, to the extent it is unworkable, shall become null and void and no rights or liabilities whatsoever shall accrue to, or be incurred *inter se* by, the parties or their respective shareholder, creditors, employees or any other person with respect to such part of the Scheme.
- 5.7.6 The Transferee Company may, at any time after the Scheme becomes effective in accordance with the provisions hereof, if so required under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of, any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the provisions of the Scheme. The Transferee Company shall be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances required for the purposes specified above by the Transferor Company. Upon the Scheme becoming effective, all permissions, licences approvals, incentives, remissions, tax incentives, consents, sanctions, and other authorisations, to which the Transferor Company is entitled, shall stand vested in the Transferee Company and permitted or continued by the order of sanction of the Court. The Transferee Company shall file the Scheme with applicable statutory authorities for their record, who shall take it on record pursuant to the sanction orders of the Court.

**IN THE HIGH COURT OF DELHI AT NEW DELHI**  
**COMPANY JURISDICTION**  
**Company Petition No. 157 of 2011**  
**Connected With**  
**Company Application (Main) No. 209 of 2010**  
**(Under Sections 391 and 394 of the Companies Act, 1956)**

**IN THE MATTER OF:**

The Companies Act. 1956

**AND IN THE MATTER OF:**

An Application under Sections 391(1), 393 and 394 of the Companies Act, 1956.

**AND IN THE MATTER OF:**

A Scheme of Arrangement of

**PEARL GLOBAL LIMITED**

a Company incorporated under the Companies Act, 1956  
with its registered office at A-3, Community Centre,  
Naraina Industrial Area, Phase II, New Delhi 110028

.....**Petitioner Company No.**  
**1/Transferor Company**

**AND**

**HOUSE OF PEARL FASHIONS LIMITED**

a company incorporated under the Companies Act, 1956  
with its registered office at A-3, Community Centre,  
Naraina Industrial Area, Phase II, New Delhi 110028

.....**Petitioner Company No.**  
**2/Transferee Company**

Schedule of assets of Pearl Global Limited (the "**Transferor Company**") as at November 25, 2011 to be transferred to and vested in House of Pearl Fashions Limited (the "**Transferee Company**") with effect from the Appointed Date (April 1, 2010).

## PART-I

## SCHEDULE-ii

## ILLUSTRATIVE (AND EXHAUSTIVE) DESCRIPTION OF FREEHOLD PROPERTY OF THE TRANSFEROR COMPANY

S. NO.	Address	Approximate Area (in square meters)
1.	Plot No. 222, Phase I, Udyog Vihar, Gurgaon	2,625
2.	Plot No. 10, Sector 5, G.C. Bawal (Rewari)	39,951.71
3.	Plot No. 51, Sector 32, Gurgaon - 122 001	4,050
4.	Plot No. 446, Phase V, Gurgaon - 122 016	3,900
5.	Plot No. A-21/13, Naraina Industrial Area, Phase-II, New Delhi - 110 028	443.54
6.	Plot No. H-597-603, Bhiwadi, District Alwar, Rajasthan	4,647.50
7.	Plot No. 751, Pace City II, Sector 37, Khandsa, Gurgaon - 122 004	2,100
8.	Plot No. 16/17, Udyog Vihar, Phase VI, Khandsa, Gurgaon - 122 004	8,800
9.	Details of 65 Kanal 6 Marla land at Village Narsinghpur, NH-8, Gurgaon	33,032
	Mustil No. 19	
	Kila No. 25/1/2/1 (1 Kanal, 2 Marla)	
	Kila No. 25/1/2/2 (1 Kanal, 15 Marla)	
	Kila No. 25/2/2/2 (1 Kanal, 7 Marla)	
	Kila No. 25/2/2/1 (0 Kanal, 2 Marla)	
	Kila No. 25/2/1 (1 Kanal, 3 Marla)	
	Mustil No. 20	
	Kila No. 21/1/2 (2 Kanal, 0 Marla)	
	Kila No. 21/1/1 (1 Kanal, 16 Marla)	
	Kila No. 21/2 (3 Kanal, 16 Marla)	
	Mustil No. 23	
	Kila No. 10/2 (1 Kanal, 8 Marla)	
	Kila No. 10/1 (6 Kanal, 0 Marla)	
	Kila No. 9 (8 Kanal, 0 Marla)	
	Kila No. 8/2 (2 Kanal, 16 Marla)	
	Kila No. 13/1 (2 Kanal, 16 Marla)	
	Kila No. 12/2 (6 Kanal, 0 Marla)	
	Kila No. 12/1 (2 Kanal, 0 Marla)	
	Kila No. 11/2 (2 Kanal, 13 Marla)	
	Kila No. 11/3 (3 Kanal, 6 Marla)	
	Kila No. 19/2 (0 Kanal, 19 Marla)	
	Kila No. 20 (0 Kanal, 19 Marla)	
	Kila No. 1/1/2 (0 Kanal, 11 Marla)	
	Kila No. 1/3/2 (1 Kanal, 9 Marla)	
	Kila No. 1/1/1 (3 Kanal, 9 Marla)	
	Kila No. 1/3/1 (2 Kanal, 2 Marla)	
	Mustil 24	
	Kila No. 4/2/3/2 (0 Kanal, 5 Marla)	
	Kila No. 5/2/2/2 (1 Kanal, 3 Marla)	
	Kila No. 4/2/3/1 (0 Kanal, 12 Marla)	
	Kila No. 5/2/1/2 (5 Kanal, 17 Marla)	

**PART-II**

**ILLUSTRATIVE (AND NOT EXHAUSTIVE) DESCRIPTION OF LEASEHOLD PROPERTY OF THE TRANSFEROR COMPANY**

<b>S. No.</b>	<b>Address</b>	<b>Approximate Area</b>
1.	Plot No. 37, Netaji Apparel Park, Eettiveerampalayam Village, Tirpur - 641 666	1.8 acres
2.	Plot No. K-61, Sipcot Apparel Park, Irungattukottai, Kancheepuram District Chennai - 602 105	5 acres
3.	Plot No. D-6/II, Phase-II, Zone B MEPZ-SEZ, Kadapperi Village, Taluk Tambaram, Kancheepuram District Chennai - 600 045	14,383 square meters
4.	Plot No. D-6/III, Phase-II, Zone B MEPZ-SEZ, Kadapperi Village, Taluk Tambaram, Kancheepuram District Chennai - 600 045	2,234 square meters
5.	Plot No. 274, Phase-II, Udyog Vihar, Gurgaon	80,000 square feet
6.	Plot No. 684, Pace City-II, Sector-37, Gurgaon	20,000 square feet
7.	Plot No. 551, Phase-V, Udyog Vihar, Gurgaon	2,700 square feet
8.	Plot No. A-5 (2nd Floor), Community Centre Naraina Industrial Area, Phase-II, Delhi	1,500 square feet

**PART-III**

**STOCK, SHARES, DEBENTURES AND OTHER CHARGES IN ACTION OF THE TRANSFEROR COMPANY**

<b>S. No.</b>	<b>Particulars</b>
1.	Software
2.	Inventories
3.	Plant and Machinery
4.	Furniture, Fixtures and Office Equipment

Dated this the 11th November, 2011  
By order of the Court

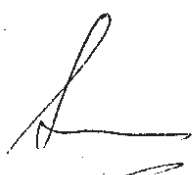
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 New Delhi



  
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IN THE HIGH COURT OF DELHI AT NEW DELHI  
ORDINARY ORIGINAL JURISDICTION  
COMPANY PETITION NO. 590 OF 2013

IN  
COMPANY APPLICATION (M) NO.100 OF 2013

IN THE MATTER OF:  
The Companies Act, 1956

AND  
IN THE MATTER OF:  
A joint application under Section  
391 to 394

AND

IN THE MATTER OF:

Pearl Global Industries Limited

... PETITIONER NO. 1/  
TRANSFEROR COMPANY/  
DEMERGED COMPANY

AND  
PDS Multinational Fashions  
Limited

... PETITIONER NO.2/TRANSFEEE  
COMPANY/RESULTING COMPANY

**MEMO OF PARTIES**

Pearl Global Industries Limited,  
a Public Limited Company  
incorporated on 5<sup>th</sup> July 1989,  
under the Companies Act, 1956,  
having its registered office situated  
at A-3, Community Centre,  
Naraina Industrial Area, Phase -  
II, New Delhi - 110028

... PETITIONER NO. 1/  
TRANSFEROR COMPANY/  
DEMERGED COMPANY

*For Private Use*  
*Examiner Judicial Deptt*  
*High Court of Delhi*

C

AND  
PDS Multinational Fashions  
Limited, a Public Limited  
Company, incorporated on 6<sup>th</sup>  
April, 2011 under the Companies  
Act, 1956 having its registered  
office situated at A-3, Community  
Centre, Naraina Industrial Area,  
Phase - II, New Delhi - 110028


... PETITIONER NO.2/TRANSFEREE  
COMPANY/RESULTING COMPANY



MALINI SUD / Ad 171  
KHAITAN & KHAITAN  
ADVOCATES FOR THE PETITIONERS  
D-41, DEFENCE COLONY  
NEW DELHI - 110 024  
PHONE: 41552824/25

NEW DELHI  
DATED : 21.10.2013

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Authorised Under Section 79  
Indian Evidence Act.

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\* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ **CO. PET. NO.590/2013**

PEARL GLOBAL INDUSTRIES LTD. & ANR. ....Petitioners

Through: Ms. Malini Sud with Ms. Aditi  
Sharma and Mr. Salil Seth,  
Advocates for the Petitioners  
Mr Atma Sah Asstt. Registrar of  
Companies appearing for Regional  
Director.

**CORAM:**

**HON'BLE MR JUSTICE VIBHU BAKHRU**

**ORDER**

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**10.03.2014**

1. This second motion joint petition has been filed under Sections 391-394 of the Companies Act, 1956 ('Act') by the Petitioner Companies, seeking sanction of the Scheme of Arrangement ('Scheme') of Pearl Global Industries Limited (Transferor/Demerged Company) with PDS Multinational Fashions Limited (Transferee/Resulting Company).

2. Copies of the resolutions passed by the Board of Directors of the Petitioner Companies approving the Scheme of Arrangement have also been placed on record. It is also an accepted position that the Transferor Company has received the approvals of the National Stock Exchange and Bombay Stock Exchange (on both of which the Transferor Company is listed) vide letters dated 12.04.2013 read with letters dated 10.07.2013 and 11.07.2013.

3. It has been submitted that no proceedings under Sections 235 to

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Indian Evidence Act.**

251 of the Act, are pending against the Petitioner Companies.

