

**Memorandum
and
Articles of Association**

KIRLOSKAR PNEUMATIC CO. LTD.

REGD. OFFICE: HADAPSAR INDUSTRIAL ESTATE, PUNE 411 013, INDIA.

Reg.No.:11-110307.

C.I.N.

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

**IN THE OFFICE OF THE REGISTRAR OF COMPANIES, MAHARASHTRA,
PUNE**

In the matter of **K.G. KHOSLA COMPRESSORS LIMITED**

I hereby approve and signify in writing under Section 21 of the Companies Act, 1956 (Act of 1956) read with the Government of India, Department of Company Affairs, Notification No. G.S.R. 507E dated the 24th June 1985 the change of name of the Company.

From: K.G. KHOSLA COMPRESSORS LIMITED *

To : KIRLOSKAR PNEUMATIC COMPANY LIMITED

and I hereby certify that **K.G. KHOSLA COMPRESSORS LIMITED**

Incorporated on EIGHTH day of NOVEMBER, 1974 under the Company Act, 1956 and under the name KHOSLA COMPRESSORS PRIVATE

LIMITED having duly passed the necessary resolution in terms of Section 21/22(1)(a) / 22(1)(b) of the Companies Act, 1956 the name of the said company is the day changed to KIRLOSKAR PNEUMATIC COMPANY LIMITED

And this certificate is issued pursuant to section 23(1) of the said Act.

Given under my hand at **PUNE** this **FOURTH** day of **JUNE**

Two Thousand Two



(S. RAMAKANTHA)

REGISTRAR OF COMPANIES, PUNE.

*Pursuant to order of Hon'ble High Court, Bombay dated 8th May, 2002 issued under section 391(2) & 394(1) of Companies Act, 1956.

Co.No.11-110307
(Section 18(3) of Companies Act, 1956)

CERTIFICATE OF REGISTRATION OF THE ORDER OF
COMPANY LAW BOARD, NORTHERN REGION BENCH

CONFIRMING TRANSFER OF THE REGISTERED OFFICE
FROM ONE STATE TO ANOTHER

The K.G.KHOSLA COMPRESSORS LIMITED

having by Special Resolution altered the provisions of its Memorandum of Association with respect to the place of the registered office by changing it from the State of NCT OF DELHI to the State of MAHARASHTRA and such alteration having been confirmed by an order of COMPANY LAW BOARD, NORTHERN REGION BENCH, NEW DELHI bearing date the NO.330/17/96-CLB dt.5-8-97.

I hereby certify that a certified copy of the said order has this day been registered.

GIVEN under my hand at MUMBAI ~~XXXXXX~~ this TWENTYSEVENTH day of AUGUST One thousand nine hundred and ninety SEVEN.



Puran Chand
27/8/97

(PURAN CHAND)
ASSTT. REGISTRAR OF COMPANIES,
MAHARASHTRA, BOMBAY.

Co. No. 7515

(Section 18 (3) of Companies Act. 1956)

CERTIFICATE OF REGISTRATION OF THE ORDER OF COMPANY LAW BOARD BENCH
CONFIRMING TRANSFER OF THE REGISTERED OFFICE FROM ONE STATE TO ANOTHER

The K. G. Khasla Compressors Ltd. having by special resolution altered the provision of its Memorandum of Association with respect to the place of the registered office by changing it from the ~~state of~~ NCT of Delhi to the state of Maharashtra and such alteration having been confirmed by an order of the Bench of the company Law Board at their setting at New Delhi vide C.P. No. 330/17/96 - CLB bearing dated the 5-8-97.

I hereby certify that certified copy of the said order has this day been registered.

Given under my hand at New Delhi this 19th
day of August One Thousand Nine Hundred and Ninety Seven.



(S. Biswas)
REGISTRAR OF COMPANIES
NCT of DELHI & HARYANA

FRESH CERTIFICATE OF INCORPORATION CONSEQUENT
ON CHANGE OF NAME

Co.No. 7515

In the Office of the Registrar of Companies DELHI & HARYANA

[Under the Companies Act, 1956 (1 of 1956)]

IN THE MATTER OF K.G. Khosla Compressors Private Limited

I hereby certify that K.G. Khosla Compressors Private
Limited, which was originally incorporated on 8th
day of November, 1974 under the ~~Indian Companies Act, 1956~~
~~Companies Act, 1956~~ and under the name Khosla
Compressors Private Limited, having duly passed
the necessary special resolution passed on 15-11-76.
~~in terms of section 23(1)(a) of the Companies Act, 1956~~
~~and the consent of the Registrar of Companies, Delhi~~
~~has been obtained and the necessary fee has been paid~~
~~and the Registrar of Companies, Delhi has approved the change~~
~~of name of the said company and the Registrar of Companies, Delhi~~
~~has issued this certificate in pursuance of section 23(1) of the~~
~~Companies Act, 1956.~~
the name of the said company is this day changed to K.G. Khosla
Compressors Limited and this certificate
is issued pursuant to section 23(1) of the said Act.

Given under my hand at New Delhi this 15th day of
December, 19 76 (One thousand nine hundred and Seventy six.



(Signature)
(R.K. Arora)
ASSTT. REGISTRAR OF COS.
DELHI & HARYANA.

'OP' / 28-10-76



FRESH CERTIFICATE OF INCORPORATION CONSEQUENT ON CHANGE OF NAME

Co.No.7515

In the Office of the Registrar of Companies, Delhi & Haryana.

[Under the Companies Act, 1956 (1 of 1956)]

IN THE MATTER OF M/s. Khosla Compressors Private Limited.

I hereby certify that M/s. Khosla Compressors Private Limited, which was originally incorporated on 8th day of November 1956 under the Companies Act and under the name Khosla Compressors Pvt. Limited, having duly passed the necessary resolution in terms of section 21(2) of Companies Act, 1956, and the approval of the Central Government signified in writing having been accorded thereto in the Ministry of Commerce and Industry, Department of Company Administration Affairs, Regional Director, Northern Region, Kanpur.

letter No. 2163 - D dated 31 - 7 - 1975

the name of the said company is this day changed to M/s. K.G. Khosla Compressors Private Limited and this certificate is issued pursuant to section 23(1) of the said Act.

Given under my hand at New Delhi this 12th day of August 1975

(One thousand nine hundred seventy five.)



Signature of H. K. Malik, Asst. Registrar of Companies, Delhi & Haryana.

* Here give the name of the company as existing prior to the change.
† Here give the name of the Act(s) under which the company was originally registered and incorporated.
J. S. C. 7.
HQ/PTC-1311 MC-12407-(C-1316)-10-1-44-3,000.



Form I. R.

CERTIFICATE OF INCORPORATION

No. 7515 of 19.7.47-75.

I hereby certify that **KHOSLA COMPRESSORS PRIVATE LIMITED.**

is this day incorporated under the Companies Act, 1956 (No.1 of 1956) and that the Company is Limited.

Given under my hand at **NEW DELHI**

this **EIGHTH (17th)** day of **NOVEMBER (KARTIKA)**

One thousand nine hundred and **SEVENTY FOUR (SAKA-1896)**




(S. KUMAR)
Registrar of Companies
DELHI & HARYANA.

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Memorandum of Association of Kirloskar Pneumatic Company Limited

- I. The name of the Company is * KIRLOSKAR PNEUMATIC COMPANY LIMITED.
- II. *The Registered Office of the Company will be situated in the state of Maharashtra.
- III. (A) The main objects of the Company to be pursued on its incorporation are:
1. To negotiate for, acquire and takeover as a going concern or otherwise by purchase, transfer, exchange, merger, amalgamation or by any other method the business activities of K. G. Khosla & Co. Pvt. Ltd. and/or to takeover all or any of the assets and liabilities of the said Company, on such terms and conditions as may be agreed upon and with a view thereto, to enter into an agreement and to carry the same into effect with or without modification. Negotiate for takeover.
 2. (a) To design, engineer, develop, manufacture, assemble, fabricate, cost, forge, or do any processing of any kind relating to, and to import, export, buy, sell, hire, lease, barter, distribute, re-condition, service, maintain or otherwise deal in all kinds of machinery plant, vehicles, equipment, instruments or any parts or components thereof and specially without foregoing the generality of the above, in every kind of Air and Gas Compressors, compressor parts, compressor valves, pneumatic and Refrigeration control equipment, pistons, piston Rings, gudgeon, Pins, Coupling and Clutches, Pneumatic tools including rock drill, pavements, breakers, chisels, grinders, rivetters, wrenches screw drivers, Tractors and their parts, Trailers, Diesel and Petrol Engines and their Parts, garage service equipment including carlift, car washers, and their parts, lubricating equipment, trolleys, jacks, hydraulic and mechanical presses. Machine tools, to take up jobs on contract basis, to deal in all kinds of engineering, industrial and other goods and hardware of all kinds, to carry on the business of civil, mechanical, electrical, electronic and general engineers and Consultants. Manufacturers & Engineers.
 2. (b) To carry on all or any of the business of planning, process engineering, designing, erecting, fabricating, installing, processing in any manner, jobbing, converting or executing on contract basis, any plant, machinery or equipment or any thereof; and the business of engineering and construction contractors.

* Substituted by resolution passed at AGM dt. 18-9-96 and confirmed by CLB vide order dt. 5-8-97.

- | | |
|---|---|
| Technical Know-how | 3. To acquire, develop, buy, sell and otherwise deal in technical information, know-how processes, engineering, manufacturing and operating data, plants, layouts, designs and blue prints useful for the design, erection and operation of manufacturing and/or processing plants or any parts thereof and to acquire and grant or license, other rights and benefits. |
| Investors and Financers | 4. To buy, sell and otherwise deal in shares, stocks, debentures, debenture stocks, bonds, obligations, and other securities and to hold the same either as investments and as stock-in-trade; to promote, form, manage, supervise or control the business or operations of any company or business organisation, to carry on the business of a Company established with the object of financing industrial enterprises within the meaning of section 370 of the Companies Act, 1956 and to make loans, give guarantees and provide securities to any other Company, institution or individual and to act as Financers. |
| <p>The main objects of the Memorandum of Association of the transferor company i.e. erstwhile Kirloskar Pneumatic Co. Ltd. added as per High Court Order dt. 26th April, 2002.</p> | |
| To Guarantee | 5. To guarantee or become liable for the payment of money or not for the performance of any obligations and generally to transact all kinds of guarantee and agency business, germane to the business of the Company subject to the provisions of the Banking Companies Act, 1949. |
| To manufacture air compressors, pneumatic tools etc. | 6. To carry on the trade or business of manufacture of all kinds of machinery including air compressors, pneumatic tools and machines of all kinds and the trade of business of engineers, founders, smiths and machinists. |
| To manufacture all types of engines including gas, steam turbines etc. | 7. To carry on the business of iron founders, mechanical engineers, manufacturer of all types of internal combustion engines including oil and petrol engines, gas turbines, steam turbines, boilers, locomotives, road rollers, automobiles, trucks and pumps. |
| To manufacture various Compressors etc. | 8. To engineer, manufacture, assemble, sell, distribute, and export all kinds and types of compressors including Gas Compressors, Turbo Compressors, Process Turbo Compressors, Electric Driven Rotary Compressors, Diesel and Electric Motor Driven Rotary Twin Screw Compressors, Reciprocating Lubricated and Oil free Air Compressors, Balance Opposed Piston Compressors, Verticle Air Cooled Reciprocating Air Compressors, Railway Break Compressors, Drill Roads, Service Air Trolleys together with their parts accessories and components. |
| To manufacture Air Conditioning and Refrigeration Compressors and Equipments. | 9. To engineer, manufacture, assemble, sell, distribute, and export in semi-sealed and sealed Reciprocating Screw and Centrifugal Air Conditioning Compressors, Semi Sealed and Sealed Reciprocating and Screw type Refrigeration Compressors, Flake Ice Plants, Bus Air Conditioning Units, Air Cooled and Water Cooled Chillers air handling and Air Coil Units, Package Air Conditioning System, Split Air Conditioning System, Rooftop Air Conditioning Units and any other Air Conditioning Equipments and systems together with their parts, accessories and components. |
| To manufacture various Transmission Gear Boxes etc. | 10. To engineer, manufacture, assemble, sell, distribute and export hydraulic power transmission units, Torque Convertors and Transmissions, Marine Gear Boxes, Reverse Reduction Gear Boxes, Industrial Gear Boxes, Windmills, Windmill Gear Boxes and Hydraulic Locomotive |

Transmissions and all other types of power transmission gears and units with their parts, accessories and components.

11. To engineer manufacture assemble, sell, distribute, give and/or take on lease, hire purchase, license, export inter model transport system and engage in the business of transportation of various goods from place to place. To manufacture Inter-model Transport System etc.

12. * To carry on the business of owning, furnishing, letting, leasing executive cabins, conferences facilities and rendering various services including computer services, telex services, telephone services, executive centers, secretarial services, travel services and other facilities to executives and business of leasing, hire purchase, factoring, bill discounting, supplier credit, import and export finance, venture capital, seed capital and generally financing of all industrial, commercial and domestic ventures, enterprises and items such as plant, machinery, vehicles, ships, aircrafts, office equipment's and machines, gas cylinders, domestic equipment, refrigerators, air conditioners, television, radio and music equipment, furniture and fixtures, equipment for the supply, storage, distribution, treatment and use of water, petroleum products, gases, chemicals, effluents and other liquids and solids, compressors and compressor packages of air, gas & refrigeration, gears & gearboxes, chillers including vapour absorption chillers, other engineering products and for this purpose to buy, take on lease or otherwise acquire and hold for improvement, investment, development or trade, and sell, lease or otherwise impose of, however all or any of the aforesaid things. Leasing etc.

- (B) THE OBJECTIVES INCIDENTAL OR ANCILLARY TO THE, ATTAINMENT OF THE MAIN OBJECTS STATED IN SUB-CLAUSE (A) ABOVE ARE-
 1. To purchase and otherwise acquire, manufacture, own, import, sell, export and deal in all materials, substances, appliances, machines, containers and other articles and apparatus and things capable of being used in any of the aforesaid businesses and to own, lease and otherwise acquire and use facilities of whatever kind as may be convenient or useful or conducive to the effective working of the said business or any part thereof. To purchase, manufacture and deal in materials, substances.

 2. To acquire, build, construct, alter, maintain, enlarge, pulldown, remove or replace and to work, manage and control any buildings, offices, factories, mills, shops, machinery, engine, roadways, tramways, railways; branches or siding, bridges, reservoirs, watercourses, wharves, electric works, and (other works and) conveniences which may seem calculated directly or indirectly to advance the interests of the company and to join with any other person or company in doing any of these things. Construct and superintend buildings, offices structures.

 3. To buy, sell, manufacture, repair, alter, improve, exchange, let out on hire, import, export, and deal in all factories, works, plant, machinery, tools, utensils, appliances, apparatus, products, materials, substances, articles and things capable of being used in any business which this company is competent to carry on or commonly dealt in by persons engaged in any such business or which may seem capable of being profitably dealt in connection therewith and to manufacture, experiment, with render General manufacturers.

* Inserted vide National Company Law Tribunal Order dt. 19-4-17.

marketable and deal in all products of residual and bye-products incidental to or obtained in any of the business carried on by the company.

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| Purchase, lease, exchange. | 4. To purchase, take on lease or tenancy or in exchange, hire, take options over or otherwise acquire for any estate or interest, whatsoever and to hold, develop, work, cultivate, deal with and turn to account, concessions, grants, decrees, licenses, privileges, claims, options, leases, property, real or personal or rights or powers of any kind which may appear to be necessary or convenient for any business of the Company. |
| Preliminary expenses. | 5. To pay for preliminary project and preincorporation expenses of the Company or any of any projects taken over by the Company. |
| Disposal of undertaking and property of Company. | 6. To sell, exchange, Mortgage, let on lease, royalty or tribute, grant licences, easements, options and other rights over and in any other manner deal with or dispose of the whole or any part of the undertaking, property, assets, rights and effects of the company for such consideration as may be thought fit and in particular stock, shares whether fully or partly paid up or securities of any other company having objects in whole or in part similar to those of the company or as may be approved by the shareholders. |
| Payment for property and services. | 7. To pay for any rights or property acquired by the Company and to remunerate any person, firm or body corporate rendering services to the company either by cash payment or by allotment to him or them of shares or securities of the Company as paid up in full or in part or otherwise. |
| Advances, deposits and loans. | 8. To lend and advance money, either with or without security and give credit to such persons (including Government) and upon such terms and conditions as the Company may think fit. |
| Financial and Commercial obligations. | 9. To undertake financial and commercial obligations, transactions and operations of all kinds. |
| Guarantee. | 10. To guarantee the performance of any contract or obligations of and the payment of money of or dividends and interest on any stock, shares or securities of any company, corporation, firm, or person in any case in which such guarantee may be considered directly or indirectly to further the objects of the Company or the interest of its shareholders. |
| Guarantee & Surety. | 11. To guarantee the payment of money unsecured or secured or payable under or in respect of promissory notes, bonds, debentures, debentures stocks, contracts, mortgages, charges, obligation, instrument and securities of any company or of any authority, supreme, municipal, local or otherwise or of any persons whomsoever, whether incorporated or not incorporated, and generally to guarantee or become sureties for the performance of any contracts or obligations as may be necessary for the purpose of the Company. |
| Investments. | 12. To invest any moneys of the Company not immediately required in such investments (other than shares or stock in the Company) as may be thought proper and to hold, sell or otherwise deal with such investments as may be necessary for the purpose of the Company. |

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| 13. To receive money on deposit or loan and borrow or raise money in such manner as the Company shall think fit, and in particular by the issue of debentures or debenture-stock (perpetual or otherwise) and to secure the payment of any money borrowed, raised or owing by mortgage, charge or lien upon all or any of the property or assets of the Company (both present or future) including its uncalled capital and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company or any other person or Company of any obligation undertaken by the Company. | Borrowing. |
| 14. To draw, make, accept, endorse, discount, negotiate, execute and issue bills of exchange, promissory notes, bills of lading, debentures and other negotiable or transferable instruments or securities. | Negotiable instruments. |
| 15. To apply for purchase or otherwise acquire and protect, prolong and renew in any part of the world, any patents, patent rights, brevets d'inventions, trade marks, designs, licenses, protections, concessions and the like conferring any exclusive or non-exclusive or limited right to their use or of any secret or other information as to any invention, process or privilege which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem calculated directly or indirectly to benefit the company and to use, exercise, develop or grant licenses or privileges in respect of or otherwise turn to account the property rights and information so acquired and to carry on any business in any way connected therewith. | Patents etc. |
| 16. To expend money in experimenting on and testing and in improving or seeking to improve any patents, rights, inventions, discoveries, processes or information of the Company or which the Company may acquire or propose to acquire. | Improvements of patents and other rights. |
| 17. To establish, provide, maintain and conduct research and other laboratories, training colleges, schools, and other institutions for the training, education and instruction of students and others who may desire to avail themselves of the same and to provide for the delivery and holding of lectures, demonstrations, exhibitions, classes, meetings and conferences in connection therewith. | Research laboratories, colleges and provision of lecture. |
| 18. To acquire and undertake all or any part of the business, property and liabilities of any persons or company carrying on or proposing to carry on any business which this company is authorised to carry on or possessed or property suitable for the purposes of the Company or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company and in connection with such takeover, to transfer unto itself by mutual consent, all or any of the working directors, staff members and employees of the business so taken over and to give to such persons rights of continuity of service and all other benefits and facilities as they were enjoying with the previous employers. | Acquire and undertake business. |
| 19. To produce the registration or recognition of the company in or under the laws of any place outside India. | Registration of company outside India. |
| 20. To form, incorporate or promote any company or companies whether in India or elsewhere, having amongst its or their objects the acquisition of all or any of the assets or control, management or development of the | To promote other company. |

Company or any other objects or object which in the opinion of the Company could or might directly or indirectly assist the company in the management of its business or the development of its properties or otherwise prove advantageous to the Company and to pay all or any of the costs and expenses incurred in connection with any such promotion or incorporation and to remunerate any person or company in any manner it shall think fit for services rendered or to be rendered in obtaining subscription for or placing or assisting to place or to obtain subscription for or for guaranteeing the subscription of or the placing of any shares in the capital of the company or any bonds, debentures, obligation or securities of any other company held or owned by the company or in which the Company has any interest or in or about the formation or promotion of the company or the conducts of its business or in or about the promotion of any other company in which the Company may have an interest.

Amalgamation and partnership.

21. Subject to the provisions of the Companies Act, 1956 to amalgamate or to enter into partnership or into any arrangement for sharing profits, union of interests, co-operation, joint venture or reciprocal concession or for limiting competition with any person or persons or company or companies carrying on or engaged in or about to carry on or engage in or being authorised to carry on or engage in any business or transaction which this company is authorised to carry on or engage in or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company.

Government and other concessions and to promote and oppose legislation.

22. To enter into any arrangements and take all necessary or proper steps with Governments or with other authorities Supreme, national, local, municipal or otherwise of any place in which the Company may have interests and to carry on any negotiations or operations for the purpose of directly or indirectly carrying out the object of company or effecting any modification in the constitution of the company or furthering the interests of its members and to oppose any such steps taken by any other company, firm or person which may be considered likely, directly, or indirectly prejudice the interest of the Company or its members and to assist the promotion whether directly or indirectly of any legislation which may seem advantageous to the Company and to obtain from any such Government, Authority and Company charters, contracts, decrees, rights, grants, loans, privileges or concession which the company may think it desirable to obtain and carry out exercise and comply with any such arrangements, charters, decrees, rights, privileges or concessions.

Publicity.

23. To adopt such means of making known the products of the Company as may seem expedient and the in particular by advertising in the press by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals, and by granting prizes, rewards and donations.

Trusts.

24. (a). To undertake and execute any trust, the undertaking of which may seem to the company desirable, and either gratuitously or otherwise and vest any real or personal property, rights or interests acquired by or belonging to the Company in any person or Company on behalf of or for the benefit of the Company, and with or without any declared trust in favour of the Company.

- (b) To accept gifts and to give gifts and donations, to create trusts for the welfare of employees, members, directors and/or their dependents, heirs and children and for any deserving object and for other persons also and to act as trustees.
25. To apply the assets of the Company in any way in or towards the establishment, maintenance or extension of any association, institution or fund in any way connected with any particular trade or business or with trade or commerce generally and particularly with the trade, including any association, institution or fund for the protection or the interests of masters, owners and employers against loss by bad debt, strike, combination, fire, accidents or otherwise or for the benefit of any clerk, workmen or others at any time employed by the Company or any of its predecessors in business or their families or dependants and whether or not in common with other persons or classes of persons and in particular of friendly, co-operative and other societies, reading rooms, libraries, educational and charitable institutions, refractories, dining and recreation rooms, churches, chapels, schools and hospitals and to grant gratuities, pensions and allowances and to contribute to any funds raised by public or local subscription for any purpose whatsoever.
26. To aid pecuniarily or otherwise, any association, body or movement having for an object the solution, settlement or surmounting of industrial or labour problems or troubles or the promotion of industry or trade.
27. To subscribe or guarantee money for any national, charitable, benevolent, public, general or useful object or for any exhibition.
28. To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of and give or procure the giving of donations, gratuities, pensions, allowance or emoluments to any persons who are or were at any time in the employment or service of the Company or is allied to or associated with the Company or with any such subsidiary Company or who are or were at any time Directors or officers of the company as aforesaid and the wives, widows families and dependents of any such persons and also establish and subsidise and subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interest and well being of the company or of any such other company as aforesaid, and make payments to or towards the insurance of any such persons as aforesaid, and do any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid.
29. To distribute among the members in specie any property of the Company, or any proceeds of sale or disposal of any property of the Company, in the event of its winding up but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.
30. To carry on any other business whether manufacturing or otherwise that may seem to the company capable of being conveniently carried on in connection with the above objects or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or
- Establishment of association connected with the Company or for employees of the Company.
- Aid to labour and other Industrial association.
- Donations.
- Provident institutions.
- Distribution inspecie.
- Trustee and agency and any other business.

rights or which it may be advisable to undertake with a view to improving, developing, rendering, valuable or turning to account any property real or personal belonging to the Company or in which the Company may be interested and to do all or any of the above things either as principals, agents, trustees, contractors or otherwise and either alone or in conjunction with others, and either by or through agents, sub-contractors, trustees or otherwise.