4. So far as the share exchange ratio for arrangement is concerned, the Scheme provides that, upon the Scheme finally coming into effect, the shareholders of the Transferor Company shall be allotted and issued 6 Equity Shares of the Transferee Company of ₹10/- each (fully paid-up) for 5 Equity Shares of ₹10/- each (fully paid-up) held by shareholder of the Transferor Company.

5. It has also been submitted by the Petitioner Companies that upon the coming into effect of the Scheme of Arrangement between the Petitioner Companies and pursuant to allotment of the shares by the Transferee Company, as per the share exchange ratio calculated on the net asset value method, the share capital of the Transferor Company shall stand reduced by reducing the Share Premium Account, in accordance with sections 100 of the Companies Act, 1956 and other applicable provisions and the present order sanctioning the Scheme of Arrangement shall be deemed to be an order passed under section 102 of the Companies Act, 1956. It is also submitted that the authorised share capital of the Resulting Company shall stand increased to the extent set out in the Scheme and that the Company shall follow the procedure prescribed under Section 94 and 97 of the Companies Act, 1956 in respect of the same.

6. The Petitioner Companies had earlier filed CA (M) No. 100 of 2013, seeking directions of this Court for convening of meetings of the shareholders and the creditors of the Transferor Company. By order dated

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High Court of Delhi of  
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of the Evidence Act.**

02.08.2013 this Court allowed the application and directed the convening of meetings of Shareholders, Secured Creditors and Unsecured Creditors of the Transferor Company. The Court dispensed with the requirement of convening the meetings of the Shareholders, Secured Creditors and Unsecured Creditors of the Transferee Company. Further, the Court directed that separate meetings of the Shareholders, Secured and Unsecured Creditors of the Transferor Company shall be held on 04.10.2013 at Sri Sathya Sai International Centre, Lodhi Road, New Delhi at 10.30 a.m., 12.30 p.m. and 02.30 p.m. respectively. In the meetings directed by this Court, the Scheme was approved with requisite majority by those who were present and voting.

7. The Transferor and Transferee Company have thereafter, filed the present petition seeking sanction of the Scheme of Arrangement. By order dated 08.11.2013 notice on the petition was directed to be issued to the Registrar of Companies ('ROC') and the Central Government. Citations were also directed to be published in "The Business Standard" (English) and "Jansatta" (Hindi). Affidavit of service and publication has been filed on behalf of the Petitioners Companies on 26.02.2014, showing compliance regarding service of the petition on the Central Government and also regarding publication of citations in the aforesaid newspapers on 05.02.2014. Copies of the newspaper cuttings, in original, containing the publications have been filed along with the affidavit of service dated 26.02.2014 filed on behalf of the Petitioner Companies.

8. In response to the notices issued in the Petition, Mr. B. N. Harish, Regional Director, Northern Region, Ministry of Corporate

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High Court of Delhi of  
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Indian Evidence Act**

Affairs, has filed his Affidavit dated 06.03.2014 and has made the following observations:

a). In para 5 the Regional Director states that upon the Scheme becoming operative the Authorised Share Capital of the Transferee/Resulting Company shall increase and the Transferee/Resulting Company may be asked to follow the procedure prescribed under Section 94 and 97 of the Companies Act, 1956. In response to the said objection, the counsel for the Petitioner Companies has undertaken to follow the procedure prescribed under Section 94 & 97 of the Companies Act, 1956.

b). The Valuation Report of the Chartered Accountants is incomplete and unfair on the following grounds:-

i). In valuing the assets of the Demerged Undertaking an item is taken as 'Net Appreciation in the Value of Investments i.e. ₹190.02 crores' and Foot note for that is disclosed as "Net Appreciation in the value of investment is the difference between the Net Assets Value and Book Value of investment related to the demerged undertaking." From the above, it is clear that it is simply a balancing figure without actuality arising at actual appreciation of value of investment. Hence valuation is incomplete.

ii). Similarly for a valuing the assets of resulting company, it is also observed that item is taken under "Net Appreciation in the Value of Investment" of ₹5.42 crores and disclosed by one of foot note showing that "Net Appreciation in the value of investment is the

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High Court of Delhi  
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Indian Evidence Act.**

difference between the Net Assets value and Book value of investment remained after demerger.”

iii) From the above, it is clear that it is simple balancing figure without actually arriving at actual appreciation of value of investment. Hence, valuation is not correct. It is further, submitted that valuation calculated by the Chartered Accountant is also not fair. In both the case there are other appreciable assets such as land. Since such appreciation Chartered Accountant should have considered the appreciation in the value of land alongwith value of investment.

9. The counsel for the Petitioner Companies submits that these objections of the Regional Director do not hold good for the following reasons:-

i) The scheme provides for transfer of all the assets, properties and liabilities of the Demerged Undertaking to the Resulting Company at the value appearing in the books of the Demerged Company as at the close of business on 31.03.2012.

ii) The Share Entitlement Ratio (Swap Ratio) as certified by the Chartered Accountants is calculated based on the Net Assets Value as on appointed date being 31.03.2012. However, the Net Assets Value includes the actual appreciation in the value of investment as on 31.03.2012, which is clarified by way of a footnote in said certificate to be the difference between the Net Assets Value of investments and the Book Value of Investments as on 31.03.2012.

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High Court of Delhi of  
Authorised Under Section 70  
Indian Evidence Act.**

iii) Although, the net appreciation in the value of investments considered in the Demerged Undertaking is the balancing figure (i.e. the difference in book value and the net asset value). However, the same also represents the actual appreciation as per Net Assets Value of investments of Demerged Undertaking. The net appreciation in the value of investments considered in the Resulting Company is actual appreciation as per Net Assets Value of investments of Demerged Undertaking. The foot note is merely an explanation and cannot lead to a conclusion that the valuation report is incomplete.

10. It is apparent from the above that although the net appreciation in the value of the investment is a balancing figure the same does reflect the difference between the book value and the fair value taken by the Chartered Accountant. Therefore, no fault can be found with the explanation given by the Chartered Accountant by way of a footnote.

11. The Regional Director has pointed out that although appreciation in investment has been considered the appreciation in fixed tangible assets has not been considered. The said assets have been taken at book value. Perusal of the statement showing the Net Asset Value of the demerged undertaking indicates that while the investment stand at ₹100.50 crores, the fixed tangible assets are reflected at ₹1.69 crores. It is obvious that the Chartered Accountant has not considered the value of the tangible assets to be significant to consider their revaluation as necessary. It is not necessary that in every cases the assets must be revalued. It is for the expert valuer to consider which assets should be revalued and no fault can be found in the valuer adopting the book value to

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Section 70, Evidence Act.**



value certain assets. In any event, the companies are closely held companies and the valuation has also been accepted by the shareholders. In the circumstances, the representation made by the Regional Director in this regard is without substance.

12. The Regional Director has also observed that the appointed date as per the Scheme is 01.04.2012, whereas the profit and loss account for the period upto 31.03.2013 has already been filed under the Companies Act, 1956 and therefore, has suggested that the appointed date should be shifted to 01.04.2013. The counsel for the Petitioner Companies has pointed out that mere filing of the profit and loss account and the balance sheet for the subsequent period does not require the shifting of the appointed date and any shifting of the appointed date would require the revision of the entire Scheme.

13. In para 6 of the affidavit filed by the Regional Director, it is observed that the petitioning companies had received the no objection from the National Stock Exchange and Bombay Stock Exchange earlier which were withdrawn and, subsequently, fresh no objections were granted. Mr Atma Sah submits that the circumstances in which the same were done is not disclosed. The learned counsel appearing for the petitioner states that there were certain changes in the SEBI guidelines and accordingly, fresh no objections were sought. Be that as it may, there is not dispute that the National Stock Exchange and Bombay Stock Exchange have granted their approval and in the circumstances there could be no objection on this account.

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High Court of Delhi  
Authorized Under Section 74  
Indian Evidence Act.

14. The Regional Director, in para 8 of its affidavit, has stated that only one investment has been demerged to the resulting company while other investments continue to remain with the demerged company. It has been explained that the scheme itself is an arrangement where one strategic investment is proposed to be transferred to the resulting company. This is the essence of the scheme which has been accepted. It is not necessary that all investments must be transferred. So long as an identifiable undertaking exists there can be no objection or transfer of the same by way of a scheme as is proposed in the present case. It has been explained that the investment in question is a strategic investment and, therefore, would constitute a separate undertaking. The observations of the Regional Director in this regard also cannot be sustained.

15. In paragraph 10, the Regional Director has observed that since only one investment is being demerged. The scheme may not be compliant with the definition as contained in Section 2(19AA) of the Income Tax Act. In this regard, it is clarified that the Income Tax Authorities would independently assess whether the scheme falls within the definition of demerger under Section 2(19AA) of the Income Tax Act. The sanction of the preset scheme would not in any manner restrict the Income Tax Authorities from considering the scheme on its own merits. With these observations, the objections of the Regional Director stand addressed.

16. The other objection taken by the Regional Director was that the company should be asked to give an undertaking for all compliance from Reserve Bank of India as required under FEMA for transaction involvement, foreign banks/ entities as well as for an undertaking that the

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High Court of Delhi of  
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Indian Evidence Act**

procedure prescribed under Section 94 and 97 of the Companies Act, 1956.

17. The counsel for the Petitioner Companies in response to the said observation has undertaken to comply with all requirements by Reserve Bank of India under FEMA, Income Tax as well as under the Companies Act and all other applicable laws.

18. The learned counsel appearing for the petitioner states that if the resulting company becomes a NBFC due compliance in this regard would be done by the resulting company. It is clarified that the sanction of the present scheme does not absolve the resulting company from complying with any provision of law that may be applicable including the any guidelines issued by the Reserve Bank of India.

19. In view of the above the observations raised by the Regional Director stand satisfied and the Scheme can be sanctioned.

20. No objection has been received to the Scheme of Arrangement from any other party. Ms. Malini Sud, learned counsel for Petitioner Companies, has filed an affidavit dated 06.03.2014, confirming that neither the Petitioner Companies nor has she received any objection pursuant to citations published in the newspapers. It is further submitted by the counsel for the Petitioner Companies that even as on date no objection has been received to the Scheme of Arrangement from any other party.

21. In view of the approval accorded by the Shareholders and Creditors

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of the Petitioner Companies; representation / reports filed by the Regional Director, Central Government with this Court to the proposed Scheme of Arrangement, the submissions of the counsel for the Petitioner Companies and in view of the undertakings given by the Petitioner Companies as recorded herein, there appears to be no impediment to the grant of sanction to the Scheme of Arrangement. Consequently, sanction is hereby granted to the Scheme of Arrangement under Sections 100-103, 391 and 394 of the Companies Act, 1956 and the share capital of the Transferor Company shall stand reduced as set out in the Scheme of Arrangement in terms of Section 100 of the Companies Act, 1956 and other applicable provisions of law. The Petitioner Companies will comply with all the requisite statutory requirements in accordance with law.

22. The certified copy of the order be filed with the Registrar of Companies within 30 days from the date of receipt of the same. In terms of the provisions of sections 391 and 394 of the Companies Act, 1956, and in terms of the Scheme of Arrangement, the whole or part of the undertakings, the properties, rights and powers of the Demerged Undertaking of Transferor Company be transferred to and vest in the Transferee Company, without any further act or deed. Similarly, in terms of the Scheme of Arrangement, all the liabilities and duties of the Demerged Undertaking of Transferor Company be transferred to the Transferee Company, without any further act or deed.

23. It is, however, clarified that this order will not be construed as an order granting exemption from payment of stamp duty or taxes or any other charges, if payable in accordance with any law or permission /

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High Court of Delhi of  
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compliance with any other requirement which may be specifically required under any law.

24. The learned Counsel for the Petitioner states that the Petitioner/Transferor Company would voluntarily deposit a sum of ₹1,00,000/- in the Common Pool fund of the Official Liquidator within three weeks from today. The statement is accepted.

25. The petition is allowed in the above terms.

Order *dasti*.

*Sd/-*  
VIBHU BAKHRU, J

MARCH 10, 2014  
RK/NA

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**Examiner, Judicial Department  
High Court of Delhi of  
Authorised Under Section 70  
Indian Evidence Act.**

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IN THE HIGH COURT OF DELHI AT NEW DELHI  
(ORIGINAL JURISDICTION)

IN THE MATTER OF COMPANIES ACT, 1956.  
AND  
IN THE MATTER OF SCHEME OF ARRANGEMENT UNDER SECTION  
391 TO 394.

OF

COMPANY PETITION NO. 590 OF 2013.  
CONNECTED WITH  
COMPANY APPLICATION NO (M) 100 OF 2013.

IN THE MATTER OF :

Pearl Global Industries Limited,  
A-3, Community Centre,  
Naraina Industrial Area, Phase- II,  
New Delhi- 110028. .... Transferor / Demerged Company.

AND

PDS Multinational Fashions Limited,  
A-3, Community Centre,  
Naraina Industrial Area, Phase- II,  
New Delhi- 110028. .... Transferee / Resulting Company.

**BEFORE HON'BLE MR. JUSTICE VIBHU BAKHRU.  
DATED THIS THE 10<sup>TH</sup> DAY OF MARCH , 2014.**

**ORDER UNDER SECTION 394 OF THE COMPANIES ACT 1956**

The above joint petition came up for hearing on 10/03/2014 for the sanction of the Scheme of Arrangement proposed to be made of Pearl Global Industries Limited ( hereinafter referred to as Transferor / Demerged Company) With

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High Court of Delhi of  
Authorised Under Section 75  
Indian Evidence Act**

PDS Multinational Fashions Limited ( hereinafter referred to as Transferee / Resulting Company) . The court examined the petition; the order dated 02/08/2013 passed in CA(M) 100 of 2013, whereby the requirement of convening and holding the meetings of the Shareholders and Unsecured creditors of Transferee/ Resulting Company for the purpose of considering, and if thought fit, approving with or without modification, the Scheme of Arrangement annexed to the affidavits both dated 19/ 07/ 2013 of Mr. Sandeep Sabharwal, Company Secretary/ Authorised Signatory of the Transferor/ Demerged Company and Mr. Pulkit Seth, Director of Transferee / Resulting Company were dispensed with ( there being no secured creditor in the Transferee / Resulting Company ) and separate meetings of Shareholders, Secured Creditors and Unsecured Creditors of the Transferor / Demerged Company were convened pursuant to the publication in the newspapers namely 'Business Standard' (English) & 'Jansatta' (Hindi) both dated 07/09/2013, the Chairpersons report filed and publication in the newspapers 05/02/2014 containing the notice of hearing of petition.

The court also examined the affidavit dated 06/03/2014 by the Regional Director, Northern Region, Ministry of Corporate Affairs and approved the proposed Scheme of Arrangement.

Upon hearing Ms. Malini Sud with Ms. Aditi Sharma and Mr. Salil Seth, Advocate for the Petitioners, Mr. Atma Sah, Asstt. Registrar of Companies appearing for Regional Director and in view of approval of Scheme of Arrangement without any modification by the Shareholders and Creditors of Transferor/ Demerged Company and Transferee/ Resulting Company ; and that there being no investigation proceeding in relation to the Transferor / Demerged Company and Transferee / Resulting Company under section 235 to 251 of the Companies Act, 1956,

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High Court of Delhi of  
Authorised Under Section 70  
Indian Evidence Act.

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THIS COURT DOETH HEREBY SANCTION THE SCHEME OF ARRANGEMENT set forth in Schedule-I annexed hereto and doth hereby declare the same to be binding on all the Shareholders & Creditors of the Transferor / Demerged Company & Transferee / Resulting Company and all concerned and doth approve the said Scheme of Arrangement with effect from the appointed date i.e. 01/04/2012.

AND THIS COURT DOETH FURTHER ORDER:

1. That in terms of the Scheme, the whole or part of the undertaking, the properties, rights and powers of the Demerged Undertaking of Transferor Company as specified in Schedule-II hereto be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to section 394(2) of the Companies Act, 1956 be transferred to and vest in the Transferee/ Resulting Company for all the estates & interest of the Transferor/ Demerged Company therein but subject nevertheless to all charges now affecting the same; and
2. That in terms of the Scheme, all the liabilities and duties of the Demerged Undertaking of Transferor Company be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to section 394(2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of Transferee Company; and
3. That all the proceedings now pending by or against the Transferor/ Demerged Company be continued by or against the Transferee/ Resulting Company; and

  
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116  
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Indian Evidence Act



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4. So far as the share exchange ratio for arrangement is concerned, the Scheme provides that, upon the Scheme finally coming into effect, the shareholders of the Transferor Company shall be allotted and issued 6 Equity Shares of the Transferee Company of Rs. 10/- each ( fully paid-up) for 5 Equity Shares of Rs. 10/- each ( fully paid-up) held by shareholder of the Transferor Company.
5. That the Petitioner Companies do within 30 days after the date of this order shall cause a certified copy of this order to be delivered to the Registrar of Companies for registration; and
6. It is clarified that this order will not be constructed as an order granting exemption from payment of stamp duty or taxes or any other charges, if payable in accordance with any law or permission/ compliance with any other requirement which may be specifically required under any law.
7. That any person interested shall be at liberty to apply to the court in the above matter for any directions that may be necessary.

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High Court of Delhi  
Authorized Under Section 70  
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5  
ANNEXURE - A  
39

SCHEME OF ARRANGEMENT

SCHEDULE - I  
- x - x -

UNDER SECTIONS 391 TO 394  
OF THE COMPANIES ACT, 1956

BETWEEN

PEARL GLOBAL INDUSTRIES LIMITED  
("Transferor Company/Demerged Company")

AND

PDS MULTINATIONAL FASHIONS LIMITED  
("Transferee Company/Resulting Company")

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Pearl Global Industries Limited  
*S. S. S.*  
Company Secretary

For PDS Multinational Fashions Ltd.  
*[Signature]*  
Director

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*[Signature]*  
Examiner Judicial Department  
High Court of Delhi of  
Authorized Under Section 7B  
Indian Evidence Act.

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PREAMBLE

(A) Description of the Companies:

1. Pearl Global Industries Limited (hereinafter referred to as "PGIL", is a limited company incorporated on 5<sup>th</sup> of July, 1989 under the Companies Act, 1956 having its registered office situated at A-3, Community Center, Naraina Industrial Area, Phase-II New Delhi, Delhi – 110028. PGIL was incorporated on July 5, 1989 as Mina Estates Private Limited, a private limited company, with the Registrar of Companies, Delhi and Haryana. Its name was changed to House of Pearl Fashions Private Limited with effect from June 19, 2006. Its name was further changed to its name, House of Pearl Fashions Limited, with effect from July 31, 2006 consequent upon its conversion to a public limited company. Its name was further changed to current name Pearl Global Industries Limited with effect from March 20, 2012.

2. PGIL is engaged in the business of manufacturing, export, import and trading which includes sourcing, distribution and marketing of ready to wear garments.

3. The equity shares of PGIL are listed on the Bombay Stock Exchange and the National Stock Exchange Limited.

3. PDS Multinational Fashions Ltd. (hereinafter also referred to as "PDS"), is a Limited company incorporated on 6<sup>th</sup> of April, 2011 under the Companies Act, 1956 having its registered office situated at A-3, Community Center, Naraina Industrial Area, Phase-II New Delhi, Delhi – 110028. PDS is the wholly owned subsidiary of PGIL and is inter – alia engaged in the business of trading which includes sourcing, distribution and marketing of ready to wear garments.

5. This Scheme of Arrangement is proposed for demerger of the Demerged Undertaking (described hereinafter) from PGIL and subsequent merger/amalgamation of the said Demerged Undertaking with and into PDS, pursuant to Sections 391 to 394 and other applicable provisions of the Companies Act, 1956.

Pearl Global Industries Limited

*Sukhdev*  
Company Secretary  
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Examiner Judicial Department  
High Court of Delhi of  
Authorised Under Section 70  
Indian Evidence Act.

For PDS Multinational Fashions Ltd.

*[Signature]*  
Director

477

(B) Purpose of the Scheme

1. This Scheme of Arrangement is presented under Section 391 to Section 394 of the Companies Act, 1956 and other applicable laws for the demerger of Demerged Undertaking from PGIL and its subsequent merger/amalgamation with and into PDS.
2. This scheme provides for the issue and allotment of shares of PDS to the shareholders of PGIL, as consideration for the transfer of the Demerged Undertaking from PGIL to PDS, and the subsequent listing of such shares on the Stock Exchanges.
3. This scheme also provides for various other matters consequential or otherwise integrally connected with the transfer and vesting of the Demerged Undertaking from PGIL to PDS.