Rural Development Programme.

30. A)* To undertake, manage, finance or otherwise carry on either individually or in association in any manner with any other person or Government authority. Programme of Rural Development in India including any programme for promoting the social and economic welfare of or the uplift of the public in any rural area, and without prejudice to the generality of the foregoing to subscribe, donate, establish, provide, maintain, conduct, subsidise, undertake, associate with, carry on and promote studies, research, experimental work and application of technology, in any field of human endeavour, by establishing, endowing, or assisting workshops, laboratories, schools, hospitals, first-aid centers, and other technical, scientific, agricultural or any other institutions and bodies for the development of education, medicine, human welfare, agriculture, horticulture, animal husbandry, dairy products, cottage, small-scale and any other industry and in order to implement any of the above mentioned objects or purposes, transfer without consideration or at such fair or concessional value as the Directors may think fit and divest the ownership of any property of the company to or in favour of any Public or Local Body or Central or State Government or any Public institutions or Trusts or Funds recognised or approved by the Central or State Government or established under any law for the time being in force.

Activity for the growth of National economy.

30. B)* To undertake, carry out, promote and sponsor or associate with or assist any activity for the promotion and growth of national economy and for discharging what the Directors may consider, to be social and moral responsibilities of the company to the Public or any section of the Public as also any activity which the Directors consider likely to promote national welfare or social, economic or moral uplift of the Public or any section of the public and in such manner and by such means as the Directors may think fit and the Directors may without prejudice to the generality of the foregoing, undertake, carry out, promote and sponsor any activity for publication of any books, literature, newspapers, etc. or for organising lectures or seminars likely to advance these objects or for giving merit awards, for giving scholarships, loans or any other assistance to deserving students or other scholars or persons to enable them to prosecute their studies or academic pursuits or researches and for establishing, conducting, or assisting any institution, fund, trust, person or Government authority etc. having any one of the aforesaid objects as one of its objects, by giving donations or otherwise in any other manner, and the Directors may, at their discretion, in order to implement any of the above mentioned objects or purposes, transfer without consideration or at such fair or concessional value as the Directors may think fit and divest the ownership of any property of the Company to or in favour of any public or Local Body or Authority or Central or State Government or any Public Institutions or Trusts or Funds recognised

* Inserted as per Company Law Board Order dt. 5-12-1979.

or approved by the Central or State Government or established under any law for the time being in force.

31. To do all such other things as may be deemed incidental or conducive to the attainment of the above objects or any of them. To do all things incidental.

C. THE OTHER OBJECTS FOR WHICH THE COMPANY IS ESTABLISHED ARE :-

1. To carry on, in any mode, the business of storekeepers in all its branches and in particular to buy, sell, and deal in goods, stores, consumable articles, chattels, and effects, of all kinds both, wholesale or retail. Storekeepers.
2. To carry on business as importers and exporters of goods or merchandise of any description or to act as shippers, underwriters, commission agents, advertising agents, travelling agents, transport agents, forwarding and clearing agents, brokers, estate agents and hardware merchants. Importers, Exporters Agents.
3. To carry on the business of manufacturers of and dealers in automobile parts, accessories, ancillaries, stores and spares and to engineer, develop, design, assemble, manufacture, produce, import and export, buy, sell, and otherwise deal in industrial, mining, agricultural and other machines, and all types of tools, plants, equipments, instruments, appliances and hardware of all kinds, general fittings, accessories, and appliances of all description made of metal alloy, glass, synthetic and other fibres, chemicals and PVC compounds, plastics or any other material. Engg. Goods.
4. To carry on the business of electrical engineers, electricians, engineers, contractors, manufactures, constructors, suppliers of and dealers in electrical and other appliances, cables, wire-lines, dry cells, accumulators, lamps and works and to generate, accumulate, distribute and supply electricity for the purpose of light, heat, motive power and for all other purposes for which electrical energy can be employed, and to manufacture, and deal in all apparatuses and things required for or capable of being used in connection with the generation, distribution, supply, accumulation and employment of electricity, including in the term electricity all power that may be directly or indirectly derived therefrom or may be incidentally hereafter discovered in dealing with electricity. Electrical Engineers.
5. To manufacture and /or produce and/or otherwise engage generally in the manufacture or production of or dealing in electrical kilowatt hour meters, magnets, electromagnets, power cables, industrial jewels, ammeters, voltmeters and other types of measuring instruments, electrical or non- electrical, die castings, screws, nuts and bolts, transformers of all types, circuit-breakers, punched card machines, computers and calculators and their accessories, hoists, elevators, trolleys and coaches, winches, power generators, magnetic separators, winders, air compressors, welders, fans of all types, switches and motors of all types, drills, electric grinders, air conditioners, refrigerators, washing machines, television and wireless apparatus including radio receivers and transmitters, electronic instruments, diodes, transistors and allied items, watches and clocks, cameras and any household appliances and any equipment used in the generation, transmission and receiving of sound, light and electrical impulses, and component parts thereof and other materials and products; to manufacture and to deal in all kinds of electronic equipment in their components, spare parts or raw materials. Electrical Equipment.

- Mechanical Engineers. 6. To carry on the business of mechanical engineers, machinists, filters, millwrights, founders, wiredrawers, tube makers, metallurgists, saddlers, galvanizers, jappanners, annealers, enamellers, electroplaters and painters.
- Data Processing. 7. To carry on a general business of providing comparative information about the characteristics, interest of other attributes of individuals, communities, organisations countries or other social units and of any articles or commodities or economic trends or persons whatsoever; to design, invent, prepare, own, make use of, lease, sell or otherwise dispose of and, generally to deal in and with computers, data processing machines, tapes, cards, memory equipment or any other equipment and materials of every kind and description useful in connection with this business, to license or otherwise authorise others to engage in the foregoing, and to engage in general research and development in areas related to or involving the foregoing.
- Wood Products. 8. To grow, take on lease, acquire, develop, deal in plantations and forests, and to process in all aspects timber, wood, plywood, and all kinds of wood, and to make products wherein wood is a constituent part and to design, develop, fabricate any products involving the use of wood.
- Chemicals & Fertilizers. 9. To produce, manufacture, use, buy or otherwise acquire, sell, distribute, deal in and dispose of alkalies and acids, gases, compounds, fertilizers, chemicals and chemical products of every nature and description and compounds, intermediates, derivatives and bye-products there of and products to be made therefrom (hereinafter for convenience referred to generally as, chemicals and products) including specifically, but without limiting the generality of the foregoing, calcium carbide, calcium cyanamide, vat, solubilised vat, azoic salts, naphthols, all types of flotation reagents, wetting agents, insecticides and fumigants, plastics and resins, dyestuffs, explosives, catalytic agents, foods, direct colours, basic and rapid fast colours, pigments, drugs, biologicals, pharmaceuticals, serums, vitamin products, hormones, sutures, ligatures, drugs, for disease or disabilities, in men or animals; and products derived from phosphate, mines, limestone, quarries, bauxite mines, petroleum, natural gas and other natural deposits useful or suitable in the manufacture of chemicals and chemical products as hereinabove defined.
- Oils. 10. To manufacture, produce, refine, prepare, purchase, store, sell and generally to trade and deal in petroleum and all kinds of mineral oils, and all products and bye-products thereof including wax, paraffin, soap, paint, varnish, lubricants, illuminant, and butter substitutes, oil, cloth, candles, glycerine, stearing and in connection therewith to acquire, construct, repair, operate and use oil and other refineries, buildings, mills, factories, oil wells, derricks, distilleries, ghanies, rotaries expellers, mechanical or hydraulic press etc.
- Resins & paints. 11. To carry on business of manufacturers, and dealers, importers and exporters of natural and synthetic resins, moulding powders, adhesives and cements, oil paints, distempers, cellular paints, colours, varnishes, enamels, gold and silver leaf enamels, spirits and other allied articles.

12. To carry on development and research work and to manufacture, calcine, refine, process, import, export, buy, sell and deal in petroleum coke, calcined coke and coal tar, anthracite coal and to draw out, manufacture and deal in coal tar, canlion products and other by-products as may be possible and to utilize waste gases for industrial uses and purposes. Calcined coke.
13. To manufacture, prepare, import, export, buy, sell and otherwise deal in all kinds of glass, glassware, glass goods, mirrors, looking glass, scientific glass, wares, sheet and plate glass, bangles, false pearls, bottles, phials and all kinds of articles prepared of glass and to carry on the business of glass patent solvers, glass embossers, acclesiastical lead workers, tablet, show card, showcase manufacturers. Glass.
14. To manufacture, produce, assemble, distribute, stock, barter, exchange, pledge, repair, use, buy, sell, import and export and otherwise deal in all types of scientific instruments, and their accessories, testing instruments, process control instruments, electrical and electronic instruments, nautical, aeronautical and survey instruments, optical and ophthalmic instruments, general laboratory medical and surgical instruments, apparatuses, scientific laboratory glassware, photographical, chemical and other instruments, apparatuses, appliances, equipments, devices, contrivances, their accessories and components. Instruments.
15. To engineer, develop, design, assemble, manufacture, produce, import, export, buy, sell, operate, run, let on hire and otherwise deal in:
- (a) all kinds of earth moving and agricultural machines, petrol and diesel engines, tools, plants, tractors, equipments, spares, appliances, implements, accessories etc., mobile or otherwise.
 - (b) heavy vehicles and machines for agricultural and land reclamation, drainage, irrigation, waterworks, engineering, forest clearing, pumping and other purposes.
 - (c) spraying machines, vehicles and equipments, whether mobile or otherwise.
 - (d) mobile workshops and garage equipments for repair and service stations.
 - (e) tubewells, pumps, floating or otherwise, motors and irrigation machinery.
 - (f) transportation equipment for movement of its products or stores, machines or personnel and as general purpose freight carriers.
16. To undertake the business of distribution and application of chemicals, fertilizers and pesticides, ariel or otherwise and to maintain and run vehicles, aeroplanes and equipments for spraying and to run the said vehicles and aeroplane for hire and as passenger carrying crafts also. Spraying.
17. (a) To construct a cinematograph theatre, and other building and works and conveniences, for the purpose thereof and to manage, maintain and carry on the said theatre and to let out other buildings when so erected or constructed. Entertainment.

- (b) To carry on the business of proprietors and managers of theatres (cinemas, picture and concert halls) and to provide for the production, representation and performance (whether by mechanical means or otherwise) of operas, stage plays, operettas, burlesques, vaudevilles, revues, ballets, pantomines, spectacular pieces, promenade, and other concerts and other musical and dramatic performance and entertainments.
- (c) To carry on the business of restaurant keepers, wine and spirit merchants, licensed victuallers, theatrical agents, box office keepers, dramatic and musical literature publishers and printers and any other business which can be conveniently carried on in connection with any of those objects or as may seem calculated to render profitable any of the Company's property and rights for the time being.
- (d) To manufacture films and other appliances and machines in connection with mechanical reproduction or transmission of pictures, movement, music and sounds and to organise and conduct theatrical production and entertainment of all kinds.
- (e) To enter into agreements with authors or other persons, for the dramatic or other rights of operas, plays, films, operettas, burlesque, vaudevilles, revues, ballet, pantomimes, spectacular pieces, musical compositions, and other dramatic and musical performances and entertainments, or for the representation thereof in India and elsewhere, as well as of foreign rights and to enter into engagements of all kinds with artists and other persons.

Tourist agents.

- 18. To carry on business as tourist agents and contractors, and to facilitate travelling and to provide for tourists and travellers and promote the provision of conveniences of all kinds in the way of through tickets, circular tickets, sleeping cars or berths reserved places, hotel and lodging accommodation guides, safe deposits, inquiry, bureaux, libraries, lavatories, reading room, baggage transport and otherwise.

Hotel.

- 19. To carry on business of hotel, restaurant, cafe, tavern, beer house, restaurant room, boarding and lodging house keepers, licensed victuallers, wine, beer, and spirit merchant, maltsters, manufacturers of aerated mineral and artificial waters and other drinks, purveyors, caterers for public amusements, generally coach cab, carriage and motorcar proprietors, livery, stable and garage keepers, jobmasters, importers and brokers of food, live and dead stock, hairdressers, perfumers, chemists, proprietors of clubs, baths, dressing room, laundries, reading, writing and newspapers rooms, libraries, grounds and places of amusements and recreation, sport, entertainment and instruction of all kinds, tobacco, and cigar merchants, agents for railway, road, air and shipping companies and carriers, theatrical and opera-box office proprietors and general agents, and to provide services and facilities for all kinds on a commercial basis, that may be required for the tourist and entertainment industry.

Architects & Builders.

- 20. To carry on all or any of the business of constructional engineers, architects, builders, contractors, decorators, electricians, wood workers and paviours and to acquire, develop, buy, sell, real estate, multi-strayed or other buildings, and group housing schemes etc.

21. (a) To purchase, sell, develop, take in exchange, or on lease, hire or otherwise acquire, whether for investment or sale, or working the same any real or personal estate, including lands, mines, business, building, factories, mill, houses, cottages, shops, depots, warehouses, machinery, plant, stock in trade, mineral rights, concessions, privileges, licences, easement or interest in or with respect to any property whatsoever for the purpose of the Company in consideration for a gross sum or rent or partly in one way and partly in the other or for any other consideration. Real Estate.
- (b) To carry on business as proprietors of flats and buildings and to let on lease or otherwise apartments therein and to provide for the conveniences commonly provided in flats, suites, and residential and business quarters.
22. To carry on all or any of the business of transport, cartage and haulage contractors, garage proprietors, owners and charterers of road vehicles, air crafts, ships, tugs, barge, and boats of every description, lightermen, carriers of goods and passengers by road, rail, water or air carmen, cartage contractors, stevedores, wharfingers, cargo superintendents, packers, hauliers, warehousemen, storekeepers and jobmasters. Carriers.
23. To carry on the business of farming, horticulture, floriculture, sericulture, dairies, cultivators of all kinds of food grains, seeds, fruits, proprietors of orchards and traders, exporters, dealers, and sellers of the products of farming, dairy, horticulture, floriculture, sericulture, pisciculture, and fishing and manufacturers of drinks alcoholic or otherwise, including beverages produced from such products or otherwise, to carry on the business of cultivators, growers, manufacturers, millers, grinders, rollers, processors, cold storers, canners and preservers, and dealers of food grains and other agricultural, dairy, horticultural and poultry products, fruits, vegetables, herbs, medicines, flowers, drinks, fluids, gas and other fresh and preservable products and to extract by-products and derivatives, whether edibles or pharmaceutical medicines or of any other kind or nature whatsoever and food preparations of every kind and description and generally to carry on the business of manufacture of and trading in preserved, dehydrated, canned or converted agricultural products, fruits and vegetables, provisions, foods, dairy and poultry products and articles and other derivatives of all kinds and descriptions and to set up and run machinery for processing and preserving the same. Farming & Horticulture & Processing etc.
24. To establish experimental farms and research stations anywhere in India for conducting experiments, test and research for developing better qualities of food grains and agricultural products and or developing much strain in cattle by cross breeding or otherwise and increasing egg laying capacity in poultry and also for finding otherways and means of improving other agricultural crops, produce, seeds, etc., fodder crops and cattle feed of all kinds. Research & Experiment.
25. To manufacture, process, chemically, electrically or by any other means, refine, extract, hydrolyze, manipulate, mix, deodorise, grind, bleach, hydrogenate, buy, sell, import, export, produce or otherwise deal in, seeds and agricultural products, food, food products, dietetic products and preparations, patent drugs and proprietary articles of all kinds, whether basic or derived and in all forms and in particular protein foods of all kinds and all other ingredients and all other incidental products. Food and Dairy Products.

- Dealing and speculation. 26. To buy, sell, deal in and speculate in foreign exchange, gold, silver cotton, jute, hessian, oils, oil-seeds, and commodities of all kinds, agricultural or otherwise finished or unfinished and to take delivery and hold them as permitted under the law from time to time in force.
- Boutiques. 27. To organise, run, maintain, operate, promote the business of interiors decorators; furniture and carpet designers, and manufacturers, boutiques and operators of fashion centers, fashion shows, and to make, acquire, deal, in any way in handicrafts, objects of arts, precious stones, jewellery, whether artificial or otherwise, and articles wherein precious metals or precious stones may be used in textile fabrics, and to manufacture and to deal in any products as are dealt in by boutiques, fashion shows and interior decorators.
- Finance Company. 28. To carry on the business established with the object of financing industrial enterprises within the meaning of section 370 of Companies Act, 1956 and to make loans, give guarantee and provide securities to any other company, or business, whether promoted and/or managed by this Company or not.
- Promotion. 29. To be interested in, promote or undertake the formation and establishment and to take hold and dispose of shares in such organisations, institutions, business or companies, whether industrial, hoteliers, restaurateurs, agricultural, trading, manufacturing or otherwise as may be considered to be conducive to profit and the interest of the Company and also to acquire, promote, aid, foster, subsidise, or acquire interests in any such industry or undertaking.
- Technical Information and know-how. 30. To acquire from or sell to any person, firm or body corporate or unincorporate, whether in India or elsewhere technical and managerial information, know-how, processes, engineering, manufacturing, operating, and commercial data, plans, layouts and blue prints useful for the design, erection, and operation of any plant or process of manufacture and to acquire and grant or licence other rights and benefits in the foregoing matters and things and to render any kind of management and consultancy service.
- Printers & Stationers. 31. To carry on business as general, commercial, colour, craft, and process printers, lithographers, photographers, engravers, diemakers, publishers of newspapers, books, magazines, art, and musical production, plan and chart printers, press and advertising agents, contractors, ink, die, colour and chemical manufacturers, manufacturers of metal and other signs, manufacturers and dealers of containers and components and machinery manufacturers and dealers in printing machinery, type and all printer supplies, book binders and stationers and dealers in all kinds of supplies and equipments for mercantile and other uses.
- Paper. 32. To carry on the business of manufacturers of, and dealers in all kinds and classes of papers and pulp including sulphite and sulphate wood pulp, mechanical pulp and soda pulp and papers including transparent, vellum, writing, printing, glazed, absorbent, newsprinting, wrapping, tissue, cover, blotting, filter, bank or bond, badami, brown, buff or coloured line, azure laid, grass or waterproof, handmade, parchment, drawing, craft, carbon, envelope and box and straw duplex and triplex boards and all

kinds of articles in the manufacture of which in any form pulp, paper or board is used and also to deal in or manufacture artificial leather of all varieties, grades and colour and any other articles or things of a character similar or analogous to the foregoing or any of them or connected therewith.

33. To promote, establish, acquire and run or otherwise carry on the business of any plastic or rubber industry or business of manufacture of materials for use in such industries or business such as wax, paper, bakelite, plywood, celluloid, products, chemicals of all salts and other articles or things and similar or allied products or process and to sell, purchase or otherwise acquire or deal in materials or things in connection with such trade, industry or manufacture and to do all things as are usual or necessary in relation or to in connection with such business or industry or manufacture. Rubber & Plastics.
34. To carry on the business of processors, combers, spinners, weavers, knitters, manufactures, dyers, bleachers, finishers, larninators, balers and pressers of any fibrous or textile material whether an agricultural or animal or natural product or its by-products, or chemical or synthetic fibre and more specially jute, hemp, silk, cotton, wool, mesta, nylon, terene, terylene, staple fibre or other, synthetic fibre and to manufacture any product from such raw material or textile material and to carry on the business of buyers, sellers and dealers of all such raw or processed or semi processed materials and to transact all manufacturing, cutting and preparing processes mercantile business that may be beneficial in the said business. Textiles.
35. To carry on investment business in and dealing in shares, stocks, securities and properties of any kind and description, including estate business. Investment Business.
36. To subscribe for, underwrite, acquire, hold and sell shares, sharestock, debentures, debenture-stock, bonds, mortgages, obligations, securities of any kind issued or guaranteed by any company (body corporate or undertaking) of whatever nature and wheresoever constituted or carrying on business; and to subscribe for underwrite, acquire, hold and sell shares, sharestock, debentures and debenture-stock, bonds, mortgages, obligations and other securities issued or guaranteed by any government, sovereign ruler, commissioners, trust, municipal, local or other authority or body of whatever nature, whether in India or elsewhere. Holding stocks, Shares & Securities.
- IV. The liability of the members is limited.
- V. *The Authorised Share Capital of the Company is Rs. 37,50,00,000 (Rupees Thirty Seven Crores Fifty Lacs only) divided into 18,75,00,000 (Eighteen Crores Seventy Five Lacs) equity shares of Rs. 2 (Rupees Two) each. #

* Authorised Capital was increased from Rs. 15 crores to Rs. 37.5 crores vide National Company Law Tribunal Order dt. 19-4-17.

#Substituted vide Resolution passed by way of Postal Ballot on 10-09-2018.

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

Names, address and Occupations of Subscribers	Signatures of Subscribers	No. of Equity Shares taken by each subscriber	Name, Address, Occupation of witness
Mr. K. G. Khosla S/o Late Mr. R. N. Khosla 11, Prithvi Raj Road, New Delhi Industrialist	Sd/- K. G. Khosla	200	Sd/- (K. L. MEHRA) S/o Mr. R. R. Mehra 130, Double Storey, New Rajinder Nagar, New Delhi Service
Mr. Jagdish Chand Khosla S/o Late Mr. R. N. Khosla 11, Prithvi Raj Road, New Delhi Industrialist	Sd/- J. C. Khosla	100	
Mr. Kanwal Khosla W/o Mr. K. G. Khosla 11, Prithvi Raj Road, New Delhi Industrialist	Sd/- Kanwal Khosla	100	
Mr. Deepak Khosla S/o Mr. K. G. Khosla 11, Prithvi Raj Road, New Delhi Industrialist	Sd/- Deepak Khosla	100	
	Total	500	

Dated this 18th day of October 1974.

Articles of Association of Kirloskar Pneumatic Company Limited

(Adopted by Special Resolution passed at an Extra-ordinary General Meeting of the Company held on 30th day of October 1976 and as amended in terms of section 44 (1) of the Companies Act, 1956, at the Extra-ordinary General Meeting held on 15th November 1976.)

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

The marginal notes hereto are inserted for convenience and shall not affect the construction hereof.

“The Act” means the Companies Act, 1956, and include where the context so admits any re-enactment or statutory modification thereof for the time being in force.

“The Articles” mean these Articles of Association as originally framed or as from time to time altered by Special Resolution.

“The Company” means KIRLOSKAR PNEUMATIC COMPANY LIMITED.

* “Depositories Act” means the 'Depositories Act, 1996 and any statutory modification or re-enactment thereof for the time being in force in India.”

* “Depository” means a Depository as defined in the Depositories Act.

“The Directors” mean the Directors for the time being of the Company.

“Board of Directors” or “the Board” means and shall include Managing Director or Joint Managing Director but shall not include any employee designated as “Executive Director” or, “Works Director” or by any other word pro-fixed or suffixed to the word “Director”.

“The Managing Director” means the Managing Director or Joint Managing Director for the time being of the Company.

“Executive Director” means Executive Director of the Company for the time being but he shall not be a member of the Board of Directors.

“The Secretary” means the Secretary for the time being of the Company.

* Added vide Resolution passed at the Annual General Meeting held on 20th August, 1999.

“Exchange” means the stock exchange or exchanges where the shares of the company are listed for the time being.

“The Office” means the Registered Office for the time being of the Company.

“Register” means the Register of Members of the Company required to be kept under Section 150 of the Act.

“Member” means person whose name is entered in the Register of Members as holding any share either solely or jointly.

“The Registrar” means the Registrar of Companies of the state where the registered office of the Company is situated.

“Dividend” includes bonus.

“Month” means the English Calendar month.

“Seal” means the Common Seal of the Company.

“Proxy” includes Attorney duly constituted under a power of Attorney.

“In writing” and “Written” include printing, lithography and other modes of representing or reproducing words in a visible form.

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

Words importing persons include corporation.

Table “A” not to apply.

2. The articles contained in these Articles of Association shall overrule the regulations contained in Table “A” in the First schedule to the Companies Act, 1956. The Articles of Association referred to in this paragraph shall be subject to any exercise of the statutory power of the company in reference to the repeal or alteration of, or addition to, its regulation by Special Resolution, as prescribed by the Companies Act, 1956, and the Articles of Association shall refer to the Articles as existing from time to time.

2. (a)* Deleted

SHARES

Share Capital.

3. (A)**The Capital of the Company is as reflected in Clause V of the Memorandum of Association, from time to time.#

Redeemable Preference Shares.

(B) Subject to the provisions of these Articles and of the Act the Company shall have power to issue preference Shares which may at the option of the company be liable to be redeemed out of profits which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of such redemption and the Board may subject to the provisions of section 80 of the Act, exercise such power in such manner as it may think fit.

(C) In respect of terms of issue of shares, article Nos. 46, 47, 48 shall apply.

* “Article 2(a)” deleted with effect from 15.11.76

** Authorised Capital was increased from Rs. 15 crores to Rs. 37.5 crores vide National Company Law Tribunal Order dt. 19-4-17.

Substituted vide Resolution passed by way of Postal Ballot on 10-09-2018.

4. Subject to the provisions of these Articles and (to section 81) of the Act the Shares shall be under control of the Board who may allot or otherwise dispose of the same to such persons, on such terms and conditions, at such times, either at par or at a premium or at a discount (subject to the provisions of sec. 78 & 79 of the Act) and for such consideration as the Board thinks fit. Option or right to call of Shares shall not be given to any person or persons without the sanction of the Company in General Meeting. Allotment of shares.
5. The Directors shall have power, at their Discretion, to convert the unissued equity Shares into Redeemable preference Shares and vice-versa and the Company may, subject to sanction of the holders of not less than three fourth of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class, issue any part or parts of the unissued shares (either equity or preference carrying a right to redemption out of the profits or liable to be so redeemed at the option of Company) upon such terms and conditions and with such rights and privileges annexed thereto as the directors at their discretion, may think fit and proper, but subject to the provisions of Section 86, 87 & 88 of the Act and in particular, the Directors may issue such shares with such preferential or qualified rights to dividends and in the distribution of the assets of the Company as the Directors may subject to the aforesaid Sections, determine from time to time. Power to convert and/or issue shares.
5. A) * The Board of Directors shall have power, subject to and in accordance with the applicable provisions of the Act to purchase from time to time any of its own fully paid shares whether or not they are redeemable and make payments out of capital in respect of such purchases. Power to buy back shares.
6. The Company may exercise the power of paying commission conferred by Section 76 of the Act and in such case shall comply with the requirements of that Section. Such commission may be satisfied by payment in cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful. Commission & Brokerage
7. If, by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by instalment 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 share or by his executor or administrator or legal representative. Instalment on shares to be duly paid.
8. The Joint-holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such share. Liability of Joint-holders of shares.
9. Save as herein otherwise provided, the company shall be entitled to treat the Registered holder of any share as the absolute owner thereof and accordingly shall not, except as ordered by a Court of competent jurisdiction or as by statute required, be bound to recognise any equitable or other claim to or interest in such share on the part of any other person. Trust not recognised.

* Added vide Resolution passed at the Annual General Meeting held on 10th September, 1998.

* Provided that where any shares are held in a depository, the persons so entitled to the absolute right to the entirety thereof shall be the persons appearing as beneficial owners as per the Register maintained by the depository and the depository shall be deemed to be the registered owner of such shares only for the purpose of effecting transfer of ownership of such shares on behalf of beneficial owners. A depository may, however, make such entries in the record of beneficial owners of any pledge or hypothecation intimations given in respect of any shares held in depository, as may be permitted under the Depositories Act.

- Who may be registered. 10. Shares may be registered in the name of any person, Company or other body corporate. Not more than four persons shall be registered as joint-holders of any share.

CERTIFICATES

- Certificates. 11. Subject to the provisions of the Companies (Issue of share certificates) Rules, 1960 or any statutory modification or re-enactment thereof, share scrips shall be issued as follows:—

(i) The certificates of title to shares and duplicate thereof, when necessary, shall be issued under the seal of the Company which shall be affixed in the presence of:

- (a) two Directors or a Director and a Person acting on behalf of another Director under a duly registered power-of-attorney or two persons acting as attorney for two Directors as aforesaid; and
 (b) the Secretary or some other person appointed by the Board for the purpose all of whom shall sign such share certificate; provided that, if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole time Director.

- Members' right to certificate. (ii) Every member shall be entitled free of charge to one certificate for all the shares of each class registered in his name or, if the Board so approves, to several certificates each for one or more of such shares. Unless the conditions of issue of any shares otherwise provide, the Company shall, within three months after the date of either allotment and on surrender to the Company of its letter making the allotment or of its fractional coupons of requisite value (save in the case of issue against letters of acceptance or renunciation or in case of issue of Bonus shares) or within one month of receipt of the application for registration of the transfer of any of its shares, as the case may be, complete and have ready for delivery the certificates of such shares. In respect of any share held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate to one of several joint-holders shall be sufficient delivery to all such holders.

(iii) No fee shall be charged for :

- (a) Registration of Transfer of shares.

- (b) Sub-division and consolidation of shares and debenture certificates and for sub-division of letters of allotment and split, consolidation, renewal and pucca Transfer Receipts into denominations corresponding to the market units of trading.
 - (c) Sub-division of renounceable Letters of Right.
 - (d) Issue of new certificates in replacement of those which are old, decrepit or worn out or where the pages on the reverse for recording transfers have been fully utilised.
 - (e) Registration of any powers of Attorney, Probate, Letters of Administration or similar other documents.
- (iv) The fee that may be agreed upon with the Exchange will be charged for :—
- (a) Issue of new certificates in replacement of those that are torn, defaced, lost or destroyed.
 - (b) Sub-division and consolidation of share and Debenture certificates and for sub-division of letters of Allotment and split, consolidation, Renewal and Pucca Transfer Receipts into denominations other than those fixed for the market units of trading.

11. A) *Securities may be held in Depository

The Company may dematerialise/rematerialise its shares, debentures and other securities pursuant to the Depositories Act and offer its shares, debentures of other securities for subscription/allotment in a dematerialised form. The provision of Articles 11 of the Articles of Association of the Company shall not apply to shares, debentures or securities held in a Depository in a dematerialised form. However, the Board of Directors at their direction and subject to any prevailing Regulation in that behalf, may charge and recover from shareholder, Debentureholder or securities holder such amount on dematerialisation/rematerialisation of each certificate as they may deem fit.

Securities may be held in Depository.

CALLS

12. 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 91 of the Act, make such calls as the Board thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Board. A call may be made payable by instalments and shall be deemed to have been made when the resolution of the Board authorising such call was passed.
13. No call shall exceed one-half of the nominal amount of a share, or be made payable within one month after the last preceding call was payable. Not less than thirty day's notice of any call shall be given, specifying the time and place of payment and to whom such call shall be paid.

Calls.

Restriction on power to make calls and notice.

- Payment of interest on calls.
14. (i) If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof the holder for the time being in respect of the share for which the call shall have been made or the instalment shall be due shall pay interest for the same at the rate of 12 percent per annum from the day appointed for the payment thereof to the time of the actual payment or at such lower rate (if any) as the Board may determine.
- (ii) The Board shall be at liberty to waive payment of any such interest either wholly or in part.
- Amount payable at fixed time or payable by instalments as calls.
15. If by the terms of issue of any share or otherwise, any amount is made payable upon allotment or at any fixed time or by instalment at fixed times, whether on account of the nominal amount of the share or by way 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 had been given.
- Evidence in action by Company against shareholders.
16. On the trial or hearing of any action or suit brought by the Company against any shareholders or his representatives to recover any debt or money claimed to be due to the company in respect of his share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose on the Register "or on the Register of Beneficial Owners in case of shares held in a Depository", as a holder, or one of the holders of the number of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Board who made any call, nor that a quorum was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted, nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.
- Payment of calls in advance.
17. The Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the money due upon the share held by him beyond the sums actually called for and upon the money so paid in advance, or upon so much thereof as from time to time and at any time thereafter as exceeds the amount of the calls then made and due in respect of the share on account of which such advance has been made, the Board may pay or allow interest at such rate as the member paying such sum in advance and the Board agrees upon. Money so paid in excess of the amount of calls shall not rank for dividends or confer a right to participate in profits. The Board may at any time repay the amount so advanced upon giving to such member not less than three months' notice in writing.
- No member paying such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.
- Revocation of calls.
18. A call may be revoked or postponed at the discretion of the board.

FORFEITURE AND LIEN

- If call or instalment not paid notice may be given.
19. If any member fails to pay any call or instalment of a call on or before the day appointed for the payment of the same the Board may, at any time, thereafter during such time as the call or instalment remains unpaid, serve notice on such member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
- Notice for non-payment of calls.
20. The notice shall name a day (not being less than thirty days from the date of the notice) and a place or places on and at which such call or instalment and

such interest and expenses as aforesaid are to be 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.

21. If the requisitions of any such notice as aforesaid be not complied with any shares in respect of which such notice has been given may, at any time thereafter, before payment of all calls or instalments interest and expenses, due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture. If notice is not complied with shares may be forfeited.
22. When any share shall have been so forfeited notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register, but no forfeiture shall be in any manner invalidated by an omission or neglect to give such notice or to make such entry as aforesaid. Notice after forfeiture.
23. Any share so forfeited shall be deemed to be the property of the Company, and the Board may sell, re-allot or otherwise dispose of the same in such manner as it thinks fit. Forfeited share to become property of the Company.
24. The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit. Power to Annul forfeiture.
25. A person whose share has been forfeited shall, cease to be a member in respect of the share but shall, notwithstanding, remain liable to pay, and shall forthwith pay to the Company, all calls, or instalment, interest and expenses, owing upon or in respect of such share, at the time of the forfeiture, together with interest thereon, from the time of the forfeiture, until payment, at 12 per cent per annum and the Board may enforce the payment thereof, or any part thereof without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so. Liability on forfeiture.
26. A duly verified declaration in writing that the declarant is a Director, Manager or Secretary of the Company and has been authorised by a Board Resolution to act as declarant and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and such declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposition thereof shall constitute a good title to such shares; and the person to whom any such share is sold shall be registered as the holder of such share and shall not be bound to see the application of purchase money, nor shall his title to such share be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition. Evidence of forfeiture.
27. The provisions of Articles 19 to 26 hereof shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of a share or by way of premium, as if the same had been payable by virtue of a call duly made and notified. Forfeiture provisions to apply to non-payment in terms of issue.

- Company's lien on shares. 28. The Company shall have a first and paramount lien upon every share not being fully paid up registered in the name of each member (whether solely or jointly with others), and upon the proceeds of sale thereof for moneys called or payable at a fixed time in respect of such share whether the time for the payment thereof shall have actually arrived or not and no equitable interest in any share shall be created except upon the footing and condition that Article 9 hereof is to have full effect. Such lien shall extend to all dividends from time to time declared in respect of such share. Unless, otherwise agreed, the registration of a transfer of a share shall operate as a waiver of the Company's lien, if any, on such share.
- As to enforcing lien by sale. 29. For the purpose of enforcing such lien, the board may sell the share subject thereto in such manner as it thinks fit, but no sale shall be made until such time for payment as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member, the executor or administrator or his committee, curator bonis or other legal representative as the case may be and default shall have been made by him or them in the payment of the money called or payable at a fixed time in respect of such shares for thirty days after the date of such notice.
- Application of proceeds of sale. 30. The net proceeds of the sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the share before the sale) be paid to the persons entitled to the share at the date of the sale.
- Validity of sales in exercise of lien and after forfeiture. 31. Upon any sale after forfeiture or for enforcing lien in 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 purchaser's name to be entered in the Register in respect of the share sold, and the purchaser shall not be bound to see the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the Register in respect of such share the validity of the sale shall not be impeached by any persons, and the remedy of any person aggrieved by sale shall be in damages only and against the Company exclusively.
- Board may issue new certificate. 32. Where any share under the powers in that behalf herein contained is sold by the Board and the certificate in respect thereof has not been delivered to the Company by the former holder of such share, the Board may issue a new certificate for such share distinguishing it in such manner as it may think fit from the certificate not so delivered up.

TRANSFER AND TRANSMISSION

- Execution of transfer, etc. 33. Save as provided in Section 108 of the Act, no transfer of a share shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee has been delivered to the Company together with the certificate or, if no such certificate is in existence, the letter of allotment of the share. Each signature to such transfer shall be duly attested by the signature of one credible witness, who shall add his address and occupation.
- The instrument of transfer shall be in writing and all the provisions of Section 108 of the Act and any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and the registration thereof.
- Application by transferor. 34. Applications for the registration of the transfer of a share may be made either by the transferor or the transferee, provided that where such application is made by the transferor no registration shall, in the case of a

partly paid share, be effected unless the Company gives notice of the application to the transferee in the manner prescribed by Section 110 of the Act, and subject to provisions of these Articles, the Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register, the name of the Transferee in the same manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee.

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| 35. The instrument of transfer shall be in the form prescribed by the Act or the Rules made thereunder or where no such form is prescribed in the usual common form or any other form approved by the stock exchanges in India or as near thereto as circumstances will admit. | Form of transfer. |
| 36. Subject to the provisions of Section 111 of the Act, the Board, without assigning any reason for such refusal, may, within two months from the date on which the instrument of transfer was delivered or the intimation of such transmission was given to the Company, refuse to register any transfer of or the transmission by operation of law of the right to a share provided that registration of any transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the company on any account whatsoever, except when the company has lien on the share. | In what cases the Board may refuse to register transfer. |
| 37. No transfer shall be made to minor or person of unsound mind. | No transfer to Minor etc. |
| 38. Every instrument of transfer shall be left at the office for Registration accompanied by the Certificate of the share to be transferred or, if no such certificate is in existence, by the Letter of allotment of the share and such other evidence as the Board may require to prove the title of the transferor or his right to transfer the share. Every instrument of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Board may refuse, to register shall be returned to the person depositing the same. | Transfer to be left at office when to be retained. |
| 39. If the Board refuses, whether in pursuance of Article 36 or otherwise to register the transfer of or the transmission by operation of law of the right to any share, the Company shall, within two months from the date on which the instrument of transfer or the intimation of such transmission, as the case may be was lodged with the Company send the transferee and transferor or to the person giving intimation of such transmission notice of the refusal. | Notice of refusal to register transfer. |
| 40. No fee shall be payable to the Company in respect of transfer or transmission of any shares in the Company. | Fee on Registration of transfer, probate etc. |
| 41. The executor or administrator of a deceased member (not being one of several joint-holders) shall be the only person recognised by the Company as having any title to the share registered in the name of such member, and in case of the death of any one or more of the joint-holders, of any registered share, the survivor shall be the only person recognised by the Company as having any title to or interest in such shares but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on the share held by him jointly with any other person. Before recognising any executor or administrator the Board may require him to obtain a Grant or probate or Letters of Administration or other legal representation, as the case may be, from a competent Court in India. Provided nevertheless that in any case where the Board in its absolute discretion thinks fit it shall be lawful for the Board to dispense-with, Letters of Administration or such other legal representation upon such terms as to indemnity, as it considers proper. | Transmission of registered shares. |

- As to transfer of shares of insane, minor, deceased, or bankrupt members.
42. Subject to the provisions of the Act and these Articles, any committee or guardian of a lunatic or minor member or any person becoming entitled to or to transfer a share in consequence of the death, lunacy or bankruptcy or insolvency of any member or by any lawful means other than a transfer in accordance with these Articles, upon producing such evidence that he sustains the character in respect of which he proposes to act under the Article or of such title as the Board thinks sufficient, may, with the consent of the Board (which the Board shall not be bound to give), either be registered himself as a holder in respect of such share, or elect to transfer such share to some other person approved by the Board registered as such holder.
- Transmission Article. This Article is hereinafter referred to as "The Transmission Article".
43. (i) If the person so becoming entitled under the Transmission Article shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to have the share transferred to some other person, he shall testify his election by executing an instrument of transfer of the shares in accordance with the provisions herein contained, and, until he does so, he shall not be free from any liability in respect of the share.
- (iii) All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of instruments of transfer of a share shall be applicable to any such notice of transfer as aforesaid as if the death, lunacy, bankruptcy or insolvency of the member had not occurred and the notice of transfer were a transfer signed by that member.
- Rights of persons entitled to shares under the transmission article.
44. A person so becoming entitled under this Transmission Article to a share by reason of the death, lunacy, bankruptcy or insolvency of the holder shall, subject to the provisions of Article 74 and of Section 206 of the Act, be entitled to the same dividends and other advantages as he would be entitled to if he were the registered holder of the share.
- Provided that the Board may at any time give a notice requiring any such persons to elect either to be registered himself or to transfer the shares, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.
- Transfer and transmission of shares held in depository.
44. A) * The provisions of Articles 33, 34, 35, 37, 38, 40, 41, 42, 43 and 44 shall not apply to transfer of shares, debentures or securities held in a depository. The provisions of Articles 36 and 39 shall apply to such transfer subject to and consistent with the provisions of the Depositories Act and the Companies Act, 1956.

INCREASE AND REDUCTION OF CAPITAL

45. The Company in General Meeting may, from time to time increase its capital by the creation of new shares of such amount as may be deemed expedient. Power to increase capital.
46. Subject to the provisions of the Act and Subject to any special rights or privileges for the time being attached to any shares in the capital of the Company, then issued, any shares of the original or increased capital shall be issued upon such terms and conditions, and with such rights and privileges attached thereto as the General Meeting resolving upon the creation thereof, shall direct, and, if no direction be given, and in the case of existing unissued shares as the Board shall determine, and in particular in the case of preference shares such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with rights of redemption. On what conditions new shares may be issued.
47. Before the issue of any new shares, the company in general Meeting may make provisions as to the allotment and issue of the new shares, and in particular may determine to whom the same shall be offered in the first instance and whether at par or at a premium or, subject to the provisions of Section 79 of the Act, at a discount; and upon default of any such provision, or so far as the same shall not extend, the new shares may be issued in conformity with the provisions of Article 4. Provisions relating to issue.
48. Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered part of the then existing capital of the Company and shall be subject to the provisions, herein contained with reference to the payment of dividends, calls and instalments, transfer and transmission, forfeiture, lien, surrender and otherwise. How far new shares to rank with existing shares.
49. If, owing to any inequality in the number of new shares to be issued, and the number of shares, held by the members entitled to have the offer of such new shares, any difficulty shall arise in the apportionment of such new shares or any of them amongst the members, such difficulty shall, in the absence of any direction in the resolution creating the shares or by the Company in General Meeting, be determined by the Board. Inequality in number of new shares.
50. The Company may, from time to time, by Special Resolution reduce its capital and any capital redemption Reserve Account or shares premium Account in any manner for the time being authorised by law and in particular capital may be paid off on the footing that it may be called upon again or otherwise. Reduction of capital etc.

ALTERATION OF CAPITAL

51. The Company in General Meeting may from time to time:-
- (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; Power to sub-divide shares.
- (b) 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;
- (c) Cancel any shares which at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

- Surrender of shares. 52. Subject to the provisions of Section 100 to 105 inclusive of the Act, the Board may accept from any member the surrender on such terms and conditions as shall be agreed to, of all or any of his shares.

MODIFICATION OF RIGHTS

- Power to modify rights. 53. Whenever the capital (by reason of the issue of Preference Shares, or otherwise) is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 106 and 107 of the Act, be modified, commuted, affected, abrogated, varied dealt-with by agreement between the Company and any person purporting to contract on behalf of that class provided such agreement is:-
- (a) consented to in writing by the holders of at least three-fourth of the issued shares of that class, or
 - (b) sanctioned by a resolution passed at a separate General Meeting of the holders of shares of that class in accordance with Section 106 (b) of the Act and all the provisions hereinafter contained as to General Meetings shall mutatis mutandis apply to every such meeting, except that the quorum thereof shall be members holding or representing by proxy one-fifth, of the nominal amount of the issued shares of the class. This Article is not by implication to curtail the power of modification which the company would have if this Article were omitted. The Company shall comply with the provisions of Section 192 of the Act as to forwarding a copy of any such agreement or resolution to the Registrar.

BORROWING POWERS

- Power to borrow. 54. The Board may, from time to time, at its discretion, subject to the provisions of Section 292, 293 and 370 of the Act, raise or borrow, either from the Director or from elsewhere and secure the payment of any sum or sums of money for the purpose of the Company; provided that the Board shall not, without the sanction of the Company in General Meeting, borrow any sum of money which together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say, reserves not set aside for any specific purpose.

- Conditions on which money may be borrowed. 55. Subject to the provisions of the Act and these Articles the Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and, in particular, by the issue of bonds, perpetual or redeemable, debentures or debenture-stock, or any mortgage, or charge or other tangible security on the undertaking or on the whole or any part of the property of the Company (both present and future); including its uncalled capital for the time being.

- Issue at discount etc. or with special privileges. 56. Any debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, drawings, allotment of shares, appointment of Directors and otherwise, debentures, debenture-stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.

57. Save as provided in Section 108 of the Act no transfer of debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the debentures. Instrument of transfer.
58. If the Board refuses to register the transfer of any debentures, the Company shall, within two months from the date on which the instrument of transfer was lodged with the Company, send to the transferee and to the transferor notice of the refusal. Notice of refusal to register transfer.

GENERAL MEETINGS

59. In addition to any other Meetings, a General Meeting of the Company shall be held within such intervals as are specified in Section 166(1) of the Act and subject to the provisions of Section 166(2) of the Act, at such times and places as may be determined by the Board. Each such Annual General Meeting shall be called as such in the notice convening the meeting. Any other meeting of the Company shall be called as "Extra Ordinary General Meeting." When Annual General Meeting to be held.
60. The Board may whenever it thinks fit call an Extra-ordinary General Meeting and it shall on the requisition of the members in accordance with Sec. 169 of the Act proceed to call an Extra-Ordinary General Meeting. The requisitionists may in default of the Board convening the same convene the Extra-Ordinary General Meeting as provided by Section 169 of the Act. When Extra Ordinary General Meeting to be called.
61. The Company shall comply with provisions of Section 188 of the Act as to giving notice of resolution and circulating statements on the requisition of members. Circulation of Members' resolution.
62. Save as provided in sub-section (2) of Section 171 of the Act, not less than twentyone days' notice shall be given of every General Meeting of the Company. Every notice of a meeting shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member of the Company. Where any such business consists of "Special Business" as hereinafter defined there shall be annexed to the notice a statement complying with Section 173(2) and (3) of the Act. Notice of Meeting.

Notice of every meeting of the Company shall be given to every member of the Company, to the Auditors of the Company and to person or persons entitled to a share in consequence of the death or insolvency of a member in any manner hereinafter authorised for the giving of notices to such persons, provided that where the notice of a General Meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the office under sub-section (3) of Section 53 of the Act, the statement of material facts referred to in Section 173(2) of the Act need not be annexed to the notice as required by that section but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company. The accidental omission to give any such notice to or its non-receipt by any members or other person to whom it should be given shall not invalidate the proceedings of the meeting.