(C) Rationale of the Scheme

The Scheme of Arrangement for demerger of the Demerged Undertaking of PGIL and subsequent merger/amalgamation with PDS would, *inter alia*, have the following benefits for the Shareholders:

1. The Sourcing Distribution & Marketing business of PGIL is a growing business, having the capability of attracting different set of investors, strategic partners, lenders and stakeholders. In the view of the same, it is proposed to demerge the said business and subsequently merge it into PDS.
2. Considering the size of PGIL and its significant growth in its business operations, it would be advantageous to re-organize it by demerging the Demerged Undertaking of PGIL and subsequently amalgamating the said Demerged Undertaking with and into PDS.
3. The re-organization will ensure better operational management and focus on accelerated growth of individual units, with higher returns to the shareholders, creditors, employees and also to the public in general.
4. Demerger of the said business of PGIL will enable having focused management attention on the said business.

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For PDS Multinational Fashions Ltd.

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Company Secretary *MS*

Examiner Judicial Department  
High Court of Delhi of  
Authorised Under Section 17  
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*[Signature]*  
Director

49 8

5. The Proposed Scheme of Arrangement is in the interest of all the parties to the Scheme and their respective shareholders and creditors, and will in the long term be in the interest and welfare of the employees.

In view of the aforesaid, the Board of Directors of Pearl Global Industries Limited as well as the Board of Directors of PDS Multinational Fashions Limited have considered and proposed the demerger of the Demerged Undertaking of PGIL and its subsequent merger / amalgamation with and into PDS in order to benefit the stakeholders of the two Companies. Accordingly, the Board of Directors of both the companies have formulated this Scheme of Arrangement pursuant to the provisions of Section 391 to Section 394 and other relevant provisions of the Companies Act, 1956.

(D) Parts of the Scheme

The scheme is divided into the following parts:

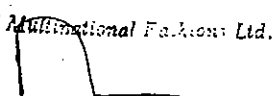
1. PART I deals with the Definitions of terms used in this Scheme of Arrangement and Share Capital of PGIL and PDS;
2. PART II deals with demerger of the Demerged Undertaking of PGIL and subsequent merger / amalgamation with and into PDS;
3. PART III deals with the Alteration of Memorandum of Association; reorganization of Share Capital and subsequent listing of shares of PDS;
4. PART IV deals with General Terms and Conditions; and
5. PART V deals with Other Terms and Conditions.

(E) The demerger of the Demerged Undertaking of PGIL and its subsequent merger with and into PDS, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with sections 2(19AA), 2(19AAA) and 2(41A) of Income Tax Act, 1961.


Pearl Global Industries Limited

  
Company Secretary

For PDS Multinational Fashions Ltd.

  
Director

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Indian Evidence Act.

48 9

PART I

**DEFINITIONS AND SHARE CAPITAL**

**1. DEFINITIONS**

In this Scheme (as defined hereinafter), unless repugnant to the context or meaning thereof, the following expressions shall have the meanings as under:-

- 1.1. "Act" means the Companies Act, 1956, and shall include any statutory modification, re-enactment or amendments thereof for the time being in force;
- 1.2. "Appointed Date" means for the purpose of this scheme, 1<sup>st</sup> April, 2012 or such other date as the Hon'ble High Court of New Delhi may direct or approve;
- 1.3. "Board of Directors" shall have the same meaning as under the Act;
- 1.4. "Book Value(s)" means the value(s) of the assets and the liabilities of the Demerged Undertaking as appearing in the books of accounts of PGIL at the close of the business as on 31<sup>st</sup> March, 2012;
- 1.5. "Demerged Company/Transferor Company" means Pearl Global Industries Limited, a limited company incorporated under the Companies Act, 1956 having its registered office situated at A-3, Community Center, Naraina Industrial Area, Phase-II New Delhi, Delhi - 110028.
- 1.6. "Demerged Undertaking" means the sourcing, distribution and marketing business of the Demerged Company as a going concern (as on the Appointed Date and as modified and altered from time to time till the Effective Date) and shall include but not limited to:-
  - a. all movable and immovable assets through which the Demerged Company carries on the said business activities and operations pertaining to Sourcing Distribution & Marketing;
  - b. all debts, liabilities, duties and obligations including reserves, contingent liabilities if any, appertaining or allocated to the Sourcing Distribution & Marketing business of the Demerged Company on the Appointed Date;
  - c. all agreements, contracts, engagements, permits, rights, registrations, entitlements, bids, all assignments and grants thereof tenders, letter of intent,

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*Sakshi*  
Company Secretary  
Examiner Judicial Department  
High Court of Delhi of  
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Indian Evidence Act.

*[Signature]*  
Director

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expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), approvals, consents, subsidies, tax credits, incentives, tenancies in relation to office and/or residential properties for the employees, investments or interest (whether vested, contingent or otherwise) in projects undertaken or contracted to be undertaken either solely or jointly with other parties, goodwill, trademarks, trade names, patents, copyrights, all other intellectual property, bank accounts, receivables, privileges, insurance claims and policies, power of attorney and authorities, certifications, all other rights including sales tax deferrals and exemptions and other benefits, lease rights, licenses, powers and facilities of every kind, nature and description whatsoever, rights to use and avail telephones, emails, telexes, facsimile, VSATs connections and installations and any other communication devices, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Demerged Undertaking, including licenses, approvals, certificates, clearances, exemptions and all benefits;

d. all deposits or benefits of any deposits, balances, earnest moneys, advances and/or security deposits paid or received by the Demerged Company directly or indirectly in connection with or relating to the Demerged undertaking;

e. all books, records, files, papers, process information, licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form in connection with or relating to the Demerged Undertaking;

**Explanation:**

1. For the purpose of this Scheme, it is clarified that the liabilities pertaining to the Demerged Undertaking are:

- a. The liabilities which accrue or arise out of the activities or operation of the Demerged Undertaking;
- b. Specific loans and borrowings (including debentures) raised, incurred and utilized solely for the activities or operation of the Demerged Undertaking; and
- c. Liabilities (including debentures, if any) other than those referred to in sub-clauses (a) and (b) above, if any, being the amounts of general or multipurpose borrowings of PGIL, for the business operations carried out by the Demerged Undertaking in the scientific method as approved by the Board of Directors immediately preceding the Appointed Date.

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For PDS Multinational Fashions Ltd.

*Sachin*  
Examiner Judicial Department  
High Court of Delhi of  
Authorised Under Section 19  
Indian Evidence Act  
Company Secretary

*[Signature]*  
Director

45 11

2. Any question that may arise as to whether a specified asset or liability pertain or does not pertain to the business operations carried out by the Demerged Undertaking shall be decided by mutual agreement between the Board of Directors of PGIL and PDS.

1.7 "Effective Date" means the last of the date on which the conditions and matters of the Scheme of Arrangement occur or has been fulfilled or waived and the certified copies of the order of the Hon'ble High Court of Delhi sanctioning the Scheme of Arrangement is filed with the registrar of companies by PGIL and PDS. Reference in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" shall mean the Effective Date.

1.8 "Governmental Authority" means any applicable Central, State or local Government, legislative body, regulatory or administrative authority, agency or commission or any Court, Tribunal, Board, Bureau or instrumentality thereof or Arbitration or Arbitral Body having jurisdiction.

1.9 "High Court" means the Hon'ble High Court of Delhi.

1.10 "Income Tax Act" means the Income Tax Act, 1961, or any statutory modification or re-enactment thereof for the time being in force.

1.11 "Liabilities" shall have the meaning ascribed to it in Clause 3.3 of Part II.

1.12 "Record Date" means the date to be fixed by the Board of Directors of Demerged Company for determining names of the equity shareholders of the Demerged Company, who shall be entitled to shares of PDS upon coming into effect of this Scheme.

1.13 "Residual Undertaking" means all the business, undertakings and divisions of the Demerged Company other than the Demerged Undertaking transferred to, and vested in PDS, pursuant to this Scheme of Arrangement.

1.14 "Resulting Company/Transferee Company" means PDS Multinational Fashions Ltd., a limited company incorporated under the Companies Act, 1956 having its registered office situated at A-3, Community Center, Naraina Industrial Area, Phase-II, New Delhi - 110028 into which the Demerged Undertaking will vest.

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*Examiner*  
Examiner Judicial Department  
Company Secretary High Court of Delhi of  
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Indian Evidence Act.

*Director*  
Director



48  
12

1.15 "Scheme of Arrangement" or "Scheme" means this Scheme of Arrangement, in its present form or with any modification(s) approved or directed by the Board of Directors of both the Demerged and Resulting Company and/or by the Hon'ble High Court and/or by any other authority for the purpose of demerger of the Demerged Undertaking of Demerged Company and its subsequent merger / amalgamation with and into the Resulting Company.

1.16 "Share Entitlement Ratio", as defined in Para 5.1 of the Scheme, means the ratio in which the Resulting Company/Transferee Company will issue and allot shares to each member of the Demerged Company/Transferor Company, whose name appear in the register of members of the Demerged Company on the Record Date.

1.17 "Shareholders" means the persons registered as holders of Equity Shares in the register of members.

1.18 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as ascribed to them under the Act and other applicable laws, rules and regulations, as the case may be, including any statutory modification or re-enactment thereof from time to time.

## 2. SHARE CAPITAL

2.1 The share capital structure of Demerged Company as on 31<sup>st</sup> March 2012 is as under:

Particulars	Amount in (Rs)
<u>Authorized Capital</u>	
51,440,000 Equity Shares of 10/- each	514,400,000
10,000 4% Non Cumulative Redeemable Preference Shares of Rs.10/- each	100,000
3,256,000 10.5% Non Cumulative Redeemable Preference Shares of Rs.100/- each	325,600,000
<u>Issued, Subscribed &amp; Paid up Capital</u>	
21,663,937 Equity Shares of Rs.10/- fully paid up	216,639,370

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For PDS Multinational Fashions Ltd.

*Subin*  
Company Secretary  
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Examiner Judicial Department  
High Court of Delhi of  
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Indian Evidence Act.

*[Signature]*  
Director

47 13

2.2 The share capital structure of Resulting Company as on 31<sup>st</sup> March, 2012 is as under:

Particulars	Amount in (Rs)
<u>Authorized Capital</u> 500,000 Equity Shares of 10/- each	5,000,000
<u>Issued, Subscribed &amp; Paid up Capital</u> 50,000 Equity Shares of Rs.10/- fully paid up	500,000

Pearl Global Industries Limited

*Sethu*  
Company Secretary

For PDS Multinational Fashions Ltd.