PROCEEDINGS AT GENERAL MEETING

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| Business of Meetings. | 63. The ordinary business of an Annual General Meeting shall be to receive and consider the Profit & Loss Account, the Balance Sheet and the Reports of the Directors and of the Auditors, to elect Directors in the place of those retiring by rotation, to appoint Auditors and fix their remuneration and to declare dividends. All other business transacted at any Annual General Meeting and all business transacted at any other General Meeting shall be deemed special business. |
| Quorum to be present when business commenced. | 64. No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as herein otherwise provided five members present in person shall be quorum. |
| When, if quorum not present, meeting to be dissolved and when to be adjourned. | 65. If within half an hour from the time appointed for the meeting a quorum be not present, the meeting, if convened upon such requisition as aforesaid shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such time and place as the Board may by notice appoint and if at such adjourned meeting a quorum be not present within half-an-hour from the time appointed for holding the meeting those members, who are present and not being less than two shall be a quorum and may transact the business for which the meeting was called. |
| Resolution to be passed by the Company in General Meeting. | 66. Any act or resolution which, under the provisions of the Articles or of the Act, is permitted or required to be done or passed by the Company in General Meeting shall be sufficiently so done or passed if effected by an Ordinary Resolution as defined in Section 189(1) of the Act unless either the Act or these Articles specifically require such Act to be done or resolution passed by a Special Resolution as defined in Section 189(2) of the Act. |
| Chairman of General Meeting. | 67. * The Chairman of the Board shall be entitled to take the chair at every General Meeting.

If at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or if he shall be unable or unwilling to take the Chair, then the Vice Chairman of the Board of Directors shall be entitled to take the Chair at such General Meeting. If at any General Meeting the Vice Chairman shall not be present within fifteen minutes after the time appointed for holding such meeting or if he shall be unable or unwilling to take the Chair, then the Directors present shall elect any Director present and willing to take the Chair, and if no Director be present within fifteen minutes after the time appointed for holding such meeting or if all the Directors present decline to take the Chair, then the members present shall, on a show of hands or on a poll if properly demanded, elect one of their members being a member entitled to vote, to be the Chairman of such meeting. |
| How questions to be decided at Meetings. | 68. Every question submitted to a meeting shall be decided, in the first instance by a show of hands, and in case of an equality of votes, both on a show of hands and on a poll the Chairman of the meeting shall have a casting vote in addition to the vote to which he may be entitled to as a member. |
| What is the evidence of the passing of a resolution where poll not demanded. | 69. At any General Meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded by either the Chairman of his own motion, or by atleast five members having the right to vote on the resolution in Question and present in person or by proxy and having not less than one-tenth of the total voting power in respect of such resolution, |

*Article 67 substituted with effect from September 25, 1997.

or by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote on such resolution, being shares on which an aggregate sum has been paid up which is not less than one-tenth of the total sum paid upon all the shares conferring that right, a declaration by the Chairman that the resolution [has or has not been carried], or has or has not been carried either unanimously, or by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of, or against the resolution.

70. (i) If a poll be demanded as aforesaid it shall be taken forthwith on a question of adjournment or election of a Chairman and in any other case in such manner and at such time, not being later than forty-eight hours from the time, when the demand was made, and at such place as the Chairman of the meeting directs, and subject to aforesaid, either at once or after an interval or adjournment or otherwise, and the results of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was demanded. Poll.
- (ii) The demand of a poll may be withdrawn at any time.
- (iii) Where a poll is to be taken the Chairman of the meeting shall appoint two scrutineers, one at least of whom shall be a member (not being an officer or employee of the Company) present at the meeting provided such a member is available and willing to be appointed, to scrutinise the votes given on the poll and report to him thereon. The chairman shall have the power at any time before the result of the poll is declared to remove a scrutineer from office and fill vacancy in the office of the scrutineer arising from such removal or from any such cause.
- (iv) On a poll a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be need not, if he votes, use all his votes or cast in the same way all the votes he uses.
- (v) The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.
71. (i) The Chairman of a General meeting may adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Power to adjourn General Meeting.
- (ii) When a meeting is adjourned it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
72. (i) Save as hereinafter provided, on a show of hands every member present in person and being a holder of equity shares shall have one vote and every person present either as a General Proxy (as defined in Article 77) on behalf of a holder of Equity Shares, if he is not entitled to vote in his own right or, as a duly authorised representative of a body corporate, being a holder of Equity Shares, shall have one vote. Votes of Member.
- (ii) Save as hereinafter provided, on a poll the voting rights of a holder of Equity shares shall be as specified in Section 87 of the Act.
- (iii) The holders of Preference shares shall have a right to vote on a resolution placed before the Company which directly affects the rights attached to their Preference shares and subject as aforesaid the holders

of preference share shall in respect of such capital be entitled to vote on every resolution placed before the Company at a meeting if the dividend due on such capital or any part of such dividend remains unpaid in respect of an aggregate period of not less than two years preceding the date of commencement of the meeting and where the holders of any Preference shares have a right to vote as aforesaid on any resolution every such member personally present shall have one vote on a show of hands and on a poll his voting right in respect of such preference shares shall be in the same proportion as the Preference share capital bears to the total of the capital paid up on Equity Shares.

- (iv) * A depository as a registered owner shall not have any voting rights in respect of shares and securities held by it in dematerialised form. However, the beneficial owner as per the Register of Beneficial Owners maintained by a Depository shall be entitled to such rights in respect of the shares or securities held by him in the Depository. Any reference of the Member or joint members in Articles 72 to 82 shall include a reference to Beneficial Owner or Joint Beneficial Owners in respect of the shares held in a Depository.

Provided that no body corporate shall vote by proxy so long as resolution of its Board of Directors under the provisions of Section 187 of the Act is in force and the representative named in such resolution is present at the General Meeting at which the vote by proxy is tendered.

Procedure where a company or body corporate is a member of the Company.

73. (i) Where a body corporate (hereinafter called "member Company") is a member of the Company a person, duly appointed by resolution in accordance with the provisions of Section 187 of the Act to represent such member Company at a meeting of the Company, shall not by reason of such appointment, be deemed to be a proxy, and the lodging with the Company at the office or production at the meeting of a copy of such resolution duly signed by one Director of such member Company and certified by him as being a true copy of the resolution shall, on production at the meeting be accepted by the Company as sufficient evidence of the validity of his appointment. Such a person shall be entitled to exercise the same rights and powers, including the right to vote by proxy on behalf of the member Company which he represents, as that member company could exercise if it were an individual member.
- (ii) Where the President of India or the Governor of a State is a member of the Company then his representation at meetings shall be in accordance with Section 187-A of the Act.

Votes in respect of deceased, insane and insolvent members.

74. Any person entitled under the Transmission Article 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 forty-eight hours, at least, before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Board of his right to transfer such share, unless 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 compos mentis, he may vote whether on a show of hand or at a poll by his committee, curator bonis or other legal curator and such last mentioned persons may give their votes by proxy.

Joint Holders.

75. Where there are joint registered holders of any share, any one of such persons may vote at any meeting either personally or by proxy in respect of such share as if he were solely entitled thereto; and if more than one of such

*Added vide Resolution passed at the Annual General Meeting held on 20th August, 1999.

- Joint-holders be present at any meeting either personally or by proxy, that one of the said persons so present whose name stands first on the Register in respect of such share alone shall be entitled to vote in respect thereof. Several executors or administrator of a deceased member in whose name any share is registered shall for the purpose of this Article be deemed joint-holder thereof.
75. A) * Any reference in this Article to Register of Members shall also mean and include the Register of Beneficial Owners maintained by a Depository in respect of the shares or securities held in dematerialised form and the provisions relating to joint holders shall mutatis mutandis apply to the joint beneficial owners. Joint Beneficial Owners.
76. Votes may be given either personally, or in the case of a body corporate, by a representative duly authorised as aforesaid or by proxy. Proxies permitted.
77. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if such appointer is a body corporate be under its common seal or the hand of its officer or Attorney duly authorised. A proxy who is appointed for a specified meeting shall be called a Special Proxy. Any other proxy shall be called a General Proxy. Instrument appointing proxy to be in writing. Proxies may be general or special.
78. The instrument appointing a proxy and the power of Attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority shall be deposited at the Office not less than forty-eight hours before the time for holding the meeting at which the person named in the instrument purports to vote in respect thereof and in default the instrument of proxy shall not be treated as valid. Instrument appointing proxy to be deposited at the office.
79. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument, or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer of the share shall have been received by the Company at the office before the vote is given. Provided nevertheless that the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked. Whether vote by proxy valid through authority revoked.
80. Every instrument appointing a special proxy shall be retained by the Company and shall, as nearly as circumstance will admit, be in any one of the forms set out in schedule IX to the Act or as near thereto as possible or in any other form which the Board may accept. Form of instrument appointing a special proxy.
81. 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 to lien, but the Board of Directors may by a resolution passed at the meeting of the Board, waive the operation of this Article. Restrictions on voting.
82. (i) Any objection as to the admission or rejection of a vote either, on a show of hands or, on a poll made in due time, shall be referred to the Chairman, who shall forthwith determine the same, and such determination made in good faith shall be final and conclusive. Admission on rejection of votes.
- (ii) No objection shall be raised to the qualifications 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.

*Added vide Resolution passed at the Annual General Meeting held on 20th August, 1999.

DIRECTORS

- Number of Directors. 83. *Until otherwise determined by Special Resolution the number of Directors of the Company shall not be less than three or more than fifteen..
- Company in General Meeting to increase or reduce number of Directors. 84. The Company in General Meeting may from time to time increase or reduce the number of Directors within the limit fixed by Article 83.
- Proportional Representation on the Board. 85. Subject to the provisions of Article 87 not less than twothirds of the total number of Directors shall be persons whose period of office is liable to determination by retirement by rotation and not less than twothird of the total number of Directors shall be persons who have been appointed in terms of Section 255, 256 and 257 of the Companies Act, 1956.
- Directors at the date of adoption of articles. 86. At the date of adoption of these Articles, the following persons are the Directors of the Company:-
 1. Shri K. G. Khosla
 2. Shri J. C. Khosla
 3. Shri B. R. Murgai
 4. Shri H. L. Narang
- Nominee Director 87. ** Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The Industrial Credit and Investment Corporation of India Limited (ICICI) and Life Insurance Corporation of India (LIC) or to any other Finance Corporation or Credit Corporation or to any other Financing Company or Body out of any loans granted by them to the Company or so long as IDBI, IFCI, ICICI, LIC and Unit Trust of India (UTI) or any other Financing Corporation or Credit Corporation or any other Financing Company or Body (each of which IDBI, IFCI, ICICI, LIC and UTI or any other Finance Corporation or Credit Corporation or any other Financing Company or Body is hereinafter in this Article referred to as "the Corporation") continue to hold debentures in the Company by direct subscription or private placement, or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, whole -time or non-whole-time, (which Director or Directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s.

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

* Article 83 substituted with effect from 23.7.2014.

** Article 87 substituted with effect from 28.12.1981.

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Debentures in the Company as a result of direct subscription or private placement or so long as the Corporation holds shares in the company as a result of underwriting or direct subscription or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold Debentures/shares in the company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Corporation.

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

The Company shall pay to the Nominee Director/s sitting fees and expenses which the other Directors of the company are entitled, but if any other fees, commission, moneys or remuneration in any form is payable to the Directors of the company, the fees, commission, moneys and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and same shall accordingly be paid by the company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s.

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

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

Provided also that in the event of the Nominee Director/s being appointed as whole time director/s such Nominee Director/s shall exercise such power and duties as may be approved by the Lenders and have such rights as are usually exercised or available to a whole-time director, in the management of the Borrower. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Lenders.

88. The Board shall have power, at any time and from time to time to appoint any person as an additional Director as an addition to the Board but so that the total number of directors should not exceed the limit fixed by these Articles. Any Director so appointed shall hold office only until the next Annual General Meeting of the Company and shall then be eligible for re-election.

Power of Directors to add to their number.

- Share qualification of Directors.
89. Unless otherwise determined by the Company in General Meeting a Director shall not require a share qualification, but nevertheless shall be entitled to attend and speak at any General Meeting of the Company and any separate meeting of the holders of any class of shares in the Company.
- Directors' fees, remunerations and expenses.
90. * Subject to the provisions of Section 310 of the Act, the remuneration of a Director for his services in attending the meeting of Board of Directors or Committee for his services in attending the meeting of Board of Directors or Committee thereof, shall be a sum not exceeding Rs. 2,000/- for each meeting attended by him or such other amount as may be fixed by the Board of Directors from time to time, subject to limit prescribed by the Central Government in this regard. All other remunerations if any payable by the Company to each Director, whether in respect of his services as a Managing Director or a Director in the whole or part time employment of Company or otherwise shall be determined in accordance with and subject to the provision of these Articles and of the Act. The Directors shall be entitled to be paid their reasonable travelling and hotel and other expenses incurred in consequence of their attending at Board and Committee meetings or otherwise incurred in the execution of their duties as Directors.
- Remuneration for extra services.
91. If any Director, being willing, shall be called upon to perform extra services or to make any special exertions for any of the purposes of the Company or as a member of a Committee of the Board then, subject to Section 198, 309 and 310 of the Act, the Board may remunerate the Directors so doing either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which they may be entitled.
- Board may act notwithstanding vacancy.
92. The continuing Directors may act notwithstanding, any vacancy in their body but so that if the number falls below the minimum above fixed the Directors shall not, except in emergencies or for the purpose of filling vacancies or for summoning a General Meeting, act so long as the number is below the minimum.
- Vacancy of office of Directors.
93. The Office of Director shall ipso facto become vacant if at any time he commits any of the acts set out in Section 283 of the Act.
- Office of the Profit.
94. No Director or other person referred to in Section 314 of the Act shall hold an office or place of profit save as permitted by that Section.
- Appointment of Director of a Company in which the Company is interested.
95. A Director of the Company may be or become a Director of any other company promoted by this Company or in which he may be interested as a vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as a Director or member of such Company except in so far as Section 309 (6) or Section 314 of the Act may be applicable.
- Conditions under which Directors may contract with Company.
96. Subject to the provisions of Section 297 of the Act neither shall a Director be disqualified from contracting with the Company either as vendor, purchaser or otherwise for goods, materials or services or for the underwriting the subscription of any shares in or debenture of the Company nor shall any such contract or agreement entered into by or on behalf of the Company with the relative of such Director, or a firm in which

* Added vide Resolution passed at the Annual General Meeting held on 10th September, 1998.

behalf of the Company with the relative of such Director, or a firm in which such Director or relative is a partner or with any other partner in such firm or with a private company of which such Director is a member or Director, be void, nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by and such contract or arrangement by reason of such Director holding office or the fiduciary relation thereby established.

97. Every Director who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, entered into or to be entered into by or on behalf of the Company not being a contract or arrangement entered into or to be entered into between the Company and any other company, where any of the Directors of the Company or two or more of them together hold or holds not more than two per cent of the paid up share capital in the other company shall disclose the nature of his concern or interest at a meeting of the Board as required by Section 299 of the Act a general notice renewable in the last month of each financial year of the Company, that a Director is a Director or a member of any specified body corporate or is a member of any specified firm and is to be regarded as concerned or interested in any subsequent contract or arrangement with that body corporate or firm shall be sufficient disclosure of concern or interest in relation to any contract or arrangement so made and, after such general notice, it shall not be necessary to give special notice relating to any particular contract or agreement with such body corporate or firm, provided such general notice is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given. Every Director shall be bound to give and from time to time renew a general notice as aforesaid in respect of all bodies corporate of which he is a Director or member and of all firms of which he is a member.
98. No Director shall, as a Director, take any part in the discussion of, or vote on any contract or arrangement in which he is in anyway, whether directly or indirectly concerned or interested nor shall his presence count for the purpose of forming a quorum at the time of such discussion or vote. This prohibition shall not apply to :
- (a) Any contract of indemnity against any loss which the Director may suffer by reason of becoming or being surety for the company; or
- (b) any contract or arrangement entered into or to be entered into by the Company with a public Company, or with a private Company which is a subsidiary of a public company, in which the interest of the Director consists solely in his being a Director of such company and the holder of shares not exceeding in number or value the amount requisite to qualify him for appointment as a Director thereof, he, having been nominated as such Director by the Company or in his being a member of such Company holding not more than two percent of the paid up share capital of such Company.

Disclosure of a Director's interest.

Discussion and voting by any Director interested.

ROTATION OF DIRECTORS

99. At each Annual General Meeting of the Company onethird of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or multiple of three, then the number nearest to onethird shall retire from office. Neither a Managing Director, a Nominee Director nor an additional Director appointed by the Board under Article 88 hereof shall be liable to retire by rotation within the meaning of this Article.

Rotation and retirement of Directors.

- Which Directors to retire. 100. a) The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day those to retire shall, in default of and subject to any agreement among themselves, be determined by lot.
- Appointment of Director to be voted on individual. b) Save as permitted by Section 263 of the Act, every resolution of a General Meeting for appointment of a Director shall relate to one named individual only.
- Power to remove Director by ordinary resolution on special notice. 101. The Company may remove any Director before the expiration of his period of office in accordance with the provisions of Section 284 of the Act and may subject to the provisions of Section 261 of the Act appoint another person in his stead if the Director so removed was appointed by the Company in General Meeting or by the Board under Article 102.
- Board may fill up casual vacancies. 102. If any Director appointed by the Company in General Meeting vacates office as a Director before his terms of office will expire in the normal course, the resulting casual vacancy may be filled up by the Board at a meeting of the Board, but any person so appointed shall retain his office so long only as the vacating Director would have retained the same if no vacancy had occurred. Provided that the Board may not fill such a vacancy by appointing thereto any person who has been removed from the office of Director under Article 101.
- When the Company and candidate for office of Director must give notice. 103. The eligibility and appointment of a person other than a retiring Director to the office of Director shall be governed by the provisions of Section 257 of the Act.

ALTERNATE DIRECTORS

- Power to appoint Alternate Director. 104. The Board may in accordance with and subject to the provision's of Section 313 of the Act appoint any person to act as alternate Director for a Director during the latter's absence for a period of not less than three months from the state in which meetings of the Board are ordinarily held.

PROCEEDING OF DIRECTORS

- Meeting of Directors. 105. The Board of Directors may meet for the dispatch of business, adjourn and otherwise regulate its meetings, as it thinks fit; provided that a meeting of the Board of Directors shall be held at least once in every three calendar months.
- Director may summon meeting. 106. Managing Director may, at any time and the Secretary shall upon the request of a Director made at any time, convene a meeting of the Board.
- Chairman & Vice Chairman 107. *The Board shall appoint from amongst its members a Chairman and Vice Chairman and determine the period for which they are to hold office. The Chairman of the Board shall be entitled to take the Chair at every meeting of the Board. If at any meeting of the Board the Chairman shall not be present within five minutes after the time appointed for holding the meeting or if he be unable or unwilling to take the Chair then the Vice Chairman shall be entitled to take the Chair at such meeting. If none of the persons mentioned above shall be present within five minutes after the time appointed for holding the meeting then Board may elect one of the members to act as the Chairman of that meeting.

108. *In accordance with the provisions of Section 287 of the Companies Act, 1956, the quorum for a meeting of the Board of Directors of the Company shall be onethird of the total strength (any fraction contained in that one-third being rounded off as one) or two directors, whichever is higher :
- Quorum.
- Provided that where at any time the number of interested directors exceeds or is equal to twothirds of the total strength, the number of the remaining directors, that is to say, the number of the directors who are not interested present at the meeting being not less than two, shall be the quorum during such time.
109. A meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, power and discretions by or under these Articles or the Act for the time being vested in or exercisable by the Board.
- Power of Quorum.
110. Subject to the provisions of Section 316, 372 (5) and 386 of the Act questions arising at any meeting shall be decided by a majority of votes, and in case of any equality of votes, the Chairman shall have a second or casting vote.
- How questions to be decided.
111. The Board may, subject to the provisions of the Act, from time to time and at any time, delegate any of its powers to a committee consisting of such Director or Directors as it thinks fit, and may, from time to time, revoke such delegation. Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulation that may from time to time be imposed upon it by the Board.
- Power to appoint Committees and to delegate.
112. The meetings and proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board of Directors so far as the same are applicable hereto and are not superseded by any regulation made by the Directors and under the last preceding Article.
- Proceedings of Committee.
113. Subject to the provisions of the Act and these Articles all acts done by any meeting of the Board of Directors or by a committee of Directors or by any person acting as a Director shall be valid, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of such Director or persons acting as foresaid 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. Provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.
- When acts of a Director valid notwithstanding defective appointments.
114. Save in those cases where resolution is required by Sections 262, 292, 297, 316, 372 (5) and 386 of the Act, to be passed at a meeting of the Board, a resolution shall be as valid and effectual as if it had been passed at meeting of the Board or committee of the Board, as the case may be, duly called and constituted, if a draft thereof in writing is circulated together with the necessary papers, if any, to all the Directors or to all the members of the Committee of the Board, as the case may be then in India (not being less in number than the quorum fixed for a meeting of the Board or committee, as the case may be) and to all other Directors or members of the Committee at their usual address in India, and has been approved by such of them as are then in India, or by a majority of such of them as are entitled to vote on the resolution.
- Resolutions without Board Meeting.

MINUTES

- Minutes to be made.
115. (a) The Board shall in accordance with the provision of Section 193 of the Act, cause minutes to be kept of every General Meeting of the Company and of every meeting of the Board or of every Committee of the Board.
- (b) Any such minutes of any meeting of the Board or of any Committee of the Board or of the Company in General Meeting, if kept in accordance with the provisions of Section 193 of the Act, shall be evidence of the matters stated in such minutes. The minute books of General Meetings of the Company shall be kept at the office and shall be open to inspection by members during the hours of 10 A.M. and 2 P.M. on such business days as the Act requires them to be open for inspection.

POWERS OF THE BOARD

- General Power of Company vested in the Board.
116. Subject to the provisions of the Act, the Control of the company shall be vested in the Board who 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. Provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other statute or by the Memorandum of the Company or by these Articles or otherwise, to be exercised or done by the Company in General Meeting. Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of the Company or in these Articles or in any regulations not in-consistent with the aforesaid regulations and provisions as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting, shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
- Delegation of Powers.
117. Subject to the provisions of the Act, the Board may from time to time, as it may think fit, delegate all or any of the Powers hereby conferred upon the Board.
- Power to appoint Managing Directors.
118. Subject to the provisions of Section 316 and 317 of the Act, the Board may from time to time, appoint one or more Directors to be Managing Director or Managing Directors of the Company, either for a fixed term or without any limitation as to the period for which he is to hold such office, and may, from time to time (subject to the provisions of any contract between him and the Company) remove or dismiss him from office and appoint another in his place.
- Name of the Past Managing Director & Joint Managing Director.
119. Mr. K. G. Khosla is the present Managing Director of the Company and Mr. J. C. Khosla is the present Joint Managing Director.
- To what provisions he shall subject.
120. *Deleted.
- Remuneration of Managing Director.
121. Subject to the provisions of Section 309, 310 and 311 of the Act, a Managing Director shall in addition to the remuneration payable to him as Director of the Company under these Articles, receive such additional remuneration as may from time to time be sanctioned by the Company in General Meeting.

122. * Subject to the provisions of the Act and in particular to the prohibitions and restrictions contained in Section 292 thereof, the Board may, from time to time, entrust to and confer upon a Managing Director, Joint Managing Director and Whole-time Director for the time being such of the powers exercisable under these presents by the Board as it may think fit and may confer such powers for such time and to be exercised, for such objects and purposes, and upon such terms and conditions, and with restrictions as it thinks fit; and the Board may confer such powers, either collaterally with, or to the exclusion of, and in substitution for all or any of the powers of the Board in that behalf; and may, from time to time, revoke, withdraw, alter or vary all or any of such powers.

Power of Managing Director, Joint Managing Director and Whole-time Director.

123. ** Deleted.

MANAGEMENT

124. The Board of Directors may in accordance with the provisions of the Act appoint a Whole-time Chairman, or Managing Director, Joint Managing Director or Whole-time Director or President or Executive Director or Manager to manage its affairs. A Director may be appointed as a Secretary or Manager. The terms and conditions and the appointment of paid Directors shall be Subject to the provisions of the Companies Act, 1956 and to the consent of the General Meeting of the Company, wherever required.

Management of the Company.

125. Subject to the provisions of the Act the following regulations shall have effect :—

Local Management.

- (i) The Board may, from time to time provide for the management of the affairs of the Company outside India (or in any specified locality in India) in such manner as it shall think fit and the provisions contained in the four next following paragraphs shall be without prejudice to the general powers conferred by this paragraph.

- (ii) The Board, from time to time and at any time, may establish any local Directorates or Agencies for managing any of the affairs of the Company outside India, or in any specified locality in India, and may appoint any persons to be members of any such local Directorate or any Managers or Agents and may fix their remuneration and, save as provided in Section 292 of the Act, the Board from time to time and at any time may delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board of Directors and to authorise the members for the time being of any such local Directorate or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit and the Board may at any time remove any person so appointed and may annul or vary any such delegations.

Local Directorate delegation.

- (iii) The Board may, at any time and from time to time by power of Attorney under Seal appoint any persons to be the Attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those which may be delegated by the Board

Power of Attorney.

* Article 122 substituted w.e.f. 19.07.1995

** Article 123 Deleted w.e.f. 19.07.1995

- Power of Attorney. under the Act) and for such period and subject to such conditions as the Board may, from time to time think fit, any such appointments may, if the Board thinks fit, be made in favour of the members or any of the members of any local Directorate established as aforesaid, or in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board, and any such power of Attorney may contain such provisions for the protection or convenience of persons dealing with such attorneys as the Board think fit.
- Sub-delegation. (iv) Any such delegate or attorney as aforesaid may be authorised by the Board to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him.
- Foreign Register of Members and Debenture holders. (v) The Company may cause to be kept in any state or country outside India, as may be permitted by the Act, a Foreign Register of Members or Debenture holders residents in any such state or country and the Board may, from time to time, make such regulations not being inconsistent with the provisions of Sections 157 and 158 of the Act. The Board may, from time to time make such provisions as it may think fit relating thereto and may comply with the requirements of any local law and shall in any case comply with the provisions of Sections 157 and 158 of the Act.

SECRETARY

- Secretary 126. The Chairman with the approval of the Board, may appoint a Secretary and determine the period for which he is to hold office and may fix his remuneration and determine his power and duties.

AUTHENTICATION OF DOCUMENTS

- Power to authenticate documents. 127. Any Director or the Secretary or any officer appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts thereof as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the office, the local manager or other officer of the Company having the custody thereof, shall be deemed to be a person appointed by the Board as aforesaid.
- Certified copies of resolution of the Board. 128. A document purporting to be a copy of resolution of the board or an extract from the minutes of a meeting of the Board which is certified as such in accordance with the provisions of the last preceding Article shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of duly constituted meeting of the Directors.
- Custody of Seal. 129. (a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal and the Seal shall never be used except by the authority previously given by the Board or a Committee of the Board authorised by the Board in that behalf.

- (b) The Company shall, also, be at liberty to have an official Seal in accordance with Section 50 of the Act, for use in any territory, district or place outside India.
- (c) Every Deed or other instrument to which the Seal of the Company is required to be affixed shall unless the same is executed by a duly constituted Attorney, be signed by atleast one Director of the Company, save in the case of share certificates, to which the Seal shall be affixed as provided in Article 11(i). Provided nevertheless, that any instrument bearing the seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity, touching the authority of the Board to use the same.

ANNUAL RETURNS

130. The Company shall comply with the provisions of Section 159 and 161 of the Act as to the making of Annual Returns. Annual Returns.

RESERVES

131. The Board may, from time to time before recommending any dividend, set apart any and such portion of the profits of the Company as it thinks fit as Reserves to meet contingencies or for the liquidation of any debentures, debts or other liabilities of the Company, for equalisation of dividends, for repairing, improving or maintaining any of the property of the Company and for such other purposes of the Company as the Board in its absolute discretion thinks conducive to the interests of the Company; and may subject to the provisions of Section 372 of the Act, invest the several sum so set aside upon such investments (other than shares of the Company) as it may think fit, and from time to time deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company and may divide the Reserve into such special funds as the Board thinks, fit, with full power to employ the Reserve or any parts thereof in the business of the Company, and that without being bound to keep the same separate from other assets. Reserves.
132. All money carried to the Reserves shall nevertheless remain and be profits of the Company applicable, subject to due provision being made for actual loss or depreciation for the payment of dividends and such moneys and all the other moneys of the Company not immediately required for the purposes of the Company may, subject to the provisions of Section 370 and Section 372 of the Act, be invested by the Board in or upon such investment or securities as it may select or may be used as working capital or may be kept at any Bank on deposit or otherwise as the Board may, from time to time think proper. Investment of money.

CAPITALISATION OF RESERVES

133. (a) Any General Meeting may resolve that any amounts standing to the credit of the share premium account or the Capital Redemption Reserve Account or any moneys, investment or other assets forming part of the undivided profits standing to the credit of the General Reserve, Reserve or any Reserve Fund of the Company or in the hands of the Company and available for dividend be capitalised: Capitalisation of Reserves.
- (i) by the issue and distribution, as fully paid up, of shares, and if and to the extent permitted by the Act, of debentures, debenture-stocks, bonds or other obligations of the Company, or

- (ii) by crediting shares of the Company which may have been issued and are not fully paid up, with the whole or any part of the sum remaining unpaid thereon.

Provided that any amounts standing to the credit of the share premium account or a Capital Redemption Reserve Account shall be applied only in crediting the payment of capital on shares of the Company to be issued to members (as herein provided) as fully paid bonus shares.

- (b) Such issue and distribution under (a)(i) above and such payment to credit of unpaid share capital under (a)(ii) above shall be made to, among and in favour of the members or any class of them or any of them entitled thereto and in accordance with their respective rights and interests and in proportion to the amount of capital paid-up on the shares held by them respectively in respect of which such distribution under (a)(i) or payment under (a)(ii) above shall be made on the footing that such members become entitled thereto as capital.
- (c) The Directors shall give effect to any such resolution and apply such portion of the profits. General Reserve, or Reserve Fund or any other Fund or account as aforesaid as may be required for the purpose of making payment in full for the shares, debentures or debenture-stock, bonds or other obligations of the Company so distributed under (a)(i) above or (as the case may be) for the purpose of paying, in whole or in part, the amount remaining unpaid on the shares which may have been issued and are not fully paid-up under (a)(ii) above provided that no such distribution or payment shall be made unless recommended by the Directors, and if so, recommended such distribution and payment shall be accepted by such members as aforesaid in full satisfaction of their interest in the said capitalised sum.

Surplus moneys.

134. A General Meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company or any investments representing the same, or any other undistributed profits of the Company not subject to charge for income tax, be distributed among the members on the footing that they receive the same as Capital.

Fractional Certificates.

135. For the purpose of giving effect to any resolution under the two last preceding Articles and Article 137 hereof the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest such cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalised funds as may deem expedient to the Board. Where requisite, a proper contract shall be filed in accordance with Section 75 of the Act, and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividends or capitalised fund, and such appointment shall be effective.

DIVIDENDS

Declaration of dividends.

136. The Company in General Meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may, subject to the provisions of the Section 207 of the Act, fix the time for payment. No larger dividend shall be declared than is recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

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| 137. No dividend shall be paid otherwise than out of the profits of the year or any other undistributed profits, except as provided by Section 205 of the Act. No dividend shall carry interest against the Company. | Dividend to be paid out of profits. |
| 138. Subject to the special rights of holders of preference shares, if any, for the time being, the profits of the Company distributed as dividend or bonus shall be distributed among the members in proportion to the amounts paid or credited as paid on the shares held by them respectively, but no amount paid on a share in advance of calls shall while carrying interest be treated for the purpose of this Article as paid on the share. All dividends shall be apportioned and paid prorata according to the amount paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on the terms provided that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly. | Dividend to be prorata on the paid up amount. |
| 139. The declaration of the Board as to the amount of the net profits of the Company shall be conclusive. | What to be deemed net profits. |
| 140. The Board may from time to time, pay to the members such interim dividends as in its judgement the position of the Company justifies. | Interim Dividend. |
| 141. The Board may retain any dividends on which the Company has lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. | Debts may be deducted. |
| 142. Subject to the provisions of Article 12, any General Meeting declaring a dividend may make a call on the members of such amounts as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him, and so that the call be made, payable at the same time as the dividend and the dividend may, if so arranged between the Company and the member be set off against the call. | Dividend and call together. |
| 143. No dividend shall be payable except in cash, provided that nothing in the foregoing shall be deemed to prohibit the capitalisation of profits, or reserves of the Company for the purpose of issuing fully paid-up bonus shares or paying up any of amount for the time being unpaid on the shares held by the members of the Company. | Dividend in cash. |
| 144. A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer. | Dividend Right. |
| 145. The Director may retain the dividends payable upon shares in respect of which any person is under the Transmission Article (Article 42) entitled to become a member or which any person under that Article is entitled to transfer, until such persons shall become a member in respect of such shares or shall duly transfer the same. | Power to retain dividend unless transmission is effected. |
| 146. The Directors may pay interest on capital raised for the construction of works or building when and so far as they shall be authorised to do so by Section 208 of the Act. | Payment of interest on capital. |
| 147. No dividend shall be paid in respect of any share except to the registered holder of such share or to his order or to his bankers, but nothing contained in this Article shall be deemed to require the bankers of a registered shareholder to make a separate application to the Company for the payment of the dividend. | Payment of dividend to member or mandatee. |
| 148. Any one of several persons who are registered as the Joint-holders of any share may give effectual receipts for all dividends, bonuses and other payments in respect of such share. | Dividend to joint-shareholders. |

Notice of declaration of dividend. 149. Notice of any dividend, whether interim or otherwise, shall, be given to the persons entitled to the share therein in the manner hereinafter provided.

Dividend to shareholders. 150. All dividends and other dues to members shall be deemed to be payable at the Registered Office of the Company. Unless otherwise directed any dividend, interest or others moneys payable in cash in respect of a share may be paid by cheque or warrant, or by a pay slip or receipt having the force of a cheque or warrant sent through the post to the registered address of the holder or, in the case of joint-holders, to the registered address of that one of the joint-holder who is the first named in the Register in respect of the joint-holding or to such person and at such address as the holder or joint-holders, as the case may be, may direct and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.

The Company shall not be liable or responsible for any cheque or warrant or pay-slip or any receipt lost in transit, or for any dividend lost to the member or the person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any payslip or receipt or fraudulent recording of the dividend by any other means.

Unclaimed dividends. 151. Any dividend which remains unclaimed after having been declared shall be dealt with as per the provisions of Sections 205A and 205B of the Act, and there shall be no forfeiture of unclaimed dividends before the claim in respect thereof becomes barred by law.

BOOKS AND DOCUMENTS

Books of account to be kept. 152. The Board shall cause proper books of account to be kept in accordance with Section 209 of the Act.

Where to be kept. 153. The books of accounts shall be kept at the Registered office or at such other place in India as the Board may decide and when the Board so decide, 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.

Inspection by Directors. 154. (a) The Books of Account shall be open to inspection by any Director during business hours.

(b) The Board shall, from time to time, determine whether and to what extent, and at what times and places, and under what conditions or regulations, the Books of Account and books and documents of the Company, other than those referred to in Articles 115(a) & (b) and 167 or any of them, shall be open to the inspection of the members not being Directors and no member (not being a Director) shall have any right of inspecting any books of account or books, document of the Company except as conferred by law or authorised by the Board or by the Company in General Meeting.

ACCOUNTS

Balance sheet and Profit & Loss Account. 155. At every Annual General Meeting the Board shall lay before the Company a Balance Sheet and Profit and Loss Account made up in accordance with provisions of Section 210 of the Act and such Balance Sheet and Profit and Loss Account shall comply with the requirements of Section 210, 211, 212

and 216 and as Schedule VI to the Act so far as they are applicable to the Company but, save as aforesaid the Board shall not be bound to disclose greater details of the result or extent of the trading and transactions of the Company than it may deem expedient.

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| 156. There shall be attached to every Balance Sheet laid before the Company a report by the Board complying with Section 217 of the Act. | Annual Report of Directors. |
| 157. A copy of every Balance Sheet (including the Profit and Loss Account, the Auditors Report and every document required by law to be annexed or attached to the Balance Sheet) shall, as provided by Section 219 of the Act, not less than twenty-one days before the meeting be sent to every such member, debenture holder, trustee and other persons to whom the same is required to be sent by the said section. | Copies to be sent to members and others. |
| 158. The Company shall comply with Section 220 of the Act as to filing copies of the Balance Sheet and Profit and Loss Account and documents required to be annexed or attached thereto with Registrar. | Copies of Balance sheet etc. to be filed. |

AUDITORS

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| 159. Once at least in every year the books of account of the Company shall be audited by one or more Auditor or Auditors. | Accounts to be audited annually. |
| 160. The appointment, powers, rights, remuneration and duties of the Auditors shall be regulated by Sections 224 to 233 of the Act. | Appointment, remuneration, rights, and duties of auditors. |

SERVICE OF NOTICES AND DOCUMENTS

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| 161. A notice or other documents may be given by the Company to its members in accordance with Sections 53 and 172 of the Act. | How notices to be served on members. |
| 162. Every person, who by operation of law transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered on the Register shall have been duly given to the person from whom he derives his title to such share. | Transferee, etc. bound by prior notices. |
| 163. Subject to the provisions of Article 161 any notice or document delivered or sent by post to or left at the Registered Address of any member in pursuance of these Articles shall, notwithstanding such member be then deceased and whether or not the Company has notice of his death, be deemed to have been duly served in respect of any registered share, whether held solely or jointly with other persons by such member until some other persons be registered in his stead as the holder or joint holder thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his heirs, executors or administrators and all persons, if any, jointly interested with him in any such share. | Notice valid though member deceased. |
| 164. Subject to the provisions of Sections 492 and 509 of the Act, in the event of a winding-up of the Company, every member of the Company who is not for the time being in the town where the office of the Company is situated shall be bound, within eight weeks after the passing of an effective resolution to wind up the Company voluntarily or the making of an order for the winding-up of the company, to serve notice in writing on the | Service of process in winding-up. |

Company appointing some householder residing in the neighbourhood of the office upon whom all summons, notices, processes, orders and judgements in relation to or under the winding-up of the company may be served and in default of such nomination the liquidator of the Company shall be at liberty, on behalf of such member, to appoint some such person and service upon any such appointee whether appointed by the member or the liquidator shall be deemed to be good personal service on such member for all purposes, and where the liquidator makes any such appointment, he shall, with all convenient speed, give notice thereof to such member by advertisement in some daily newspaper circulating in the neighbourhood of the office or by a registered letter sent by post and addressed to such member at his address as registered in the Register and such notice shall be deemed to be served on the day on which the advertisement appears or the letter would be delivered in the ordinary course of the post. The provisions of this Article shall not prejudice the right of the Liquidator of the Company to serve any notice or other document in any other manner prescribed by these Articles.

KEEPING OF REGISTERS AND INSPECTION

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| Registers, etc. to be maintained by Company. | 165. The Company shall duly keep and maintain at the Office, Registers in accordance with Sections 49 (7), 143, 150, 151, 152, 301, 303, 307, 356, 357, 358, 359, 360, 370 and 372 of the Act and Rule 7 (2) of the Companies (Issue of Share Certificates) Rules 1960. |
| Supply of copies of Registers. | 166. The Company shall comply with the provisions of Sections 39, 118, 163, 192, 196, 219, 301, 302, 304, 307, 362, 370 and 372 of the Act as to the inspection of and supply of copies of the Registers, deeds, documents, instruments, returns, certificates and books herein mentioned to the persons, therein specified when so required by such persons, on payment of the charges, if any, prescribed by the said sections. |
| Inspection of Registers etc. | 167. Where under any provision of the Act any person whether a member of the Company or not is entitled to inspect any register, return, certificate, deed, instrument or document required to be kept or maintained by the Company, the person so entitled to inspection shall be permitted to inspect the same during the hours of 10 A.M. and 2 P.M. on such business days as the Act requires them to be open for inspection. |
| When Registers of members and Debentureholders may be closed. | 168. The Company, after giving not less than seven days previous notice by advertisement in some newspapers circulating in the district in which the office is situated, close the Register of Members or the Register of Debentureholders, as the case may be, for any period or periods not exceeding in the aggregate forty-five days in each year but not exceeding thirty days at any one time. |

RECONSTRUCTION

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| Reconstruction. | 169. On any sale of the undertaking of the Company, the Board or the liquidator on a winding-up may, if authorised by a Special Resolution, accept fully paid or partly paid up shares, debentures, or securities of any other company whether incorporated in India or not either then existing or to be formed for the purchase in whole or in part of the Company's property and the Board (if the profits of the Company permit) or the |
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Liquidators (in winding-up) may distribute such shares or securities or any other property of the Company amongst the members without realisation or vest the same in trustees for them, and any special Resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefit or property, otherwise than in accordance with the normal rights of the members or contributories of the Company, and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holder of shares shall be bound to accept and shall be bound by any valuation or distribution so authorised, and waive all rights in relation thereto, save only in case the Company is proposed to be or is in the course of being wound up, such statutory rights (if any) under Section 494 of the Act as are incapable of being varied or excluded by these Articles.

SECRECY

170. Every Director, Manager, Secretary, Trustee for the Company, its member or debenture-holders, members of a Committee, officer, servant, agent, accountant or other person employed in or about the business of the Company shall, if so required by the Board or by a Managing Director before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Board or by any 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 Articles contained. Secrecy.
171. No shareholder or other person (not being a Director) shall be entitled to enter upon the property of the Company or to inspect or examine the premises or properties of the Company without the permission of the Board, or, subject to Article 154, to require discovery of or any information respecting any detail of the trading of the Company, or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to communicate. No Shareholder to enter the premises of the Company without permission.

WINDING-UP

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

rights of the holders of shares issued upon special terms and conditions and preference shareholders shall have prior rights to repayment of capital and dividends due.

Distribution of assets in specie.

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

INDEMNITY AND RESPONSIBILITY

Directors and others rights to indemnity.

174. Every Director, Manager, Secretary or Officer of the Company or any person (whether an officer of the Company or not) employed by the Company and any person appointed as Auditor shall be indemnified out of the funds of the Company against all liability incurred by him as such Director, Manager, Secretary, Officer, Employee or Auditor in defending any proceedings, whether civil or criminal in which judgement is given in his favour, or in which he is acquitted or in a connection with any application under Section 633 of the Act in which relief is granted to him by the Court.

Names, address and Occupations of Subscribers	Signatures of Subscribers	No. of Equity Shares taken by each subscriber	Name, Address, Occupation of witness
Mr. K. G. Khosla S/o Late Mr. R. N. Khosla 11, Prithvi Raj Road, New Delhi Industrialist	Sd/- K. G. Khosla	200	Sd/- (K. L. MEHRA) S/o Mr. R. R. Mehra 130, Double Storey, New Rajinder Nagar, New Delhi Service
Mr. Jagdish Chand Khosla S/o Late Mr. R. N. Khosla 11, Prithvi Raj Road, New Delhi Industrialist	Sd/- J. C. Khosla	100	
Mr. Kanwal Khosla W/o Mr. K. G. Khosla 11, Prithvi Raj Road, New Delhi Industrialist	Sd/- Kanwal Khosla	100	
Mr. Deepak Khosla S/o Mr. K. G. Khosla 11, Prithvi Raj Road, New Delhi Industrialist	Sd/- Deepak Khosla	100	
	Total	500	

ANNEXURE TO
ARTICLES OF ASSOCIATION

- 1) Order under Section 394 in the matter of M/s. K. G. Khosla & Co. (P) Ltd. and M/s. K. G. Khosla Compressors (P) Ltd. issued by Registrar in the High Court of Delhi at New Delhi dated October 24, 1975

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

In the matter of the Companies Act 1956

And

In the matter of M/s. K. G. Khosla & Co. (P) Ltd.
(Transferor Company)

And

In the matter of M/s. K. G. Khosla Compressors (P) Ltd.
(Transferee Company)

C. P. No. 81 of 1975 connected with C.A. No. 277/75.

And

C. P. No. 82 of 1975 connected with C. A. 278/75

And

C. A. 629 of 1975

1. M/s. K. G. Khosla & Co. (P) Ltd.
1, Deshbandhu Gupta Road, New Delhi-55.

Petitioner in C. P. 81 of 1975.

2. M/s. K. G. Khosla Compressors (P) Ltd.
1, Deshbandhu Gupta Road, New Delhi-55.

Petitioner in C. P. 82 of 1975.

Before the Hon'ble Mr. Justice Dalip K. Kapur.

Dated: 24-10-1975.

Present: Mr. B. Mohan, Advocate for the petitioner.
Mr. H. S. Bhatia, Assistant Registrar of companies.

ORDER UNDER SECTION 394

Upon the above petitions and C. A. 629/75 coming on for further hearing on 24th October, 1975, upon reading the said petitions and the C. A. No. 629/75.

THIS COURT DOETH ORDER

- (1) That with effect from the transfer date specified in the scheme, i. e. 1st January 1975, all the property, rights and powers of M/s. K. G. Khosla & Co. (P) Ltd., the transferor company, specified in the first, second and third parts of the Schedule hereto and all the other property, 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 M/s. K. G. Khosla Compressors (P) Ltd., the transferee company, for all the estate and interest of the transferor company therein, but subject nevertheless to all charges now effecting the same; and
- (2) that 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 proceeding now pending by or against the transferor company be continued by or against the transferee company; and
- (4) That the transferee company do without further application allot to the members of the transferor company shares in the transferee company as they are entitled to in accordance with the scheme of arrangement sanctioned by the Court;

- (5) That the transferor company 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, but the transferor company shall not be dissolved till Orders in that behalf are passed in Company Application No. 629/75, now pending in this Hon'ble Court, which has been adjourned for a period of 12 months. The Registrar of Companies shall place all documents relating to the transferor company with him on the file kept by him till the order of dissolution of the transferor company has been passed in the said Company/ Application No. 629/75, and thereafter, the documents will be kept in the file relating to the transferee company and the files relating to the two Companies shall be consolidated accordingly. As the transferee company will have no shareholders after the scheme has come into operation and will only be on the record of the registrar for doing all things necessary for implementing the scheme, the transferor company will perform all acts necessary for bringing the scheme into operation, and will not have to comply with the other requirements of the Companies Act, 1956, such as holding Annual General Meetings, passing accounts etc.
- (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.

SCHEDULE

PART I

All those pieces of parcel of factory land as per details given below together with all factory buildings, structures, plant and machinery, office equipments, furniture and fixtures, electric fitting and electric sub-station, sheds, vehicles canteen assets and all those assets belonging to the Transferor Company and situate and lying thereon or anywhere else.