*[Signature]*  
Director

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**Examiner Judicial Department  
High Court of Delhi of  
Authorised Under Section 7A  
Indian Evidence Act.**

48  
14

PART II

DEMERGER AND SUBSEQUENT MERGER OF THE DEMERGED UNDERTAKING

3. **TRANSFER AND VESTING OF PROPERTIES, ASSETS AND LIABILITIES OF THE DEMERGED UNDERTAKING**

3.1 **GENERAL**

3.1.1 The provisions of Part II of the Scheme are intended to comply with the conditions relating to "Demerger" as specified under section 2[(19)AA] of the Income Tax Act. If, at a later date, any terms or provisions of Part II of the Scheme are found or interpreted to be inconsistent with the provisions of section 2[(19)AA] of the Income Tax Act, including resulting from an amendment of law or for any other reason whatsoever, the provisions of section 2[(19)AA] of the Income Tax Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with section 2[(19)AA] of the Income Tax Act. Such modification(s) will however not affect the other parts of the Scheme.

3.1.2 With effect from the Appointed Date and upon the Scheme becoming effective, the Demerged Undertaking comprising of all the assets and liabilities of whatsoever nature and wherever situated, shall, under the provisions of Section 391 read with Section 394 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to the Resulting Company, as a going concern in accordance with Section 2 (19AA) of the Income Tax Act, so as to become, as and from the Appointed Date, the assets and liabilities of the Resulting Company and all the rights, titles, interests or obligations of the said Undertaking therein shall be vested in the Resulting Company.

3.2 **TRANSFER OF ASSETS**

Without prejudice to the generality of the above clause:

3.2.1 With effect from the Appointed Date and upon the Scheme becoming effective, all the assets of the Demerged Undertaking which are movable in nature or incorporeal property or are otherwise capable of being transferred by manual delivery or by endorsement and delivery, shall be so transferred, delivered or endorsed and delivered, as the case may be, by the Demerged Company, and shall upon transfer

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For PDS Multinational Fashions Ltd.

*S. Chawla*  
Examiner Judicial Department  
High Court of Delhi  
Company Secretary  
Notarized Under Section 19  
Indian Evidence Act.

*[Signature]*  
Director

49 (15)

become the property and an integral part of the Resulting Company. In respect of such of the said assets other than those referred to hereinabove, the same shall, without any further act, instrument or deed, be transferred to, and vested in, and/or be deemed to be transferred to and vested in the Resulting Company.

3.2.2 All movable properties of Demerged Undertaking as are intangible in nature (other than those specified in clause 3.2.1 above) including, without limitation, actionable claims, sundry debtors, receivables, bills, credits, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed be transferred to and vest in the Resulting Company with effect from the Appointed Date, without any notice or other intimation to the debtors, although the Resulting Company may, if it so deems appropriate, give notice in such form as it may deem fit and proper to each of such person, debtor or depositor, as the case may be, that pursuant to the Hon'ble High Court having sanctioned the Scheme, such debt, loan, advance, bank balance, deposit or other asset be paid or made good or held on account of the Resulting Company as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realize all such debts (including the debts payable by such person or depositor to the Resulting Company) stands transferred and assigned to the Resulting Company and that appropriate entries should be passed in their books to record the aforesaid change.

3.2.3 All immovable properties (including land together with the buildings and structures standing thereon) of Demerged Company relating to Demerged Undertaking, whether freehold or leasehold and any document of title, rights and easements, if any, shall stand transferred to and be vested in Resulting Company, without any further act or deed by Demerged Company or Resulting Company. Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay ground rent, taxes and fulfill obligations, in relation to or applicable to such immovable properties. The mutation / substitution of the title to the immovable properties shall be made and duly recorded in the name of Resulting Company by the appropriate authorities pursuant to the sanction of the Scheme by the Hon'ble High Courts and the Scheme becoming effective in accordance with the terms hereof.

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*Sudhakar*  
Examiner Jurisdiction Department  
High Court of Judicature  
Company Secretary  
Authorized Under Section 70  
Indian Evidence Act.

*[Signature]*  
Director

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3.2.4 For the purpose of giving effect to the orders passed under Sections 391 to 394 of the Act, in respect of this Scheme, the Resulting Company shall at any time pursuant to the orders sanctioning this Scheme, be entitled to get the records of the change in the title and appurtenant legal right(s) upon the vesting of such assets of the Demerged Undertaking in the Resulting Company.

3.2.5 All assets, estate, rights, title, interest and authorities acquired by the Demerged Company in relation to the Demerged Undertaking, after the Appointed Date and prior to the Effective Date, shall also stand transferred to and vested in the Resulting Company, upon coming into effect of the Scheme.

3.2.6 For avoidance of any doubt, upon the Scheme becoming effective, all the rights, title, interest and claims of the Demerged Company in any leasehold property, including all the leases, of the Demerged Company in relation to the Demerged Undertaking shall, pursuant to Section 394(2) of the Act, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company. The Demerged Company shall, wherever necessary, execute all necessary documents at its cost, to effect and evidence such transfer and vesting of assets, rights, licenses etc., covered in this Scheme, more particularly under clauses 3.2.1 to 3.2.5 hereof, and make necessary applications to the authorities concerned, independently and/or jointly with the Resulting Company.

3.2.7 Without prejudice to the other provisions of the Scheme and notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of Part II of the Scheme itself, the Resulting Company may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary to be executed. The Demerged Company will, if necessary, also be a party to the above arrangements with third parties. The Resulting Company shall, under the provisions of Part II of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances referred above on the part of the Demerged Company.

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*Suhani*  
Examiner Judicial Department  
Company Secretary, Court of Delhi of  
Authorised Under Section 7B  
Indian Evidence Act.

*[Signature]*  
Director

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### 3.3 TRANSFER OF LIABILITIES

3.3.1 With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, contingent liabilities, reserves, duties and obligations of every kind, nature and description relating to the Demerged Undertaking shall, without any further act or deed, be transferred to, or be deemed to be transferred to the Resulting Company, so as to become as and from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company and the Resulting Company undertakes to meet, discharge and satisfy the same. In respect of general or multipurpose borrowings, debts, liabilities, if any, shall be transferred to or be deemed to be transferred to the Resulting Company in the proportion of the value of assets transferred. Further, it shall not be necessary to obtain consent of any third party or person (other than the creditors of both the Demerged and Resulting Company), who is a party to any contract or arrangement by virtue of such debts, liabilities, contingent liabilities, duties and obligations, in order to give effect to the provisions of this sub-clause.

3.3.2 Where any liability and obligation attributed to the Demerged Undertaking on the Appointed Date, has been discharged by the Demerged Company on behalf of the Demerged Undertaking, after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of the Resulting Company.

3.3.3 All liabilities and obligations attributed to the Demerged Undertaking, including unsecured loans, taken over by the Resulting Company, may be discharged by the Resulting Company by way of one time settlement or in any other manner as the Resulting Company may deem fit.

3.3.4 The transfer and vesting of the Demerged Undertaking as aforesaid, shall be subject to the existing securities, charges, hypothecation and mortgages, if any, subsisting in relation to any loans or borrowings of the Demerged Undertaking, provided any reference in any security documents or arrangements, to which the Demerged Company is a party, wherein the assets of the Demerged Undertaking have been or are offered or agreed to be offered as security for any financial assistance or

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Examiner, Judicial Department  
High Court of Delhi  
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Indian Evidence Act.

*[Signature]*  
Director

52 (18)

obligation, shall be construed as reference only to the assets pertaining to the Demerged Undertaking as are vested in the Resulting Company by virtue of this Scheme, to the end and intent that such security, charge, hypothecation and mortgage, shall not extend or be deemed to extend, to any of the other assets of the Demerged Company or any of the assets of the Resulting Company, provided further that the securities, charges, hypothecation and mortgages, if any, subsisting over and in respect of the assets or any part thereof of the Resulting Company, shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges, hypothecation or mortgages and shall not extend or be deemed to extend, to any of the assets of the Demerged Undertaking vested in the Resulting Company, provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Demerged Company in relation to the Demerged Undertaking which shall vest in the Resulting Company by virtue of the vesting of the Demerged Undertaking with the Resulting Company and the Resulting Company shall not be obliged to create any further or additional security, after the Scheme has become operative.

3.3.5 All the loans, advances and other facilities sanctioned to the Demerged Company in relation to the Demerged Undertaking by its bankers and financial institutions prior to the Appointed Date, which are partly drawn or utilized, shall be deemed to be the loans and advances sanctioned to the Resulting Company and the said loans and advances, shall be drawn and utilized either partly or fully by the Resulting Company from the Appointed Date till the Effective Date and all the loans, advances and other facilities so drawn by the Resulting Company in relation to the Demerged Undertaking (within the overall limits sanctioned by their bankers and financial institutions) shall on the Effective Date be treated as loans, advances and other facilities made available to the Resulting Company and all the obligations of the Demerged Company in relation to the Demerged Undertaking under any loan agreement, shall be construed and shall become the obligation of the Resulting Company, without any further act or deed on the part of the Resulting Company.

3.3.6 All loans raised and used, and liabilities incurred, by the Demerged Company after the Appointed Date, but prior to the Effective Date, for the operations of the

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Examiner Judicial Department  
Company Secretary Court of Delhi of  
Authorised Under Section 71  
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*[Signature]*  
Director

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Demerged Undertaking shall be discharged by the Resulting Company.

3.3.7 All debentures, bonds or other debt securities, if any, of the Demerged Company, in relation to the Demerged Undertaking whether convertible into equity or otherwise, shall on the Effective Date, be transferred to the Resulting Company.

3.3.8 All encumbrances over the assets of the Demerged Undertakings in so far as to meet the liabilities of the Residual Undertaking, shall, on the Effective Date, without any further act, instrument or deed be modified to the extent that they shall stand released and discharged from the obligations of the Demerged Undertaking and shall only extend to and continue to operate, against the assets retained by the Demerged Company.

3.3.9 Upon the coming into effect of the Scheme, the Resulting Company shall indemnify the Demerged Company in relation to any claim, at any time, against the Demerged Company in respect of the liabilities which have been transferred to it.

3.3.10 All loans raised and used, and liabilities repaid by the Demerged Company pertaining to its remaining business after the Appointed Date, but prior to the Effective Date, utilizing the surplus cash derived from the operations of Demerged Undertaking shall be discharged by the Demerged Company as may be mutually agreed.

3.3.11 Any claim, liability, demand or any statutory tax liability pertaining to operations of demerged undertaking up to effective date but arising any time after effective date, shall be deemed to be part of demerged undertaking and shall be borne by Resulting Company. In case the liability is incurred by the Demerged Company, then Resulting Company shall reimburse the amount to Demerged Company.