1. Land bearing Khasra Nos. 229, 232, 233, 234, 236, 237, 238, 239, 240, 242, 258, 260, 261, 262, 263, 264, 265, 266, 267, 268, 270, 271 and 272 at village Tejpur in Delhi State on Delhi-Mathura Road admeasuring 63,092 sq. yards
2. Land bearing Khasra Nos. 25/2/1-10, 25/9/8-0, 25/11/8-0, 25/19/1/2-3 and 25/19/2 at village Itmadpur, Tehsil Ballabgarh, District Gurgaon (Haryana) admeasuring 13,364 sq. yds.
3. Land bearing Khasra Nos. 1535 (Khewat Nos. 128), 1631, 1634, 1634/1, 1668, 1669, and 1717 at village Aurangpur, Tehsil Ballabgarh, District Gurgaon (Haryana) admeasuring 46,194 sq. yds.

PART II

All leases, tenancy, and other rights in respect of the following premises situated at the following addresses as on 31st December 1974.

1. 1, Deshbandhu Gupta Road, New Delhi.
2. Punjab National Bank Bldg., Deshbandhu Gupta Road, New Delhi.
3. 3, Deshbandhu Gupta Road, New Delhi.
4. Sambava Chambers, Sir Phirozshah Mehta Road, Bombay-1.
5. 1/2 Lord Sinha Road, Calcutta-16.
6. 147, Mount Road, Madras-6
7. 15/1-11, Street, Gopala Puram, Madras.
8. Unity Building, J. C. Road, Bangalore-2
9. 10/9, East Patel Nagar, New Delhi.
10. B-3, Greater Kailash Enclave No. 11, New Delhi.
11. N-31, Kalkaji, New Delhi.
12. Ten quarters at Village Tejpur, P. O. Babarpur, Delhi-44
13. Two quarters at Prem Nagar Colony, Near K. G. Khosla & Co. Pvt. Ltd., Haryana Border, Faridabad-3.

together with all office equipments, furniture and fixtures, vehicles (Car & Motorcycles) and all other assets belonging to the Transferor Company and situate and lying thereon or anywhere-else.

PART III

- (A) National Savings Certificates:
National Savings Certificate No. F. O. 858373 for Rs. 1,000/- lying as security deposit for factory electric connection.

(B) National Defence Certificates :

S.No.	No. of Certificates	Period	Disposal	Amount Rs.
1.	a) E/0 290622	12 years	Lying in Company's safe custody	500.00
	b) D/2 265285	-do-	-do-	100.00
	c) C/1 925439	-do-	-do-	50.00
	d) B/5 977529	-do-	-do-	10.00
	e) B/5 977530	-do-	-do-	10.00
2.	F/1 166035	-do-	Pledged as security with Asstt. Comm. Taxes Dharamtalla Calcutta.	1000.00
3.	F/0929952	-do-	Pledged as security deposit with President of India through Sr. Superintendent Central Excise, Faridabad.	1000.00
4.	a) F. 937502	12 Years	Pledged as security deposit with President of India through Sr. Superintendent Central Excise, Faridabad.	1000.00
	b) F. 937503	-do-	-do-	1000.00
5.	a) Do 226727	-do-	Deposited as Security deposit with Punjab Govt. Gurgaon for opening a fair price shop.	100.00
	b) Do 226728	-do-	-do-	100.00

(C) Stocks and stores consisting of :

- i) Raw Material such as electric motors, diesel engines and other items lying at factory premises at 11.6 mile stone on Delhi-Mathura Road.
- ii) Work in progress in relation to the manufacture of Air Compressors, Refrigeration Compressors, Car Lifts, Hydraulic Press, Vacuum Pumps, Car Washers, Hydraulic Trolley Jacks, Pneumatic tools and spares etc. lying at factory premises at 11.6 milestone on Delhi-Mathura Road.

iii) Finished goods such as Air Compressors, Refrigeration Compressors, Car Lifts, Hydraulic Press, Vacuum Pumps, Car Washers, Hydraulic Trolley Jacks, Pneumatics Tools and spares etc. lying at factory premises at 11.6 milestone on Delhi-Mathura Road.

(D) Sundry debtors and other debts or monies recoverable by the transferor company.

(E) The Undertaking of K. G. K. including all rights, powers, authorities and privileges and all property moveable, or immoveable, real or personal, corporeal or incorporeal, in possession or reversion, present or contingent of whatsoever nature or wheresoever situate including lease and tenancy rights and all other interests or rights in or arising out of such property and including all licences and liberties, patents, trade marks, and import licences, copy rights, quotas, collaboration and technical know-how agreements, all contracts for purchases or sale or otherwise, deeds, bonds, agreements and instruments of whatever nature, suits, appeals or other proceedings of whatever nature, of which K. G. K. is a party or held by K. G. K. or which K. G. K. entitled to.

Dated this the 24th day of October, 1975

(By the Court)

Sd/-
(M. L. JAIN)
Registrar

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2) Order giving directions under Section 394 of Companies Act, 1956 in the matter of M/s. K. G. Khosla & Co. (P) Ltd. and M/s. K.G. Khosla Compressors (P) Ltd. issued by Registrar in the High Court of Delhi at New Delhi dated October 24, 1975.

IN THE HIGH COURT OF DELHI AT NEW DELHI

Original Jurisdiction

In the matter of Companies Act, 1956

And

In the matter of M/s. K. G. Khosla & Co. (P) Ltd.

(Transferor Company)

And

In the matter of M/s. K. G. Khosla Compressors (P) Ltd.

(Transferee Company)

C. P. No. 81 of 1975 connected with C. A. 277/75

And

C. P. No. 82 of 1975 connected with C. A. 278/75

And

C. A. No. 629 of 1975

1. M/s. K. G. Khosla & Co. (P) Ltd.

Petition in C. P. 81/75

2. M/s. K. G. Khosla Compressors (P) Ltd.

Petition in C. P. 82/75

ORDER dated 24-10-75

Giving directions u/s 394 of the
Companies Act 1956

Shri B. Mohan, Advocate
for the petitioner

Shri H. S. Bhatia, Assistant
Registrar of companies.

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

In the matter of the Companies Act 1956

And

In the matter of M/s. K. G. Khosla & Co. (P) Ltd.

(Transferor Company)

And

In the matter of M/s. K. G. Khosla Compressors (P) Ltd.

(Transferee Company)

C. P. No. 81 of 75 connected with C.A. No. 277/75.

And

C. P No. 82 of 75 connected with C. A. 278/75

1. M/s. K. G. Khosla & Co. (P) Ltd.

1, Deshbandhu Gupta Road, New Delhi-55.

Petitioner in C.P. 81 of 1975.

2. M/s. K. G. Khosla Compressors (P) Ltd.

1, Deshbandhu Gupta Road, New Delhi-55.

Petitioner in C. P. 82 of 1975

Before the Hon'ble Mr. Justice Dalip K. Kapur.

Dated: 24-10-1975.

Presents Mr. B. Mohan, Advocate for the petitioner.

Mr. H. S. Bhatia, Assistant Registrar of companies.

ORDER ON PETITIONS

The above petitions coming on for hearing on 24th October 1975 upon reading the said petitions the order dated 30th May, 1975 whereby M/s. K. G. Khosla & Co. (P) Ltd., hereinafter referred to as the transferor company, was ordered to convene separate meetings of its creditors and members and M/s. K. G. Khosla Compressors (P) Ltd., hereinafter referred to as transferee company was ordered to convene a meeting of its members, for the purpose of considering and, if thought fit, approving with or without modification the proposed scheme of amalgamation between the transferor and transferee companies; and annexed to the affidavits of Shri Deepak Khosla and Shri J. C. Khosla filed on the 18th day of July 1975 in support of C. P. 81/75 and C. P. 82/75 respectively, the Delhi Gazette dated 19th June 1975, and the "Hindustan Times" and "Veer Arjun" dated 12th June 1975, each containing the advertisement of the said notice convening of the said meetings, directed to be held by the said order dated 30th May 1975. The Affidavit of Shri R. L. Tondon filed the 27th day of June, 1975 showing the publication and despatch of the notices convening the said meetings, the three reports of the Chairman of the said meeting dated 18th July 1975 as to the result of the said meeting and upon hearings Shri B. Mohan, Advocate for the Petitioners, and Mr. H. S. Bhatia stating that Central Govt. did not object to the Scheme, and it appearing from the reports that the proposed scheme of amalgamation has been approved unanimously.

This Court doth hereby sanction the said scheme of amalgamation set forth in the Schedule hereto and doth hereby declare the same to be binding on the Members and the creditors of the above named companies and also on the said companies.

And this Court doth further order :-

- (i) That the final order regarding dissolution of M/s. K. G. Khosla & Co. (P) Ltd. will only be passed after an interval of 12 months, when C.A. 629/75 is decided and a final order of dissolving M/s. K. G. Khosla & Co. (P) Ltd., is passed therein.
- (ii) That the transfer date specified in the scheme as "1st January, 1975, or such other date as the court may fix" will be taken to be first January 1975. That the transferor company do file with the Registrar of Companies a certified copy of this order within 30 days from this date.

SCHEDULE

Scheme of amalgamation as sanctioned by the Court
SCHEME FOR THE AMALGAMATION OF
K. G. KHOSLA & CO. (P) LIMITED
WITH
KHOSLA COMPRESSORS (P) LIMITED

PRELIMINARY

- (a) In this Scheme :-
 "K. G. K." means K. G. Khosla & Co. (P) Limited, 1, Deshbandhu Gupta Road, New Delhi - 110055.
 "K. C. L." means Khosla Compressors Private Limited of 1, Deshbandhu Gupta Road, New Delhi - 110055.
 "Transfer Date" means the beginning of business on 1st Jan. 1975 or such other date or dates as the Hon'ble High Court at Delhi may direct.
 "KGK Shareholders" means the persons who are registered as the holders of Equity Shares of KGK.
- (b) The Authorised Share Capital of KGK is Rs. 20,00,000/- divided into 20,000 Equity Shares Rs. 100/- each, the issued, subscribed and paid up capital of KGK is Rs. 18,50,000/- divided into 18,500 Equity Shares of Rs. 100/- each.
- (c) The Authorised capital of KCL is Rs. 5,00,000/- divided into 50,000 Equity Shares of Rs. 10/- each, the issued, subscribed and paid up capital of KCL is Rs. 45,000/- divided into 4,500 Equity Shares of Rs. 10/- each.

SCHEME:

1. At the Transfer Date the undertaking of KGK shall without any further act or deed be transferred to and be vested or deemed to be vested in KCL pursuant to Section 394 of the Companies Act, 1956. ('The Act') subject to all charges, if any, then effecting the same or any part thereof. For the purpose of this Scheme, the Undertaking of KGK shall include all rights, powers, authorities and privileges and all property moveable or immovable, real or personal, corporeal or incorporeal in possession or reversion, present or contingent of whatsoever nature or whatsoever situate including leases and tenancy rights and all other interests or rights in or arising out of such property and including all licences and liberties, patents, trade marks, and import quotas held by KGK or which KGK is entitled to and all debts, liabilities and duties of KGK and all other obligations of whatsoever kind.
2. If any suit, appeal or other proceedings of whatever nature (hereinafter called "the proceedings") be or against KGK be pending the same shall not abate be discontinued or be in any way prejudicially effected by reason of the transfer of the undertaking or KGK or of anything contained in this Scheme, but the proceedings may be continued prosecuted and enforced by or against KCL in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against KGK as if this scheme had not been made.
3. The transfer of property and liabilities under Clause 1 and the Continuance of the proceedings by KCL under Clause 2 here of shall not effect any transaction of proceedings already concluded by KGK on and after the transfer date to the end and intent that KCL accepts on behalf of itself all acts, deeds, and things done and executed by KGK. Further more as from the transfer dated KGK shall be deemed to have carried on and to be carrying on its business on behalf of KCL until such time as this Scheme becomes effective.
4. Subject to the other provisions contained in this Scheme all contracts, deeds, bonds, agreements and other instruments of whatever nature to which KGK is a party, subsisting or having effect immediately before the amalgamation shall be in full force and effect against or in favour of KCL and may be enforced as fully and effectively as if instead of KGK, KCL had been a party thereto.
5. KGK will be dissolved without winding up as at the Transfer Date or with effect from such other date as the High Court at Delhi may stipulate, as the case may be, in accordance with the provisions of the Companies Act 1956.
6. That upon the Scheme being sanctioned by the Hon'ble High Court At Delhi and upon the authorised capital of KCL being suitably increased KCL shall issue and allot :-
 - i) to every holder of Equity Shares of Rs. 100/- each in KGK, who shall require KCL to do so Thirty two Equity shares of Rs. 10/- each fully paid in KCL in respect of every one Equity shares of Rs.100/- each paid up and held by him in KGK, and the holders of Equity Shares of Rs. 100/- each in KG K shall accept the same in full satisfaction of all their claims.
7. Every member of KGK shall surrender to KCL for cancellation his share certificate (s) for the shares held by him in KGK and KCL shall thereupon issue to him certificate (s) for shares in KCL to which he may be entitled in terms of this scheme.

PART II

1. Necessary petition by KGK and KCL to the Hon'ble High Court at Delhi shall be made for the sanction of the Scheme of Amalgamation and the Scheme shall become operative from the Transfer Date.
2. Until the said Scheme is sanctioned and becomes effective KGK shall carry on its business in trust for KCL. Further until such time as KGK is wound up without dissolution, KGK shall be entitled to hold Board meetings and do such other acts deeds and things and pass such resolutions as may be necessary for giving effect to the Scheme.
3. KCL shall pay all the costs, charges and expenses of and or incidental to the Scheme of Amalgamation and the carrying out of the same into effect.
4. The Directors of the said two Companies may assent to any modification to the said Scheme of Amalgamation or to any condition which may be imposed by the Court or by the Government of India or other authority in accordance with law.

Dated this the 24th day of October, 1975.
(By the Court)

Words : 2000
Cost : 5.00

True Copy
Sd/-
Examiner

REGISTRAR
Sd/-

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- 3) Order dated October 24, 1975 sanctioning scheme of Amalgamation in the matter of M/s. K. G. Khosla & Co. (P) Ltd. and M/s. K.G. Khosla Compressors (P) Ltd. issued by Registrar in the High Court of Delhi at New Delhi dated September 6, 1978.

IN THE HIGH COURT OF DELHI AT NEW DELHI

Original Jurisdiction

In the matter of Companies Act, 1956
And

In the matter of M/s. K. G. Khosla & Co. (P) Ltd.

(Transferor Company)

And

In the matter of M/s. K. G. Khosla Compressors (P) Ltd.

(Transferee Company)

C. P. No. 81 of 1975 connected with C. A. 277/75

And

C. P. No. 82 of 1975 connected with C. A. 278/75

And

1. M/s. K. G. Khosla & Co. (P) Ltd.

Petition in C. P. 81/75

2. M/s. K. G. Khosla Compressors (P) Ltd.

Petition in C. P. 82/75

ORDER dated 24-10-75

Sanction in a scheme of amalgamation.

Shri B. Mohan, Advocate
for the petitioner

Shri H. S. Bhatia, Assistant
Registrar of companies

IN THE HIGH COURT OF DELHI AT NEW DELHI
(Original Jurisdiction)

In the matter of Companies Act, 1956

And

In the matter of M/s. K. G. Khosla & Co. (P) Ltd.
(Transferor Company, petitioners in C.P. 81/75)

And

In the matter of M/s. K. G. Khosla Compressors (P) Ltd.
(Transferee Company, Petitioners in C.P. 82/75)

C.P. No. 81 of 1975 connected with C.A. 277/75

And

C.P. No. 82 of 1975 connected with C.A. 278/75

And

C.A. No. 417 of 1978 connected with C.A. No. 629 of 1975

M/s. K. G. Khosla & Co. (P) Ltd.

1, Deshbandu Gupta Road, New Delhi - 55

Petitioners in C.P. 81/75 & C.A. 417/78

Before Hon'ble Mr. Justice S. Ranganathan

Dated 6th September, 1978

Present: Mr. S. C. Nanda, Advocate for the applicant in C.A. 417/78.

ORDER UNDER SECTION 394

The above application C.A. 417/78 coming on for hearing on 6th September 1978, upon reading the said application, the order dt. 24-10-75 whereby the Scheme of amalgamation of M/s. K.G. Khosla & Co. (P) Ltd. (transferor Company) and M/s. K.G. Khosla Compressors (P) Ltd. (transferee Company) was sanctioned and the order regarding dissolution of the transferor company were deferred, and upon reading the report of the Official Liquidator dt. 6.6.1978 to the effect that the affairs of the transferor company have not been conducted in a manner prejudicial to the interest of its members or to public interest and that there is no objection to dissolution of the transferor company, and upon hearing Shri S. C. Nanda, Advocate for the transferor company.

THIS COURT DOETH ORDER

- (1) That the transferor company M/s. K. G. Khosla & Co. (P) Ltd. be dissolved without winding up.
- (2) That paragraph 5 of the formal order dt. 24.10.1975 be substituted and read as under :-
"That the transferor Company Do within 14 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 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 two companies shall be consolidated accordingly.
- (3) that except the above paragraph, the formal order dt. 24.10.1975 will remain unaltered in all other respects.

Dated this the 6th day of September 1978

(By the Court)

M. L. Jain
Sd/-
REGISTRAR

True Copy

- 4) Scheme of Amalgamation of Kirloskar Pneumatic Co. Ltd and M/s. K. G. Khosla Compressors Ltd. Sanctioned by Honorable High Court of Judicature at Bombay dated April 26, 2002.

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

**COMPANY PETITION NO. 290 OF 2002.
CONNECTED WITH
COMPANY APPLICATION NO. 30 OF 2002**

In the matter of section 391 and 394
of the Companies Act :

AND

In the matter of Scheme of
Amalgamation of Kirloskar
Pneumatic Company Limited with
K.G. Khosla Compressors Limited

K.G. Khosla Compressors Limited,
a company incorporated under the
provisions of Companies Act, 1956
having its registered office at
Plot No. 1, Hadapsar Industrial Estate,
Pune 411013

Petitioner

CORAM : D. K. DESHMUKH J.
Dated 26th April, 2002.

Upon the petition of K. G. Khosla Compressors Limited, the Petitioner Company above named Solemnly declared on 13th day of March 2002 and presented to this Hon'ble Court on 18th day of March, 2002 for Sanctioning the Arrangement embodied in the Scheme of Amalgamation of Kirloskar Pneumatic Company Limited (hereinafter referred to as the "Transferor Company") with K. G. Khosla Compressors Limited, (hereinafter referred to as the "Petitioner Company" or "Transferee Company") and for other consequential relief's as mentioned in the said petition and the said petition being this day called on for hearing and final disposal AND UPON READING the said Petition and affidavit of Mr. Gajanan Kulkarni, General Manager (Legal) and Company Secretary of the Petitioner Company Solemnly affirmed on 15th day of March, 2002, verifying the said Petition AND UPON READING the affidavit of Mr. Gajanan Kulkarni, General Manager (Legal) and Company Secretary of the Petitioner Company dated 2nd day of April, 2002, proving publication of the notice of date of hearing of the Petition in Newspaper viz. Indian Express and Loksatta both dated 30th day of March 2002 and also proving despatch of notice of the date of hearing of the Petition upon individual creditors AND UPON READING the affidavit of Shri Vilas Naik, Clerk of Advocate for the Petitioner Company dated 15th day of April, 2002 proving serving of notice of hearing of the Petition upon Regional Director, Department of Company Affairs, Maharashtra, Mumbai AND UPON READING the order dated 31st day of January, 2002 passed in Company Application No. 30 of 2002 passed by this Hon'ble Court, whereby the Petitioner Company was directed to convene meeting of equity shareholders of the Petitioner Company for the purpose of considering and if thought fit, approving, with or without modification, the Arrangement embodied in the Scheme of Amalgamation of Transferor Company with the Petitioner Company and meeting of the

creditors was dispensed with, in view of averments made in paragraph 18 of the affidavit of Mr. Gajanan Kulkarni, General Manager (Legal) and Company Secretary of the Petitioner Company dated 10th day of January, 2002 in support of Company Application No. 30 of 2002 AND UPON READING affidavit of Mr. Sanjay C. Kirloskar, Chairman appointed for the meeting dated 23rd day of February, 2002 proving publication of notice convening the meeting of equity shareholders of the Petitioner Company in Indian Express and Loksatta (Pune Edition) both dated 17th day of February, 2002 and also proving service of notice covering meeting upon individual equity shareholders AND UPON READING the report dated 11th day of March 2002 of Mr. Sanjay C. Kirloskar, Chairman of the meeting of the equity shareholders of the Petitioner Company, as to the result of the said meeting AND UPON READING affidavit dated 11th day of March, 2002 of Mr. Sanjay C. Kirloskar verifying the said report AND IT APPEARS from the said report of the Chairman of the meeting of the Equity Shareholders that the Scheme of Amalgamation of Transferor Company with Petitioner Company has been approved by 100% of the Equity Shareholders present either in person or by proxy, at the said meeting AND UPON READING the Affidavit of Mr. Gajanan Kulkarni dated 20th day of April, 2002 annexing there to Exhibit 'A' the financial position (unaudited provisional) as on 31st March, 2002 AND UPON HEARING Mr. Hemant Sethi, Advocate for Petitioner Company and Mr. C.J. Joy with M.M. Goswami, Panel Counsel for Regional Director, Department of Company Affairs, Maharashtra, Mumbai who appears in pursuance of notice u/s 394A of the Companies Act, 1956 and submits to the order of the Hon'ble Court AND no other person or persons entitled to appear at the hearing of the Petition appearing this day either in support of the said Petition or to show cause against the same THIS COURT DOTH HEREBY SANCTION the Scheme of Amalgamation of Kirloskar Pneumatic Company Limited, the Transferor Company with K. G. Khosla Compressors Limited, the Petitioner Company as set forth in Exhibit 'E' to the Petition and also in Schedule hereto AND THIS COURT DOTH HEREBY DECLARE that the same to be binding on both the Transferor Company and the Petitioner Company and also their respective shareholders AND THIS COURT DOTH ORDER that with effect from 1st day of April, 2001 (hereinafter called the Appointed Date) the entire business and the whole of the undertaking of the Transferor Company including all the properties, movable and immovable, real, corporeal and incorporeal, present and contingent, assets, investments, approvals, consents, letters of intent, licences and registration, contracts, engagements, rights, titles, interest, benefits and advantages, of any nature whatsoever and wheresoever situate of or vested in or granted in favour of or enjoyed by the Transferor Company including other property rights of any nature whatsoever and licenses in respect thereof, privileges, liberties, easements, advantages, benefits, lease, tenancy rights, goodwill, ownership properties, quota rights, permits, approvals, authorizations, right to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and all other services and all other rights, interest, claims and power of the every kind, nature and description of the Transferor Company (hereinafter called "the said Assets") shall without any further Act or deed be and the same shall stand transferred to and vested to in and/or deemed to be transfer to and vested in the Petitioner Company in accordance with the Scheme and pursuant to the provisions of Sections 391 and 394 of the Companies Act, 1956 AND THIS COURT DOTH FURTHER ORDER that with effect from the Appointed Date, all debts, liabilities, duties and obligations of every kind, nature and description of Transferor Company (hereinafter referred to as "the said Liabilities") shall without any further act, instrument or deed be and stand transferred to and/or deemed to be transferred to the Petitioner Company pursuant to the provisions of Sections 391/394 of the Companies Act, 1956 so as to become the debts, liabilities, duties and obligations of the Petitioner Company AND THIS COURT DOTH FURTHER ORDER that all proceedings by or against the Transferor Company pending on the effective date and relating to the undertaking of Transferor Company and its liabilities, obligations and duties be continued and enforced

by or against Petitioner Company AND THIS COURT DOTH FURTHER ORDER that all contract, deeds, bonds, Agreements and other instruments of whatsoever nature to which the Transferor Company was party subsisting or having effect immediately before the Effective Date to continue to be in full force and effect against or in favour of the Petitioner Company as the case may be and be enforced as fully and effectually as if instead of the Transferor Company, the Petitioner Company has been party thereto AND THIS COURT DOTH FURTHER ORDER that the Petitioner Company shall issue and allot in accordance with the provisions of Clause 12.1 of the Scheme 1 (One) Equity Share of Rs. 10/- each fully paid up of the Petitioner Company for every 4 (Four) Equity Shares of Rs. 10/- each fully paid up of the Transferor Company AND THIS COURT FURTHER ORDER that the Petitioner Company do within 30 days of the sealing of this order, cause a certified copy of the order thereof to be delivered and filed with the Registrar of Companies, Pune, Maharashtra State, for Registration and upon such certified copy of order being so delivered, the Transferor Company shall stand dissolved without winding up and the Registrar of Companies, Maharashtra State, Pune shall place all documents relating to the transferor Company and Registered with him on the file maintained by him in relation to the Petitioner Company and consolidate the files of the Transferor Company and the Petitioner Company accordingly AND THIS COURT DOTH FURTHER ORDER that the parties to the Arrangement embodied in the Scheme of Amalgamation sanctioned herein or any other person or persons interested therein shall be at liberty to apply to this Hon'ble Court for any directions that may be necessary with regard to the working of the Arrangement embodied in the Scheme of Amalgamation sanctioned herein and set forth in the schedule hereto AND THIS COURT DOTH LASTLY ORDER that the Petitioner Company do pay a sum of Rs. 1,500/- (Rupees one thousand five hundred only) to the Regional Director, Department of Company Affairs, Maharashtra, Mumbai towards costs of the said Petition WITNESS SHRI CHUNILAL KARSANDAS THAKKER, the Chief Justice at Bombay aforesaid this 26th day of April, 2002.

BY THE COURT

Sd/-

For Prothonotary & Senior Master

SEAL

Sd/-

sealer

This 8th day of May, 2002

ORDER sanctioning the Scheme
of Amalgamation Drawn on
application by Shri Hemant Sethi,
Advocate for petitioner company
having his office at
302, Satnam Building,
3A, Sion West, Mumbai - 400 022.

SCHEDULE

**SCHEME OF AMALGAMATION
OF
KIRLOSKAR PNEUMATIC COMPANY LIMITED
WITH
K. G. KHOSLA COMPRESSORS LIMITED**

PART-1**1. DEFINITIONS:**

In this Scheme, unless inconsistent with the subject or context:

1.1 Act

“Act” means the Companies Act, 1956 including any statutory modifications, re-enactments or amendments thereof.

1.2 Appointed Date

“Appointed Date” means 1st April, 2001.

1.3 Board

“Board” means the Board of Directors.

1.4 Court

“Court” means the Honourable High Court of Judicature at Bombay.

1.5 Effective Date

“Effective Date” means the date on which certified copies of orders of High Court of Bombay sanctioning the Scheme are filed with the Registrar of Companies, Pune, Maharashtra State.

1.6 Scheme

“Scheme” means the Scheme of Amalgamation in its present form or with any modification(s) approved or imposed or directed by the High Court of Judicature at Bombay.

1.7 Transferee Company

“Transferee Company” means “K. G. Khosla Compressors Limited” a Company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at Plot No. 1, Hadapsar Industrial Estate, Pune 411 013, in the State of Maharashtra.

1.8 Transferor Company

“Transferor Company” means “Kirloskar Pneumatic Company Limited”, a Company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at Hadapsar Industrial Estate, Pune 411 013, in the State of Maharashtra.

1.9 Undertaking

“Undertaking” of the “Transferor Company” shall mean and include :

- a) all the assets, claims, estates, interests, powers, properties, rights and titles of every description of, or relating to the transferor Company as on the Appointed Date (hereinafter referred to as “the said assets”);
- b) all the debts, duties, liabilities and obligations of every description of, or pertaining to, the Transferor Company as on the Appointed Date, whether provided for or not in the books of account of the Transferor Company in its Balance Sheet (hereinafter referred to as “the said liabilities”).

Without prejudice to the generality of Clause 1.9 (a) & (b) above, the Undertaking of the Transferor Company shall also mean and include advantages of whatsoever nature, agreements, allotments, approvals, arrangements, authorisations, benefits, capital work-in-progress, concessions, rights and benefit of all contracts, consents, current assets, easements, engagements, exemptions, fixed assets, industrial and intellectual property rights of any nature whatsoever and licences in respect thereof, intangibles, investments, leasehold rights, liberties, ownership flats, patents, permits, purchase orders, letters of intent, pending orders, documents & records in physical or electronic form, utilities including electricity and water connections wheresoever available and deposits given for obtaining and continuing such utilities, powers of every kind, nature and description whatsoever, privileges, provision funds, quota rights, registrations, reserves, and all properties, movable and immovable, real, corporeal or incorporeal, in possession or reversion, present or contingent of whatsoever nature and wherever situated, right to use and avail of telephones, telexes, facsimile connections, installations and other communication facilities and equipments, tenancy rights, titles, trademarks, pending applications for trademarks, trade names, and any other utilities held by the Transferor Company or to which the Transferor Company is entitled to as on the Appointed Date and cash and bank balances, all earnest moneys, margin money and / or deposits including security deposits paid by the Transferor Company and all other interests wherever situate, belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by or arising to the Transferor Company.

2. NATURE OF BUSINESS

2.1 Nature of Business of Transferee Company

The Transferee Company is engaged in the business of manufacturing & marketing of Air & Gas Compressors.

2.2 Nature of Business of Transferor Company

The Transferor Company is engaged in the business of manufacturing and marketing of Compressors, Refrigeration and Air Conditioning Machinery & Hydraulic & Mechanical Transmission Machinery.

3. SHARE CAPITAL

3.1 Share Capital of Transferor Company

The Authorised, Issued, Subscribed and Paid-up Share Capital of the Transferor Company as on the Appointed Date is as follows:

Authorised		Rs.
20,362,302	Equity Shares of Rs. 10/- each	
5,000,000	Preference Shares of Rs. 10/- each	
4,637,698	Unclassified Shares of Rs. 10/- each	300,000,000
Issued		
10,362,302	Equity Shares of Rs.10/- each	103,623,020
Subscribed and paid-up		
10,360,552	Equity Shares of Rs. 10/- each	103,605,520

3.2 Share Capital of Transferee Company

The Authorised, Issued, Subscribed and Paid-up Share Capital of the Transferee Company as on the Appointed Date is as follows:

Authorised		Rs.
12,000,000	Equity Shares of Rs. 10/- each	120,000,000
Issued		
10,254,200	Equity Shares of Rs. 10/- each	102,542,000
Subscribed & Paid-up		
10,249,300	Equity Shares of Rs. 10/- each	102,493,000

4. JUSTIFICATION FOR AMALGAMATION

- a) The Transferor Company and the Transferee Company are engaged in the business of similar and complementary products. The Amalgamated Company will benefit from this synergy in the products.
- b) The losses suffered by the Transferor Company have adversely affected its Net Worth which in turn will affect the renewals of Registrations required by the Transferor Company to obtain future business from various Government and semi-government customers. The substantial business of the Transferee Company depends upon procurement of such orders by the Transferor Company which are executed by the Transferee Company. The denial of renewals of registrations to the Transferor Company will severely affect business prospects for the Transferee Company, consequently affecting its profitability. The Amalgamation of the two Companies will result in a healthy company with a positive Net Worth without affecting the future business and the profitability of the Amalgamated Company.
- c) The Amalgamated Company will benefit to the tax shield available from the carried forward losses of the Transferor Company.
- d) The Amalgamated Company will be in a position to dispose of surplus assets, resulting out of amalgamation and the sale proceeds can be utilised for repayment of debts, resulting into reduction in interest costs.
- e) The Amalgamated Company will benefit from the management expertise especially in technical areas, which are essential for critical decisions.
- f) By the proposed Scheme of Amalgamation the financial resources of both the Companies will be conveniently merged and pooled together leading to a more effective and centralised management and reduction of administrative and manpower expenses and overheads which are presently being multiplied because of separate entities.
- g) Amalgamation will result in the larger pool of various resources as well as manpower and will create a synergy, which will enable the Amalgamated Company to grow and prosper at a faster pace.
- h) The amalgamation of both the Companies will pave the way for better and more efficient utilisation of larger resources and funds.
- i) The combined managerial and financial resources will enhance the capability of the Amalgamated Company to invest in larger and sophisticated projects to ensure rapid growth and will consolidate the strategic strength of the Amalgamated Company.

PART II - THE SCHEME

5. TRANSFER OF THE UNDERTAKING OF THE TRANSFEROR COMPANY

5.1 Transfer of the Undertaking

With effect from the opening of business as on the Appointed Date, the undertaking of the Transferor Company shall, without any further act or deed be transferred to and vested in the Transferee Company pursuant to the provisions of Section 394 of the Act.

5.2 Transfer of Assets subject to Charge

The transfer as aforesaid shall be subject to charges / hypothecations / mortgages over the assets or any part thereof provided, however, that any reference in any security document or any arrangements to which the Transferor Company is a party, to the assets or properties of the Transferor Company offered as security for any financial assistance or obligations to the secured creditor/s of the Transferor Company, shall be construed only to be to the respective Assets or Properties pertaining to the undertaking of the Transferor Company as are vested in the Transferor

Company by virtue of this clause to the end and intend that such security, mortgage and charge shall not extend or be deemed to extend to any Assets or any other units or divisions of the Transferee Company unless specifically agreed to by the Transferee Company with such secured creditor/s and subject to consents and approvals of the existing secured creditors of the Transferee Company, if any. This Scheme shall not operate to enlarge / enhance any security created by the Transferee Company.

5.3 Transfer of Assets & Liabilities at Book Value

All the assets and liabilities of the Transferor Company as appearing in its books of accounts shall be incorporated and dealt with in books of the Transferee Company at book value.

5.4 Benefit of Sales Tax Deferment and Special Capital Incentives

Nothing contained in this Scheme shall affect the benefit of sales tax deferment/incentive availed of by the Transferor Company and the Transferee Company shall comply with all the terms and conditions of such deferment/incentives as they are applicable to the Transferor Company.

6. ENFORCEMENT OF LEGAL PROCEEDINGS

If any suit, appeal or proceedings of whatsoever nature (hereinafter referred to as "the said proceedings") by or against Transferor Company be pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the transfer of the Undertaking of the Transferor Company or by anything in this Scheme, but the said proceedings may be continued, prosecuted and enforced, as the case may be, by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued and enforced, as the case may be, by or against the Transferor Company if this Scheme had not been made.

7. THE TRANSFER OF UNDERTAKING NOT TO AFFECT TRANSACTIONS / CONTRACTS OF TRANSFEROR COMPANY

The transfer and vesting of the Assets and the Liabilities under Clause 5 hereof and the continuance of the said proceedings by or against the Transferee Company under Clause 6 hereof shall not affect any transaction or proceedings already concluded by or against the Transferor Company after the Appointed Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done or executed by the Transferor Company after the Appointed Date as done and executed on its behalf. The said transfer and vesting pursuant to Section 394 of the Act, shall take effect from the Appointed Date unless the Court otherwise directs.

8. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY TILL EFFECTIVE DATE

8.1 Transferor Company as Trustee

Until the completion of transfer, the Transferor Company shall stand possessed of all its properties so to be transferred to the Transferee Company and shall carry on its activities and business for and on behalf of and in trust for the Transferee Company or otherwise in accordance with the terms of this Scheme and until this Scheme finally takes effect in accordance with the terms hereof, the Transferor Company shall carry on its activities and business with utmost prudence and shall not without the concurrence of the Transferee Company alienate, charge or otherwise deal with its undertaking or any part thereof except in the ordinary course of business.

8.2 Profit or Losses upto Effective Date

With effect from the Appointed Date and up to and inclusive of the Effective Date, all profits and incomes accruing or arising to the Transferor Company or expenditure or losses incurred or arising, as the case may be, by the Transferor Company shall, for all purposes, be treated and deemed to be the profits or incomes or expenditures or losses, as the case may be, of the Transferee Company.

9. ACCOUNTING TREATMENT

- 9.1 Aggregate of credit balance of Capital Reserve, Securities Premium Account, Capital Redemption Reserve, Debenture Redemption Reserve, Investment Allowance (Utilised Reserve) Account and General Reserve, as reduced by debit balance in Profit & Loss Account of the Transferor Company as on Appointed Date, shall be credited by the Transferee Company to the "Amalgamation Reserve Account".
- 9.2 The excess of the book value of the net assets of the Transferor Company, as appearing in the Books of Account of the Transferor Company, over the paid up value of the shares, to be issued and allotted, pursuant to Clause 12 below, shall also be credited by the Transferee Company to the said Amalgamation Reserve Account.
- 9.3 All such amounts standing to the credit of the said Amalgamation Reserve Account shall constitute the Transferee Company's Free Reserves available for distribution as if the same were created by the Transferee Company out of its own earned and distributable profits and accordingly, shall form part of the Net Worth of the Transferee Company.

10. TRANSFEROR COMPANY'S STAFF, WORKMEN AND EMPLOYEES

- 10.1 The Transferee Company will on such transfer take over all the staff, workmen (including working Directors) in the service of Transferor Company immediately preceding Effective Date, shall become the staff, workmen and employees, of the Transferee Company on the basis that their services shall be deemed to have been continuous and not have been interrupted by reasons of the said transfer. The terms and conditions of service applicable to such staff, workmen or employees after such transfer shall not in any way be less favourable to them than those applicable to them immediately preceding the transfer.
- 10.2 Transfer of Provident Fund, Gratuity Fund, Superannuation Fund and Other Funds
As far as Provident Fund, Gratuity Fund or any other Special Fund or schemes existing for the benefit of the employees of the Transferor Company are concerned, upon the Scheme becoming effective, the Transferee Company shall be substituted for the Transferor Company for all purposes whatsoever related to the administration / operation of such Funds or schemes or in relation to the obligation to make contribution to the said Funds or schemes in accordance with provisions of such Funds or schemes according to the terms provided in the respective Trust Deeds or other documents. All the rights, duties, powers and obligations of the Transferor Company in relation to such Funds or schemes shall become those of the Transferee Company and the services of the employees will be treated as being continuous for the purpose of the aforesaid Funds or schemes.

11. ENFORCEMENT OF CONTRACTS, DEEDS, BONDS & OTHER INSTRUMENTS

Subject to other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatever nature to which the Transferor Company is a party subsisting or having effect immediately before the Amalgamation, shall remain in full force and effect against or, as the case may be, in favour of the Transferee Company and may be enforced as fully and effectively as if, instead of the Transferor Company, the Transferee Company was a party thereto.

12. ISSUE AND ALLOTMENT OF SHARES UNDER THE SCHEME

12.1 Issue of Shares

Upon the Scheme being finally effective, in consideration of the Transfer, vesting of the undertaking of the Transferor Company in the Transferee Company in terms of this Scheme, the Transferee Company shall subject to the provisions of this Scheme, without any further act, application or deed, issue and allot, 1 (One) Equity Share of Rs.10/- (Rupees ten only) each fully paid up in the capital of the Transferee Company, for every 4 (Four only) Equity Share of Rs. 10/- (Rupees Ten only) each fully paid up and held in the capital of the Transferor company to the Equity Shareholders of the Transferor Company whose names are shown in the Register of Members on a

date (Record Date) to be fixed by the Board of the Transferee Company. Such Equity Shares, on allotment, will rank pari passu in all respects with the existing Equity Shares of the Transferee Company.

3,743,550 Equity Shares of Transferee Company held by the Transferor Company on the Appointed Date were, for commercial reasons, sold by the Transferor Company after the Appointed Date. This action shall not, in any manner, affect the rights of any of the creditors of the Transferor Company and shall not affect or derogate the vesting of the undertaking of the Transferor Company in terms of the Scheme, and will not affect the Share Exchange Ratio.

12.2 Fractional Shares

No fractional coupons / shares shall be issued by the Transferee Company in respect of fractional share entitlement, if any, to which the shareholders of the Transferor Company may be entitled to, under the Scheme. On issue and allotment of shares by the Transferee Company as aforesaid, the Board of the Transferee Company shall consolidate such fractional entitlements to which the shareholders of the Transferor Company may be entitled and shall issue and allot shares in lieu thereof to a director or an officer and such director or officer to whom such shares shall be allotted, shall sell the same in the market at the best available price and pay to the Transferee Company the net sale proceeds thereof and the Transferee Company shall distribute such net sale proceeds to the shareholders of the Transferor Company in the proportion in which they are entitled to such fractional entitlements.

12.3 Matters relating to Share Certificates

The Share Certificates held by the Shareholders of the Transferor Company shall automatically stand cancelled without any necessity of them being surrendered to the transferee Company. The new Share Certificates for the requisite number of shares shall be issued by the Transferee Company.

The shares held in the Electronic form in the Transferor Company shall stand automatically cancelled and the requisite number of new shares shall be issued in the same Electronic form by the Transferee Company.

12.4 Approval/Permission

For the purpose as aforesaid, the Transferee Company shall, if and to the extent required, apply for and obtain the consent of the Securities and Exchange Board of India, the Reserve Bank of India and other concerned authorities, for the issuance and allotment by the Transferee Company to the respective shareholders of the Transferor Company of the Equity Shares in the said reorganised Share Capital of the Transferee Company in the ratio aforesaid.

12.5 Increase in Authorised Capital

The Transferee Company shall increase its Authorised Share Capital under Section 94 of the Act, and cause a Special Resolution to be passed pursuant to Section 81(1A) of the Act, for the offer and allotment of Equity Shares in the Transferee Company to the Transferor Company's shareholders in accordance with and subject to the provisions of this Scheme.

13. EFFECTS OF SCHEME

Upon the Scheme being sanctioned by the Court, as from the Effective Date :

- (i) the Transferor Company shall stand dissolved without winding up.
- (ii) the Main Objects of the Memorandum of Association of the Transferor Company shall form part of the Main Objects of the Memorandum of Association of the Transferee Company in addition to its existing objects.
- (iii) the name of the Transferee Company will be changed from its existing name "K.G. Khosla Compressors Limited" to "Kirloskar Pneumatic Company Limited", subject to compliance with the applicable provisions of the Act.

PART III

14. APPLICATION TO HIGH COURT

Necessary applications and /or petitions by the Transferee Company and the Transferor Company shall be made for the sanction of the Scheme of Amalgamation to the Court.

15. EXPENSES RELATING TO THE SCHEME

All costs, charges and expenses of the Transferor Company and the Transferee Company in respect of carrying out and completing of the terms of the Scheme and to the completion of the Amalgamation of the said Company in pursuance of this Scheme shall be borne by the Transferee Company alone.

16. MODIFICATIONS / AMENDMENTS TO THE SCHEME

The respective Boards of the Transferee Company and the Transferor Company may assent to any modifications or amendments of this Scheme or any conditions which the Court may deem fit to approve of or impose and the said Boards and after dissolution of the Transferor Company, the Board of the Transferee Company may do all such acts, things and deeds necessary in connection with or to carry out the Scheme into effect and take such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or question whether by reason of any order of the Court or any directions or order of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or matters concerned or connected therewith.

17. SCHEME CONDITIONAL UPON APPROVAL / SANCTIONS

The Scheme is conditional on and subject to :

- 17.1 The approval of the shareholders of the Transferor Company and the Transferee Company to the Scheme by the requisite majority.
- 17.2 The approval to the issue and allotment of Equity Shares in the Transferee Company to the Transferor Company's shareholders in accordance with and subject to the provisions of this Scheme.
- 17.3 The sanction or approval of the authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval being required.
- 17.4 The filing of the necessary certified copies of the said order or orders with the Registrar of Companies, Pune.

18. EFFECT OF NON-RECEIPT OF APPROVALS

In the event of this Scheme failing to take effect finally for whatsoever reasons, this Scheme shall become null and void and in that case no rights and liabilities whatsoever shall accrue to or be incurred inter se between the parties or their shareholders or Creditors or employees or any other person.

SEAL OF THE COURT

CERTIFIED COPY OF ORDER SANCTIONING
THE SCHEME OF AMALGAMATION.

Dated this 26th day of April, 2002 filed this
8th day of May, 2002

Sd/-

For Prothonotary and Senior Master

- 5) Resolutions referred to in the Section 192 of the Companies Act, 1956 and Section 102 of the Companies Act, 2013, in so far they have not been embodied in the Memorandum of Association or Articles of Association.

Resolution passed at Annual General Meeting held on September 10, 1998

“RESOLVED that pursuant to Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government, the Company do pay to the Directors, who are not in the whole time employment of the company, further remuneration by way of commission for 5 years from the financial year 1997-98 onward provided, however, that commission shall not exceed 5% on the net profits of the Company, or as may be approved by the Central Government computed in the manner laid down in Section 349 and 350 of the Companies Act, 1956.

RESOLVED that subject to all applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) and subject to such approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to, by the Board of Directors of the company, the consent of the company be and is hereby accorded to the Board of Directors to acquire/purchase any of its own fully paid up shares on such terms and conditions and upto such limits as may be prescribed by law from time to time; provided that acquisition/purchase of such fully paid Equity Shares of the company be not construed as reduction of Equity Share Capital which is subject to the provisions of sections 100 to 104 and 402 of the Companies Act, 1956 for the time being in force and the Board of Directors be and is hereby authorised to do all such acts and things as may be necessary to give effect to this resolution.”

Explanatory Statement to the above resolution

The Company was in continuous losses during the past 8 years. The successful implementation of revival plan enabled the Company to wipe out all losses and earn reasonable profits. One of the important reason for the success is relentless efforts taken and timely guidance provided by the Directors of the Company. They also have onerous responsibilities under the various Acts.

In token of recognition of this, it is proposed to pay commission to Directors, who are not in full time employment of the Company, for five years from the financial year 1997-98 onward. The payment of commission is further subject to the approval of Central Government.

All the Directors except Mr. S. B. Singh, Whole Time Director may be deemed to be concerned or interested in this resolution.

Resolution passed at the Annual General Meeting of the Company held on August 20, 1999

“RESOLVED that Mr. H. R. Mustikar who was appointed as Additional Director by the Board of Directors w.e.f. July 6, 1999 pursuant to Article 88 of the Articles of Association of the Company and who holds office of Director up to the date of the ensuing Annual General Meeting of the Company under Section 260 of the Companies Act, 1956, be and is hereby appointed a Director of the Company.”

“RESOLVED that pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII to the Companies Act, 1956 and subject to such other approvals as may be necessary, consent of the Company be and is hereby accorded to the appointment of Mr. H. R. Mustikar as the Managing Director of the company for a period of five years beginning from 6th July, 1999 on the terms and conditions including remuneration as set out as under:

Salary : Rs 10,80,000 per annum at Rs 90,000 per month including dearness and all other allowances.

Housing : Unfurnished accommodation : The expenditure incurred by the Company shall be subject to 50 per cent of salary over and above 10 % payable by the Managing Director.

Medical Reimbursement : Reimbursement of all Medical expenses incurred for self and family as per the schemes of the company.

Leave Travel Concession : For self and family, once in two years, as per the rules of the company.

Club Fees : Fees of clubs , subject to maximum of two clubs. This will not include admission and life membership fees.

Personal Accident Insurance: Premium on suitable personal accident insurance coverage shall be taken by the company.

Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the prevailing rules of the Company.

Gratuity as per Payment of Gratuity Act, 1972, as amended from time to time.

Leave : One month's paid privilege leave for each 11 months of service. Unaviled leave may be accumulated up to a maximum of 3 months. The leave not availed off shall not be allowed to be encashed.

Provision of car with Driver for use of Company's business.

Telephone, Telefax and other communication facilities at residence for Company's business. Personal long distance calls on telephone and use of car for private purpose shall be billed by the company to the Managing Director.