#### 3.4 SAVING OF CONCLUDED TRANSACTIONS

Upon coming into effect of this Scheme, the transfer of all the assets and liabilities of Demerged Undertaking to the Resulting Company and the continuance of all the contracts or legal proceedings by or against the Demerged Company, in relation to the Demerged Undertaking, shall not affect any contract or proceeding relating to the

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*Subram*  
Examiner Judicial Department  
Company Secretary High Court of Delhi  
Authorised Under Section 70  
Indian Evidence Act

*Director*



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said assets or the liabilities already concluded by the Demerged Company, on or after the Appointed Date till the Effective Date to the end and intent, such that the Resulting Company accepts and adopts all acts, deeds and things done, executed for and on behalf of the Demerged Undertaking by the Demerged Company, as acts, deeds and things done, executed for and on behalf of the Resulting Company.

### 3.5 RESIDUAL UNDERTAKING

3.5.1 The Residual Undertaking shall continue its business as a part of the Demerged Company.

3.5.2 The Residual Undertaking and all its assets, liabilities and obligations thereto, shall continue to belong to and be vested with and be managed by the Demerged Company.

3.5.3 All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal), by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case, relating to the Residual Undertaking (including those relating to any property, right, liability, obligation or duties of the Demerged Company) shall continue and be enforced by or against the Demerged Company after the Effective Date.

3.5.4 In case of any proceeding against the Resulting Company in respect of the outstanding matters referred to in Clause 3.5.3 above, shall be defended by the Resulting Company.

### 3.6 TRANSFER AT BOOK VALUES

All the assets, properties and liabilities of the Demerged Undertaking shall be transferred to the Resulting Company at the values appearing in the books of the Demerged Company at the close of business on 31<sup>st</sup> March 2012. For this purpose, any change in value of assets, consequent to their revaluation, if any, shall be ignored.

### 3.7 CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

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*[Signature]*  
Company Secretary  
Minister Judicial Department  
High Court of Delhi  
Authorised Under Section 70  
Indian Evidence Act

*[Signature]*  
Director

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3.7.1 Upon the coming into effect of this scheme, subject to the other provisions of this Scheme, all contracts, memorandum of understandings, tenders, bid documents, expressions of interest, deeds, bonds, agreements and other instruments of whatsoever nature ("Contracts") to which the Demerged Company is a party, in relation of the Demerged Undertaking, subsisting or having effect immediately before the Effective Date, shall remain in full force and effect against or in favour of the Resulting Company and may be enforced as fully and as effectually as if, instead of the Demerged Company, the Resulting Company had been a party thereto.

3.7.2 With effect from the Appointed Date and upon the Scheme becoming effective, all permits, quotas, rights, entitlements, licenses, registrations, trademarks, patents, copyrights, privileges, powers, facilities, subsidies, rehabilitation schemes, special status and other benefits or privileges (granted by any Government body, local authority or by any other person) of every kind and description of whatsoever nature in relation to the Demerged Undertaking of the Demerged Company, or to the benefit of which the Demerged Undertaking of the Demerged Company may be entitled, or having effect immediately before the Effective Date, shall be and remain in full force and effect in favor of or against the Resulting Company, as the case may be, and may be enforced fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a beneficiary or oblige thereto.

3.7.3 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory license, permission or approval or consent required to carry on the operations of the Demerged Undertaking of the Demerged Company shall stand vested in or transferred to the Resulting Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Resulting Company. The benefit of all such statutory and regulatory permissions, licenses, approvals and consents including statutory licenses, approvals, permissions or approvals or consents required to carry on the operations of the Demerged Undertaking of the Demerged Company shall vest in and become available to the Resulting Company, pursuant to the Scheme.

3.7.4 The Resulting Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite agreement, confirmations or Pearl Global Industries Limited

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High Court of Delhi  
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*Director*

58  
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novations to which the Demerged Company will, if necessary, also be a party in order to give formal effect to the provisions of this Scheme, if it is so required or if it becomes necessary.

### 3.8 CONTINUATION OF LEGAL PROCEEDINGS

3.8.1 All legal proceedings of whatever nature by or against the Demerged Company, in relation to the Demerged Undertaking, if pending, on the Effective Date, shall not abate, be discontinued or be in any way prejudicially affected by reason of the vesting of the Demerged Undertaking in the Resulting Company or of anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Resulting Company, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company, as if this Scheme had not been made.

3.8.2 The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company in relation to the Demerged Undertaking referred to in Clause 3.8.1 above, transferred in its name and to have the same continued, prosecuted and enforced by or against the Resulting Company.

### 3.9 STAFF, WORKMEN AND EMPLOYEES OF DEMERGED UNDERTAKING

3.9.1 Upon the Scheme becoming effective, all the staff, workmen and other employees engaged in the Demerged Undertaking of the Demerged Company, if any, immediately before Effective Date shall become the staff, workmen and employees of the Resulting Company on the basis that:

- i. their service should have been continuous and should not have been interrupted by reason of the demerger; and
- ii. the terms and conditions of service applicable to the said staff, workmen or employees after such transfer, shall not in any way be less favorable to them than those applicable to them immediately before the transfer;

3.9.2 Further, it is expressly provided that, on the Scheme becoming effective, the existing provident fund, gratuity fund, superannuation fund and any other special fund and/or schemes and trusts (collectively referred to as "Funds"), if any, created or existing for the benefits of the employees of the Resulting Company, for all purposes

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Director

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whatsoever in relation to the administration or operation of such funds/trusts/schemes or in relation to the obligation to make contributions to the said funds/trusts/schemes in accordance with the provisions thereof as per the terms provided in the agreements/deeds governing such funds/trusts/schemes, if any, to the end and intent that all rights, duties, powers and obligations of the Demerged Company in relation to such funds/trusts/schemes shall become those of the Resulting Company. It is clarified that the services of the employees of the Resulting Company will be treated as having been continuous for the purpose of the said funds/trusts/schemes.

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*[Signature]*  
Company Secretary

For PDS Multinational Fashions Ltd.  
*[Signature]*  
Director

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PART III

4. ALTERATION TO THE MEMORANDUM OF ASSOCIATION

4.1 On this Scheme becoming operative, the Authorized Share Capital of the Resulting Company shall increase to Rs. 27,00,00,000 (Rupees Twenty Seven Crores) in terms of its Memorandum of Association. The Resulting Company shall take necessary steps to increase and alter its Authorized Share Capital. Consequently, Clause "V" of the Memorandum of Association of the Resulting Company (relating to the Authorized Share Capital) shall without any further act, instrument or deed, be and stand altered, modified and amended and no separate resolutions under Sections 16, 31, 94 and 394 and other applicable provisions of the Act, as the case may be, shall be required to be adopted for effecting such modification and the capital clause being Clause V of the Memorandum of Association of the Transferee Company shall on the Effective Date stand substituted to read as follows:-

*"V. The Authorised Share Capital of the Company is Rs. 27,00,00,000 (Rupees Twenty Seven Crores) divided into 2,70,00,000 (Two Crore Seventy Lacs) Equity Shares of Rs. 10 (Rupees Ten) each"*

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

5. RE-ORGANIZATION OF SHARE CAPITAL OF THE RESULTING COMPANY

5.1 After the Scheme comes into effect, in consideration of the demerger including the transfer and vesting of the Demerged Undertaking in the Resulting Company, pursuant to Part II of this Scheme, the Resulting Company shall, without any further act or deed, issue and allot to each member of the Demerged Company

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*S. K.*  
Examiner Judicial Department  
Company Secretary High Court of Delhi of  
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*Director*

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whose names are recorded in the register of members of the Demerged Company on the Record date, equity shares in the Resulting Company and the share capital of the Resulting Company shall be restructured and reorganized in the manner set out herein below:

*"Upon the coming into effect of the Scheme of Arrangement, pursuant to Part II of the Scheme, the Resulting Company shall, without any further act or deed, issue and allot to each shareholder of the Demerged Company whose name is recorded in the register of members of the Demerged Company on the Record date, the equity shares of the Resulting Company in the Share Entitlement Ratio of 6 Equity Share in the Resulting Company of Rs.10/- credited as fully paid up for every 5 Equity Shares of Rs10/- each fully paid up held by such shareholder in the Demerged Company. The Equity Shares so issued and allotted, shall rank pari passu in all respects with the existing Equity Shares of the Resulting Company".*

5.2 Upon coming into effect of this Scheme, the reduction of Share Premium of the Demerged Company, shall form an integral part of the Scheme and the approval to the Scheme by the Shareholders and the Creditors of the Demerged Company, shall be deemed to be their consent under the provisions of Section 100 and any other applicable provisions of the Act, to such reduction of capital of the Demerged Company and the Demerged Company shall not be required to convene any separate meeting for that purpose. The order of the Hon'ble High Court sanctioning the Scheme shall be deemed to be an Order under Section 102 of the Act.

5.3 In case any Shareholder's holding in the Demerged Company is such that the shareholder becomes entitled to a fraction of an equity share of the Resulting Company, the Resulting Company shall consolidate such fractions and issue consolidated equity shares to Directors/Promoters/officers of the Resulting Company as the Board of Directors of Resulting company shall deem fit, who shall sell the same in the market after they are listed at the available price and pay the net proceed (after deduction of the expenses incurred) to the Resulting Company, whereupon the Resulting Company shall distribute the net sale proceeds to the shareholders respectively, entitled to the same, in proportion to their respective fractional entitlements in Resulting Company.

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*Siddharth*  
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High Court of Delhi  
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*[Signature]*  
Director

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5.4 Upon the Scheme coming into effect, the issue and allotment of the shares as provided in this Scheme shall be carried out in accordance with the provisions of the Act. Each of the shareholders of the Demerged Company holding shares in physical form shall have the option, exercisable by notice, in writing by them to the Resulting Company on or before the Record Date, to receive the shares of the Resulting Company, either in certificate form or in dematerialized form, in lieu of their shares in the Demerged Company in accordance with the terms hereof. In the event that such notice has not been received by the Resulting Company in respect of any of the members of the Demerged Company, the shares of the Resulting Company shall be issued to such members in physical form. Those of the members of the Demerged Company who exercise the option to receive the shares in dematerialized form, shall be required to have an account with a depository participant and shall provide full details thereof and such other confirmations as may be required in the notice provided by such shareholders to the Resulting Company. It is only thereupon that the Resulting Company shall issue and directly credit the demat/dematerialized securities account of such member with the shares of the Resulting Company.

5.5 Upon the Scheme coming into effect, the members of the Demerged Company holding shares of the Demerged Company in dematerialized form shall have the option, exercisable by a notice in writing by them to the Resulting Company on or prior to the Record Date, to receive the shares of the Resulting Company either in certificate form or in dematerialized form, in lieu of their shares in the Demerged Company in accordance with the terms hereof. In the event that such notice has not been received by the Resulting Company in respect of any of the members of the Demerged Company, the shares of the Resulting Company shall be issued to such members in dematerialized form as per the records maintained by the National Securities Depository Limited and / or Central Depository Services (India) Limited in terms of Clause 5.1 above.

5.6 Upon the coming into effect of this Scheme, the issue and allotment of new equity shares in the Resulting Company to the Shareholders of the Demerged Company as provided in this Scheme, shall be deemed to have been carried out in compliance with the procedure laid down under applicable provisions, if any, of the

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For PDS Multinational Fashions Ltd.

*Sethi*  
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Company Secretary Court of Delhi at  
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*[Signature]*

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Act and it is clarified that no separate approvals shall be obtained by the Resulting Company in this regard.

5.7 For the purpose aforesaid, the Resulting Company shall, if and to the extent required, apply for and obtain any approvals including that of Reserve Bank of India and other concerned regulatory authorities for the issue and allotment by the Resulting Company of New Equity Shares to the members of the Demerged Company.

5.8 The entire Equity Share Capital of the Resulting Company including the New Equity Shares issued in terms hereof shall, subject to payment of the appropriate fee and approval of the respective stock exchange(s), be listed on recognized stock exchange(s) in India, where the shares of the Demerged Company are already listed.

5.9 The New Equity Shares in the Resulting Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing / trading permission is given by the designated stock exchanges.

5.10 There shall be no change in the shareholding pattern or control in the Resulting Company between the Record Date and the listing in the designated stock exchanges.

5.11 Upon coming into effect of this Scheme and pursuant to the allotment of shares by the Resulting Company in terms of Clause 5.1 above, the existing share premium account of the Demerged Company, amounting to Rs. 2,778,164,164/- shall be reduced to Rs. 1,710,389,823 /- shall be cancelled, forming an integral part of this Scheme, in accordance with provisions of sections 100 to 103 of the Act and order of the Hon'ble High Court sanctioning the Scheme, shall be deemed to be an order under section 102 of the Act, for the purpose of confirming the reduction in the share premium of the Demerged Company. The reduction in the share premium of the Demerged Company, shall not involve any diminution of liability in respect of unpaid share capital or payment of paid-up share capital and the provisions of Section 101 of the Act will not be applicable in respect thereof.

5.12 Upon coming into effect of this Scheme, no special resolution under section

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*S. Subramanian*  
Company Secretary  
Examiner Judicial Department  
High Court of Delhi  
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Indian Evidence Act.

*[Signature]*  
Director



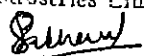
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81(1A) of the Act, shall be required to be passed by the Resulting Company separately in a General Meeting for issue of shares to the shareholders of the Demerged Company under the Scheme and upon the members of the Resulting Company approving the Scheme, it shall be deemed that they have given their consent to the issue of shares of the Resulting Company to the shareholders of the Demerged Company on the basis of the Share Entitlement Ratio.

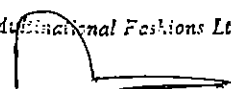
5.13 Upon coming into effect of this Scheme, where shares are to be allotted under this Clause to the heirs, executors or administrators or, as the case may be, to the successors of the deceased equity shareholders of the Demerged Company, the concerned heirs, executors or administrators or, as the case may be, the successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of the Resulting Company.

5.14 The shares proposed to be allotted pursuant to the Scheme shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Resulting Company and shall rank *pari passu* with the existing shares of the Resulting Company, including the rights in respect of dividend and bonus shares, if declared by the Resulting Company on or after the Effective Date as specified in Clause 8.


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Company Secretary

For PDS Multinational Fashions Ltd.

  
Director

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63  
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PART IV

6. GENERAL TERMS AND CONDITIONS

6.1 CONDUCT OF THE BUSINESS AS AND FROM THE APPOINTED DATE TILL EFFECTIVE DATE

6.1.1 The Demerged Company in relation to the Demerged Undertaking, undertakes to preserve and carry on the business, with reasonable diligence and business prudence and shall not undertake financial commitments or sell, transfer, alienate, charge, mortgage, or encumber or otherwise deal with or dispose of any of properties, assets and liabilities in relation to the Demerged Undertaking or any part thereof save and except in each case:

- a. if the same is in its ordinary course of business; or
- b. if the same is expressly permitted by this Scheme; or
- c. if the prior written consent of the Board of Directors of the Resulting Company has been obtained.

6.1.2 The Demerged Company with effect from the Appointed Date and up to and including the Effective Date:

- i. Shall carry on and shall be deemed to have carried on all its business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the Demerged Company in relation to the Demerged Undertaking on account of, and for the benefit of and in trust for the Resulting Company.
- ii. All the profits or incomes accruing or arising to the Demerged Company in relation to the Demerged Undertaking, or expenditure or losses arising or incurred (including but not limited to the effect of advance tax, tax deducted at source, Minimum Alternate Tax credit, taxes withheld/paid in a foreign country, etc.), thereon by the Demerged Company in relation to the Demerged Undertaking shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses or effect of taxes as the case may be, of the Resulting Company.

Pearl Global Industries Limited *For PDS Multinational Fashion Ltd.*  
*Sobhan* *Director*  
Company Secretary *Noted to be True Copy*  
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iii. Any of the rights, powers, authorities, privileges, attached, related or pertaining to or exercised by the Demerged Company, in respect of the Demerged Undertaking, shall be deemed to have been exercised by the Demerged Company, for and on behalf of, and in trust for and as an agent of the Resulting Company. Similarly, any of the obligations, duties, commitments attached, related or pertaining to the Demerged Company that have been undertaken or discharged by the Demerged Company, shall be deemed to have been undertaken for and on behalf of and in trust for and as an agent for the Resulting Company.

From the Appointed Date until the coming into effect on the Effective Date of this Scheme, the Demerged Company shall not make any change in its capital structure either by any increase, (by issue of equity shares on a rights basis, bonus shares, convertible debentures or otherwise) or by decreasing, reducing, re-classification, sub-division or consolidation, re-organization, or in any other manner which may, in any way, affect the Share Entitlement Ratio (as provided in clause 5.1 above), except by mutual consent of the respective Board of Directors of the Demerged Company and the Resulting Company or as may be expressly permitted under this Scheme or as may be required to give effect to the Scheme.

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

- i. All assets and properties which are acquired by the Demerged Company in relation to the Demerged Undertaking, on or after the Appointed Date, in accordance with the Scheme, shall be deemed to be the assets and properties of the Resulting Company.
- ii. All debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations which arise or accrue to the Demerged Company in relation to the Demerged Undertaking, on or after the Appointed Date in accordance with this Scheme, shall be deemed to be debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations of the Resulting Company.

Pearl Global Industries Limited

*Sulbany*  
Company Secretary

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High Court of Delhi of  
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For PDS Multinational Fashions Ltd.

*[Signature]*  
Director

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6.1.4 Any issue as to whether any asset or liability pertains to Demerged Undertaking or not shall be decided by the Board of Directors of the Demerged Company and the Resulting Company, either by themselves or through a Committee appointed by them in this behalf, on the basis of such evidence as they may deem relevant (including the books and records of the Demerged Company).

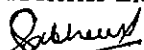
6.1.5 The Demerged Company and the Resulting Company shall make and/or revise their income tax returns and related TDS certificates and shall have the right to claim refund, advance tax credits, Fringe Benefit Tax Credits, etc. separately, on the Scheme becoming effective as on the Effective Date.

6.1.6 Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, holidays, incentives, concessions and other authorizations in relation to the Demerged Undertaking of the Demerged Company, shall stand transferred by the order of the Hon'ble High Court to the Resulting Company, the Resulting Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the said Court.

6.1.7 For the purpose of giving effect to the vesting order passed under Sections 391 and 394 of the Act in respect of this Scheme, the Resulting Company shall at any time pursuant to the orders on this Scheme be entitled to get the record of the change in the title and appurtenant legal right(s) upon the vesting of such assets of the Demerged Undertaking of the Demerged Company in the Resulting Company in accordance with the provisions of Sections 391 and 394 of the Act. Upon the Scheme becoming effective and with effect from the Appointed Date, the filing of certified copies of the order of Hon'ble High Court sanctioning this Scheme shall constitute a creation / modification of charge in the name of the Resulting Company in accordance with the provisions of Section 127 of the Act and satisfaction of charge in respect of the Demerged Company in accordance with Section 138 of the Act, if there are any existing charges attaching to the Demerged Undertaking.

Pearl Global Industries Limited

For PDS Multinational Fashions Ltd.

  
Company Secretary

  
Director

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Mr  
Examiner, Judicial Department  
High Court of Delhi  
Authorised Under Section 79  
Indian Evidence Act

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6.1.8 With effect from the Effective Date, the Resulting Company shall commence and carry on and shall be authorized to carry on the business of the Demerged Undertaking of the Demerged Company.

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

## 7. ACCOUNTING TREATMENT

### 7.1 Treatment in the books of Demerged Company

7.1.1 Upon coming into effect of the Scheme, the Demerged Company shall give effect to the following accounting treatment as at the Appointed Date:

- i. The Demerged Company shall upon the Scheme becoming effective, record the deletion of the assets and liabilities of the Demerged Undertaking transferred to and vesting in the Resulting Company, pursuant to this Scheme at their respective book values as appearing in its books as at the close of business of a day (i.e. 31<sup>st</sup> March, 2012), immediately preceding the Appointed Date.
- ii. The difference between the book value of the assets (net of diminution/depreciation, if any) and the book value of the liabilities of the Demerged Company that is transferred to the Resulting Company pursuant to the Scheme, if any, would be debited to the Share Premium Account in accordance with the provisions of Section 100 of the Act and the balance, if remaining thereafter, would be adjusted against the General Reserve Account.
- iii. The application and consequential reduction of Share Premium Account, as per sub-clause (ii) above, shall form an integral part of the Scheme itself, as the same does not involve any diminution of liability in respect of unpaid Share Capital or payment, to any shareholder of paid-up Share Capital and the order of the Hon'ble High Court sanctioning the Scheme, shall be deemed to be an order under Section 102 of the Act, confirming the reduction in the Share Premium Account of the Demerged Company.

### 7.2 Treatment in the books of Resulting Company

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For PDS Multinational Fashions Ltd.

*Sethan*

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Company Secretaries  
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Indian Evidence Act

*[Signature]*  
Director

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7.2.1 Upon coming into effect of the Scheme, the Resulting Company shall follow the accounting treatment laid down as under, at the Appointed Date:

- i. The Resulting Company shall, record the assets and liabilities (difference between the assets and liabilities hereinafter referred to as "Net Assets") vested in it pursuant to this Scheme, at the respective book values thereof, as appearing in the books of the Demerged Company, at the close of business of the day immediately preceding the Appointed Date;
- ii. The Resulting Company shall credit to its Share Capital Account in its books of accounts, the aggregate face value of the new equity shares issued by it to the members of the Demerged Company pursuant to Clause 5.1 of this Scheme.
- iii. The difference between the Net Asset and amount credited to the Share Capital account shall be credited in to "Capital Reserve Account".

## 8. DIVIDENDS, PROFITS, BONUS/RIGHTS SHARES

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

8.2 The Resulting Company shall not issue or allot, after the Appointed Date or the date of this Scheme being approved by the Board of Directors, whichever is later, any rights shares, bonus shares, etc. without the prior consent of the Board of Directors of the demerged Company.

8.3 The demerged Company shall not issue or allot, after the Appointed Date or the date of this Scheme being approved by the Board of Directors, whichever is later, any rights shares, bonus shares, etc. without the prior consent of the Board of Directors of the Resulting Company.

8.4 The Demerged Company in relation to the profits or income of Residual Undertaking and the Resulting Company shall be entitled to declare and pay

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Company Secretary  
Examiner Judicial Department  
High Court of Delhi  
Authorized Under Section 70  
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*[Signature]*  
Director

68 (34)

dividends, whether interim or final, to their respective equity shareholders prior to the Effective Date, provided that the equity shareholders of the Demerged Company shall not be entitled to dividend, if any, declared and paid by the Resulting Company to its equity shareholders prior to the Effective Date.

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

8.6 It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of the Demerged Company and/or the Resulting Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Boards of Directors of each of the Demerged and the Resulting Company and subject, wherever necessary, to the approval of the shareholders of the Demerged Company and Resulting Company respectively.

#### 9. TRANSFER OF THE DEMERGED UNDERTAKING OF THE DEMERGED COMPANY

On the scheme becoming effective, the Demerged Undertaking of the Demerged Company shall be transferred without any further act, deed or instrument, and shall be merged into the Resulting Company.

#### 10. TREATMENT OF TAXES

Any tax liabilities under the Income Tax Act or other applicable laws or regulations allocable to the Demerged Company, in relation to Demerged Undertaking, to the extent not provided for or covered by any tax provision in the accounts of the Demerged Company made as on the date immediately preceding the Appointed Date, shall be transferred to the Resulting Company. Any surplus in the provision for taxation or duties or levies in the accounts of the Demerged Company in relation to Demerged Undertaking, including advance tax and tax deducted at source as on the close of business in India on 31<sup>st</sup> March, 2012, will also be transferred to the account of the Resulting Company.

Pearl Global Industries Limited

Subhan  
Company Secretary  
Examiner, Judicial Department  
High Court of Delhi  
Authorised Under Section 70  
Indian Evidence Act.

For PDS Multinational Fashions Ltd.

Director

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11. APPLICATION TO HON'BLE HIGH COURT

The Demerged Company on behalf of its Demerged Undertaking and the Resulting Company shall make necessary applications under the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Act to the Hon'ble High Court of Delhi for sanction of this Scheme and for the consequent transfer of the Demerged Undertaking to the Resulting Company and its subsequent merger thereof.

12. SCHEME CONDITIONAL UPON AND SUBJECT TO

12.1 The Scheme being agreed to by the respective requisite majorities of the members, secured and unsecured creditors of both, the Demerged Company and the Resulting Company, as may be required by the Hon'ble High Court either at a meeting or through consent/ No-objection Letters on the application made for directions under Section 391 of the Act for calling/ dispensing of the meetings and necessary resolution if any, to be passed under the Act for the purpose of the Scheme.

12.2 Sanction of the Hon'ble High Court under section 391 and 394 of the Act and necessary order or orders under section 394 of the Act being obtained.

12.3 Such other sanction and approvals as may be required by law in respect of the Scheme being obtained.

12.4 This Scheme, although to come into operation from the Appointed Date, shall not become effective until the date on which the certified copies of the orders of the Hon'ble High Court under Sections 391 and 394 of the Act are duly filed with the offices of the respective Registrar of Companies, where both the Demerged Company and the Resulting Company registered.

13. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

In the event of the Scheme not being sanctioned by the Court and/or the order or orders not being passed as aforesaid, the Scheme shall become null and void and in that event, no rights and liabilities shall, inter se, accrue between the parties in terms of the Scheme, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen

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Subhash  
Company Secretary  
Examiner Judicial Department  
High Court of Delhi  
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Director



70(36)

or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. Each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

14. OPERATIVE DATE OF THE SCHEME

This Scheme of Arrangement shall be operative with effect from the Appointed Date but shall be effective from the Effective Date.

Pearl Global Industries Limited

*Sobhan*  
Company Secretary

For PDS Multinational Fashions Ltd.

*[Signature]*  
Director

**Certified to be True Copy**

**Chartered Accountant's Department  
New Delhi of  
Auditors under Section 70  
Indian Evidence Act.**

74  
(37)

PART V

OTHER TERMS AND CONDITIONS

15 APPROVALS AND MODIFICATIONS

15.1 MODIFICATION OR AMENDMENT TO THE SCHEME

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

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

15.1.3 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Demerged Company and the Resulting Company or their Delegates may give and are authorized to determine and give all such directions as may be necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as

Pearl Global Industries Limited

Certified to be True Copy

For PDS Multinational Fashion Ltd.

*Sukran*  
Examiner, Judicial Department  
High Court of Delhi of  
Company Sec. Act, 1956 Under Section 7e  
Indian Evidence Act.

*[Signature]*  
Director

the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

15.2 CONSENT OF MEMBERS AND DIRECTORS

15.2.1 On the approval of the scheme by the members of the Demerged Company and the Resulting Company, pursuant to section 391 of the Act, it shall be deemed that the said members have also accorded all relevant consents under section 31 and any other provisions of the Act to the extent the same may be considered applicable.

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

15.3 COST, CHARGES & EXPENSES

15.3.1 All costs, charges and expenses, including any taxes and duties of the Demerged Company in respect of the Demerged Undertaking and the Resulting Company respectively, in relation to or in connection with this Scheme and incidental to the completion and implementation of this Scheme of Arrangement of the Demerged Company and the Resulting Company in pursuance of this Scheme shall be borne and paid as mutually agreed between the Resulting Company and the Demerged Company.

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

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

Pearl Global Industries Limited

For PDS Multinational Fashions Ltd.

*Subscribed and verified to be True Copy*  
Company Secretary

Director

Examiner Judicial Department  
High Court of Delhi  
Authorised Under Section 78  
Indian Evidence Act.



PearlGlobal

SCHEDULE - II

39

**SCHEDULE OF ASSETS OF PEARL GLOBAL INDUSTRIES LIMITED (TRANSFEROR COMPANY) TO BE TRANSFERRED TO AND VESTED IN PDS MULTINATIONAL FASHIONS LIMITED (TRANSFEREE COMPANY) AS ON THE APPOINTED DATE FOR DEMERGER**

**Part-I**

A short Description of the freehold property of the Transferor Company i.e. Pearl Global Industries Limited (PGIL)

S. No.	Description	Area	Location	Amount (Rs.)
1	Land and Factory Building constructed at Plot No. 222, Udyog Vihar, Phase-I, Gurgaon-122016, adjacent to Delhi-Gurgaon Expressway (NH-8)-Haryana, owned by Pearl Global Industries Limited together with all agreements, rights and obligations, as per terms of allotment of the said plot by Haryana State Industrial & Infrastructure Development Corporation Limited (HSIIDC).	2625 sq mtrs	Plot No. 222, Udyog Vihar, Phase-I, Gurgaon-122016	
	- Land			6,880,947
	- Building			4,976,479

Pearl Global Industries Limited

*Sachin*  
Company Secretary

Pearl Global Industries Limited  
(Formerly House of Pearl Fashions Limited)

Corp. Office : 446, Udyog Vihar, Phase-V, Gurgaon-122016 Haryana (INDIA)  
Tel.: +91-124-4651000; Fax : +91-124-4651010. Website: www.pearlglobal.com

Regd. Office: A-3, Community Centre, Naraina Industrial Area, Phase-II, New Delhi-110028

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Examiner, Judicial Department  
High Court of Delhi of  
Authorised Under Section 70  
Indian Evidence Act



**PearlGlobal**

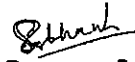
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Part-II

A short Description of the Leasehold properties of the Transferor Company i.e. Pearl Global Industries Limited (PGIL)

S. No.	Description	Area	Location
NIL	NIL	NIL	NIL

Pearl Global Industries Limited

  
Company Secretary

Pearl Global Industries Limited  
(Formerly House of Pearl Fashions Limited)

Corp. Office : 446, Udyog Vihar, Phase-V, Gurgaon-122016 Haryana (INDIA)  
Tel.: +91-124-4651000; Fax : +91-124-4651010. Website: www.pearlglobal.com

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3  
41

## Part-III

All other assets including office equipments, Plant & Machinery, Softwares, Non-current Investments in shares, trade receivables and also all other properties, rights, obligations, interests, action, etc. as stated in the Scheme of Arrangement (i.e. Demerger).

Category	Particulars	Amount (Rs.)	Amount (Rs.)
Fixed Assets	Short Description of Fixed Assets and other Operating Assets		
	Plant & Machinery	2,171,902	
	Office Equipments	2,899,248	
	Computer Software	49,494,316	
	Capital Work in Progress	11,155,721	
	<b>Total</b>	<b>65,721,187</b>	<b>65,721,187</b>
Investment	Non Current Investment in Multinational Textile Group Limited	1,005,025,338	
	<b>Total</b>	<b>1,005,025,338</b>	<b>1,005,025,338</b>
Current Assets	Trade and other Receivable	8,100	
	<b>Total</b>	<b>8,100</b>	<b>8,100</b>
Non-Current Liabilities	Deferred tax liabilities (net)	13,518,262	
	<b>Total</b>	<b>13,518,262</b>	<b>13,518,262</b>
Current Liabilities	Trade Payable	1,319,447	
	<b>Total</b>	<b>1,319,447</b>	<b>1,319,447</b>
Net Current Assets/ (Liabilities)			<b>(1,311,347)</b>

Dated this the 10<sup>TH</sup> Day of March, 2014.  
By order of the Court.

- Sd/-  
Joint Registrar (Co.)  
For Registrar General.

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28/11/2014

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