RESOLVED FURTHER that the Managing Director shall also be paid commission on net profits to the extent of such amount as may be decided by the Board of Directors provided that the amount of commission together with salary and other perquisites and cost of other benefits paid or incurred by the Company shall not exceed 5% of the net profits of the Company, computed as per provisions of Section 349 of the Companies Act, 1956.

RESOLVED FURTHER that in case of loss or inadequacy of profits in any financial year of the Company during the tenure of the Managing Director, the remuneration payable by way of salary and perquisites would be determined in accordance with schedule XIII to the Companies Act, 1956.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to vary, alter, amend any of the terms and conditions including revision in remuneration of the Managing Director from time to time as they may, at their sole discretion, deem fit and proper PROVIDED, however, that the remuneration payable to the Managing Director and any revision thereof shall be within the limits specified in schedule XIII to the Companies Act, 1956 including any amendment thereto."

Explanatory Statement to the above resolution

Mr. S. B. Singh, the Managing Director resigned on personal grounds on 1st July, 1999. The Board of Directors of the Company at its meeting held on 6th July, 1999 appointed Mr. H. R. Mustikar as an Additional Director under Article 88 of the Articles of Association of the Company under Section 260 of the Companies Act, 1956, Mr. H. R. Mustikar holds office of the Additional Director till the date of the ensuing Annual General Meeting. The Company has received a Notice from a member under Section 257 of the Companies Act, 1956, alongwith required deposit of Rs. 500/- proposing Mr. H. R. Mustikar as candidate for the office of Director.

The Board of Directors also appointed Mr. H. R. Mustikar as the Managing Director of the Company for a period of Five years with effect from July 6, 1999 on terms & conditions mentioned in the Resolution.

Mr. H. R. Mustikar, an Engineering graduate, has more than 30 years of rich & varied experience in the fields of materials, marketing & production. Prior to joining the Company, he was President, Demag Kirloskar Compressors Ltd.

The approval of shareholders is solicited for the said resolution at item 5(A) & (B).

Except Mr. H. R. Mustikar, no other Director is concerned or interested in these resolutions. The Resolutions and this explanatory statement be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

Resolution passed at Annual General Meeting of the Company held on September 26, 2000

“RESOLVED that consent of the Company be and is hereby accorded in terms of Section 293 (1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the creation by the Board of Directors of the Company of such mortgages, charges and hypothecations in addition to the existing mortgages, charges and hypothecations created by the Company, on such movable and immovable properties of the Company, both present and future, and the whole of the undertaking of the Company together with a power to takeover the management of the Company in certain events, to or in favour of Financial Institutions, Investment Institutions, Banks, Mutual funds, Trusts and other bodies corporate, to secure rupee term loans, working capital facilities, foreign currency loans and other facilities including Bank Guarantee, Bills discounting, Letters of Credit of an aggregate value not exceeding Rs. 7000 Lacs, together with interest thereon at the agreed rates, further interest, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and other monies including any increase as a result of devaluation / revaluation/fluctuation in the rates of exchange of foreign currencies and all other monies payable by the Company to the Financial Institutions, Banks under Agreements, Loan Agreements, Letters of Sanction, Trust documents to be entered into by the Company in respect of the said borrowings.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to finalise with the Financial Institutions, Investment Institutions, Banks, Mutual Funds, Trusts, the documents for creating the aforesaid mortgages, charges and/or hypothecations and to accept any modifications to, or to modify, alter or vary the terms and conditions of the aforesaid documents and to do all such acts and things and to execute all such documents as may be necessary for giving effect to the above Resolution.”

Explanatory Statement to the above resolution

During the course of business, the Company is required to create charges / mortgages / hypothecation in favour of Company's bankers, financial institutions for the loans availed by the Company.

Considering the above, the resolution is proposed to authorise the Board of Directors of the Company to create mortgages etc. upto an amount of Rs. 7000 lacs.

None of the Directors is in any way concerned or interested in the resolution.

Resolution passed at Annual General Meeting of the Company held on September 26, 2000

“RESOLVED that in pursuance of section 293 (1) (d) of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company, to borrow from time to time, subject to such restrictions as may be imposed, for the purpose of carrying on the business of the Company, an amount of upto Rs. 70 crores (Rs. Seventy Crores) notwithstanding that the moneys so borrowed together with the moneys already borrowed by the Company (apart from temporary loans, if any, obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid up Share Capital of the Company and its Free Reserves, that is to say, reserves not set apart for any specific purpose.”

Explanatory Statement to the above resolution

The Board of Directors can borrow money for carrying on business of the Company to the extent of aggregate of paid up share capital and free reserves. The shareholders have approved the Borrowing upto Rs. 3500 lacs.

The resolution at Item No. 5 seeks to enhance the limit to Rs. 7000 lacs for which the approval of shareholders is solicited.

None of the Directors is in any way concerned or interested in the resolution.

Resolution passed at Board Meeting held on January 27, 2001

“RESOLVED that Mr. Sudhakar Ganesh Chitnis be and is hereby appointed as Additional Director of the Company, pursuant to Section 260 of the Companies Act, 1956 and article 88 Articles of Association of the Company.

RESOLVED FURTHER that pursuant to Section 269 of the Companies Act, 1956 and subject to the approval of shareholders and as per terms and conditions of Schedule XIII to the Companies Act, 1956 Mr. S. G. Chitnis be and is hereby appointed as Executive Vice Chairman of the Company for a period of 5 years commencing from January 27, 2001.

RESOLVED FURTHER that the duties of Mr. S. G. Chitnis, as Executive Vice Chairman shall be overall supervision and control on the operations of the Company and he would report to the Board regularly on the activities of the Company and Mr. S. G. Chitnis be and is hereby authorised to perform all other duties as the Board of Directors may delegate to him from time to time.”

Resolution passed at the Annual General Meeting held on September 12, 2001

“RESOLVED that Mr. Sudhakar Ganesh Chitnis who was appointed by the Board of Directors of the Company as an Additional Director with effect from January 15, 2001 and who in terms of Section 260 of the Companies Act, 1956 read with Article 134 of the Company's Articles of Association holds such office until the conclusion of this Annual General Meeting and in respect of whom the Company has received a notice from a Member of the Company proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.”

“RESOLVED that pursuant to the provisions of Section 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (the Act) and subject to such approvals as may be necessary under the provisions of the Act, consent of the Company be and is hereby accorded to the appointment of Mr. Sudhakar Ganesh Chitnis as the Whole-time Director designated as the Executive Vice Chairman of the Company for a period of five (5) years beginning from January 27, 2001 on the terms and conditions, without remuneration with liberty to the Board of Directors of the Company to alter and vary the terms and conditions of the said appointment and/or agreement in such manner as may be agreed to between the Board of Directors and Mr. S. G. Chitnis provided that, such alteration / variation shall be within the limits specified in Schedule XIII to the Act, including any modification, amendment or re-enactment thereof.”

Explanatory Statement to the above resolution.

Mr. S. G. Chitnis has been associated with Kirloskar Group for over 35 years. He is also Director in Kirloskar Mahle Filters System Pvt. Limited, Kirloskar Oil Engines Limited, Kirloskar Pneumatic Company Limited, Denso Kirloskar Pvt. Ltd. and Kirloskar Bearings Pvt. Ltd. Mr. S. G. Chitnis holds B.E. Degree in Mechanical Engineering. Considering his technical skills and long association with Kirloskar Group Companies the Board of Directors co-opted him as an Additional Director w.e.f. 27.01.2001 pursuant to Article 88 of Articles of Association of the Company and appointed him Whole-time Director designated as an Executive Vice Chairman for a period of five (5) year commencing from 27.01.2001.

Pursuant to the provisions of Section 260 of the Companies Act, 1956 read with Article 88 of the Articles of Association of the Company, Mr. S. G. Chitnis holds office of the Director upto the date of this Annual General Meeting and is eligible for appointment. Notice under Section 257 of the Companies Act, 1956 has been received from a Member of the Company indicating his intention to propose Mr. S. G. Chitnis for the office of Director alongwith the necessary deposit of money.

As an Executive Vice Chairman, Mr. S. G. Chitnis shall be entrusted with such powers of management of the business and affairs of the Company as may deem fit by Board of Directors from time to time.

As an Executive Vice Chairman Mr. S. G. Chitnis shall not be liable for retirement by rotation as a Director pursuant to provisions of Section 255 of the Companies Act, 1956 and Article 99 of the Articles of Association of the Company.

Mr. S. G. Chitnis shall not draw any remuneration from the Company.

The Board of Directors of your Company recommend the Resolution as set out at Item No. 4 of the Notice for your approval.

None of the Directors except Mr. S. G. Chitnis is interested in this resolutions.

The resolutions and explanatory statement be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

Resolution passed at Board Meeting held on October 31, 2001

“RESOLVED that in partial modification of resolution of Board of Directors passed in the meeting held on September 26, 1999, Company do pay a sum of Rs. 22,000/- per month as HRA to Mr. H. R. Mustikar, Managing Director in lieu of housing w.e.f. January 2001 and also pay electricity charges for his residence.”

Resolution passed at Board Meeting held on June 28, 2002

“RESOLVED that the Basic Salary of Mr. H. R. Mustikar, Managing Director be increased from Rs. 90,000/- to Rs. 1,10,000/- per month w.e.f. July 1, 2002. The other existing perquisites will remain unchanged.”

Resolution passed at Board Meeting held on June 28, 2002

“RESOLVED that pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII to the Companies Act, 1956 and subject to such other approvals as may be necessary, Mr. S. G. Chitnis, Executive Vice Chairman be and is hereby paid salary from July 1, 2002 on the terms and conditions including remuneration as set out hereunder :

Salary : Rs.150,000/- (Rupees One Hundred Fifty Thousand only) per month.

Perquisites : In addition to the aforesaid salary, Mr. S. G. Chitnis as Executive Vice Chairman shall be entitled to the following perquisites:

- a) Fully furnished residential accommodation. Where no accommodation is provided by the Company, suitable house rent allowance in lieu thereof may be paid. The expenses on furnishings, gas, electricity, water and other utilities shall be borne by the Company.
- b) Reimbursement of all medical expenses incurred for self and family, subject to a limit of one month's salary per year. In addition, hospitalization expenses incurred in India for self and family will be paid on actual basis.
- c) Leave travel assistance for self and family Rs.40,000/- per annum.
- d) Fees of clubs, subject to a maximum of two clubs, which will include admission fee but will not include life membership fees.
- e) Education allowance for the education of his children not exceeding Rs.2,000/- per annum per child.
- f) Personal accident insurance, the premium whereof does not exceed Rs.25,000/- per annum.
- g) A car with driver for official and personal purpose.
- h) Telephone and internet facilities at residence.
- i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- j) Gratuity at the rate not exceeding half a month's salary for each completed year of service as Executive Vice Chairman and
- k) Leave at the rate of one month for every eleven months of service. Leave not availed of may be encashed at the end of the tenure.

Commission :

Commission shall be decided by the Board of Directors based on the net profits of the Company each year subject to the condition that the aggregate remuneration of the Executive Vice Chairman shall not exceed the limit laid down under Section 309 of the Companies Act, 1956.

Minimum Remuneration : In the event of loss or inadequacy of profits in any financial year during the currency of his tenure as Executive Vice Chairman, remuneration by way of salary, perquisites and other allowances, shall be in accordance with the ceiling prescribed in Section II of Part II of Schedule XIII to the Companies Act, 1956, or any statutory modification thereof.

For the purpose of computation of minimum remuneration, the following shall not be included :

1. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
2. Gratuity at a rate not exceeding half a month's salary for each completed year of service, and
3. Encashment of leave at the end of the tenure."

Resolution passed at Board Meeting held on July 24, 2002

"RESOLVED that in partial modification of resolution of Board of Directors passed in the meeting held on October 31, 2001, Company do increase the House Rent Allowance payable to Mr. H. R. Mustikar, Managing Director from Rs. 22,000/- per month to Rs. 24,500/- per month w.e.f. 1st July 2002."

Resolution passed at Board Meeting held on October 28, 2002

"RESOLVED that the perquisites payable to Mr. H. R. Mustikar, Managing Director be and is hereby revised with immediate effect as under :

Existing	Revised
Hard and Soft Furnishing allowance : NIL	Rs. 40,000 p.a.
Medical Reimbursement	
All expenses as per Scheme	Limit of one month's salary plus hospitalisation at actuals
Leave Travel Allowance	
One in two years as per rules	Rs. 40,000/- p.a.
Gratuity	
As per Act (which is 15 days salary for every completed year of service)	As per the Scheme of the Company (KPCL Scheme)
	· 15 days if the service is less than 15 years.
	· 30 days if service is more than 15 years.
Leave	
No encashment permitted	Unavailed leave can be allowed to be encashed.
Reimbursement of expenses on Electricity	Expenses on Gas, Electricity, Water and other utilities by the Company."

Resolution passed at the Annual General Meeting held on July 24, 2004

"RESOLVED THAT pursuant to the provisions and Section 61 and other applicable provisions of the Companies Act, 1956 and applicable provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, and all other applicable laws including any statutory modification(s) or re-enactment thereof for the time being in force and subject to such other approvals, permissions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed by the Board of Directors of the Company or any Committee thereof, consent of the members be and is hereby accorded to the Board to delist the Equity shares of the Company from The Delhi Stock Exchange Association Limited and Pune Stock Exchange Limited".

Explanatory Statement to the above resolution

Pursuant to the Securities and Exchange Board of India (SEBI) (Delisting of Securities) Guidelines 2003, the Board of Directors of the Company, at its meeting held on January 24, 2004, have decided to apply for voluntary delisting of the equity shares of the Company from the Delhi & Pune Stock

Exchanges since from the date of Listing of the shares on these stock exchanges there are no transactions that have taken place on account of transfer of shares in physical form.

The Company's equity shares are one of the scrips that the SEBI has specified for compulsory settlement only in dematerialised form by all investors. Accordingly, there is no physical movement of the share certificates in transaction taking place on these stock exchanges.

The Company's shares will, however, continue to be listed on the Stock Exchange at Mumbai which have extensive network of trading terminals that facilities trading by Members/ Investors across the country. The proposed delisting of the Company's Equity Shares from Delhi and Pune Stock Exchanges will not be prejudicial to, or affect the interest of the shareholders.

The Board of Directors of your Company recommend the special resolution as set out at Item No. 5, of the notice for your approval.

None of the Director of the Company is concerned or interested in the resolution.

Resolution passed at the Annual General Meeting held on July 24, 2004

“RESOLVED that in accordance with the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, the Company hereby approves the re-appointment of Mr. H. R. Mustikar as Managing Director of the Company for a period of five years with effect from 6th July, 2004 upon the terms and conditions and remuneration as set out in the explanatory statement and contained in the draft Agreement to be entered in to between the Company and Mr. H. R. Mustikar with liberty to the Board of Directors to alter and vary the said terms of appointment and remuneration but so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956, or any amendments thereto, as may be agreed to between the Board of Directors and Mr. H. R. Mustikar.”

Explanatory Statement to the above resolution

Mr. H. R. Mustikar was appointed as Managing Director of the Company w.e.f. July 6, 1999. During his tenure of 5 years as the Managing Director, he has been instrumental for various restructuring of the business units, enhancing the market share, new product development etc. He played a vital role in increasing the turnover and transforming the Company to the profit making company.

Prior to joining the Company, he was President of Demag Kirloskar Compressors Ltd.

Mr. H.R. Mustikar, aged 59 years, an Engineer by profession, has more than 35 years of rich and varied experience in the fields of Materials, Marketing & Production.

The Board of Directors, at their meeting held on May 9, 2004 re-appointed Mr. H. R. Mustikar as Managing Director of the Company with effect from July 6, 2004, for a period of 5 years subject to the approval of the Members of the Company and also of the Central Government and in accordance with the conditions relating to the remuneration as specified in Schedule XIII of the Companies Act, 1956 and on the other terms and conditions set out below and contained in the draft agreement to be entered into between the Company and Mr. H. R. Mustikar as approved by the Board of Directors at the said meeting a copy whereof is open for inspection.

As the Managing Director Mr. H. R. Mustikar shall be entrusted with substantial powers of management of the entire business and affairs of the Company subject to superintendence, direction and control of the Board of Directors, and he shall not be liable to retire by rotation pursuant to the provisions of Section 255 of the Companies Act, 1956.

The details of remuneration are as under :

Salary	Rs. 1,80,000/- per month, in the scale of 1,80,000/-- 15,000/-- 2,40,000/-.
Commission	Commission payable shall be such as may be determined by the Board of Directors from year to year provided that remuneration including salary, commission and prerequisites shall not exceed 5% of the net profits of the Company for the year.
Perquisites	Perquisites are classified into three categories; viz A, B and C as under

CATEGORY A

Housing	The Managing Director shall be entitled to a House Rent Allowance of Rs. 36,000/- Per month. Expenses on Hard and Soft furnishing by way of an allowance upto a limit of Rs. 40,000/- per annum and the expenses on gas, electricity, water and other utilities shall be borne by the Company.
Medical Reimbursement	Reimbursement for self and family upto the limit of one month's salary plus hospitalisation at actuals.
Leave Travel Concession	Rs. 40,000/- p.a.
Club Fees	Fees of Clubs, subject to maximum of 2 Clubs. This will not include admission and life membership fees.
Personal Accident Insurance	Premium on suitable personal accidental insurance coverage shall be taken by the Company.

CATEGORY B

- i. Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the prevailing rules of the Company.
- ii. Gratuity as per the Scheme of the Company.
- iii. Leave : One months paid privilege leave for each 11 months of service. Unavailed leave may be accumulated upto a maximum of 3 months, and the same can be encashed.

CATEGORY C

- i. Provision of car with Driver for use of Company's business.
 - ii. Telephone, telefax and other communication facilities at residence for Company's business. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.
- Explanation :
- i. 'Family' for the above purpose means wife, dependent children & dependent parents of the Managing Director.
 - ii. Perquisites shall be evaluated as per Income Tax Rules wherever applicable and in the absence of any such rule, perquisites shall be evaluated at actual cost.
- Commission :
- The aggregate of the consolidated salary, commission and perquisites payable to the Managing Director shall not exceed 5% of the net profit of the Company calculated in accordance with the provisions of Sections 198, 309, 349 and schedule XIII to the Companies Act, 1956.
- Minimum Remuneration
- In the event of loss or inadequacy of profits in any financial year during the currency of his tenure as the Managing Director, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Section II of the Part II of Schedule XIII to the Companies Act 1956 as the minimum remuneration, including any statutory modifications or re-enactment thereof as may for the time being in force. For the purpose of computation of minimum remuneration the following shall not be included.
- i. Contribution to Provident fund, Superannuation fund or annuity fund to the extent of these either singly or put together are not taxable under the Income Tax Act, 1961.
 - ii. Gratuity payable at a rate not exceeding half a month's salary of each completed year of service &
 - iii. Encashment of leave at the end of the tenure.
- Sitting Fees
- The Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees there of from the date of his appointment.

The aforesaid remuneration has been approved by the Remuneration Committee formed under Clause 49 of the Listing Agreement, at its meeting held on May 9, 2004.

Schedule XIII to the Companies Act, 1956 stipulates passing of a special resolution and restricts the terms of remuneration for a period not exceeding three years. It is proposed that the appointment and the remuneration payable to the Managing Director should be for a period of five years. Therefore, a suitable application will be made to the Central Government for extending the term of remuneration from 3 years to 5 years. However, the amount of remuneration is well within the limits prescribed under Schedule XIII.

The Board of Directors of your Company recommend the special resolution as set out at Item No.6 of the notice for your approval.

None of the other Directors of the Company except Mr. H. R. Mustikar, is concerned or interested in the resolution.

The above may also be treated as an abstract as required under Section 302 of the Companies Act, 1956.

A statement pursuant to clause 1(B)(iv) of section II of Part II of Schedule XIII is as under

I. General Information :

1. Nature of Industry : The Company is engaged in manufacture & sale of engineering goods and machinery like Compressed Air, Air conditioning and Refrigeration, Process Gas Systems and Mechanical and Hydraulic Power Transmission Equipments.
2. Date of commencement of commercial production : The Company was incorporated on November 8, 1974, and the Company commenced its production in 1975.
3. In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not applicable.
4. Financial performance based on given indicators : As per published Audited Financial Results for the Accounting year ended on March 31, 2004

Particulars	Rupees in Lacs
Turnover	21624
Net Profit as per Profit and Loss Account	85

5. Export performance and net foreign exchange collaborations : Company made exports of Rs. 804 lacs during 2003-04 and of Rs. 890 lacs during the last year.
6. Foreign investments or collaborators, if any. : Not applicable

II. Information about the appointee :

1. Background details

Mr. H. R. Mustikar, Diploma in Mechanical Engineering, who is a technocrat, has been associated with Kirloskar Group of Companies for more than 35 years at senior levels in different capacities.

Mr. Mustikar started his career with Shivaji Works Ltd; a foundry, belonging to Kirloskar Group. Worked in various capacities for 13 years.

Mr. Mustikar joined Kirloskar Pneumatic Co. Ltd; Pune in February, 1981 as Head of operations of Transmission division.

Kirloskar Pneumatic Co. Ltd. is engaged in the manufacture and sale of engineering goods and machinery like (1) Compressed Air (2) Air Conditioning & Refrigeration and (3) Mechanical & Hydraulic Power Transmission Equipment. The Company has manufacturing facilities at Pune, Saswad and Faridabad in India.

Mr. Mustikar took charge of Air Compressors Division as Vice President-Operations in 1990.

He was elevated as the 'President' of the newly formed Joint Venture between Mannesmann Demag group of Germany, Leaders in Turbomachinery and Kirloskar Pneumatic Co. Ltd., in 1994.

He became the Managing Director of the company in 1999.

During his tenure of Five years as the Managing Director, he has been instrumental for various restructuring of the business units, enhancing the market share, new product development etc. He played a vital role in increasing turnover and transforming the Company to the Profit Making Company.

2. Past remuneration

The remuneration paid to Mr. H. R. Mustikar, during the Financial year 2003-04 is as follows

	Particulars	Annual Income Rs.
1.	Salary	13,20,000
2.	House Rent	2,94,000
3.	Provident Fund	1,58,400
4.	Superannuation	1,98,000
5.	Other Perquisites	4,44,734
	TOTAL	24,15,134

3. Recognition or awards : NIL

4. Job profile and his suitability : Mr. H. R. Mustikar, Managing Director has been working with Kirloskar Group for more than 35 years. Taking into consideration the qualifications and expertise, he is best suited for the responsibilities assigned to him by the Board of Directors.

5. Remuneration proposed :

SALARY : Rs. 1,80,000/- per month, in the scale of 1,80,000/- 15,000/- 2,40,000/-

PERQUISITES & ALLOWANCE :

Housing : The Managing Director shall be entitled to a House Rent Allowance of Rs. 36000/- per month. Expenses on Hard and Soft furnishing by way of an allowance upto a limit of Rs. 40,000/- per annum and the expenses on gas, electricity, water and other utilities shall be borne by the Company.

Medical Reimbursement : Reimbursement for self and family upto the limit of one month's salary plus hospitalisation at actuals.

Leave Travel Concession : Rs. 40,000/- p.a.

Club Fees : Fees of Clubs, subject to maximum of 2 Clubs. This will not include admission and life membership fees.

Personal Accident Insurance : Premium on suitable personal accident insurance coverage shall be taken by the Company.

Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the prevailing rules of the Company.

Gratuity as per the Scheme of the Company.

Leave : One months paid privilege leave for each 11 months of service. Unavailed leave may be accumulated upto a maximum of 3 months, and the same can be encashed.

Provision of car with Driver for use of Company's business.

Telephone, telefax and other communication facilities at residence for Company's business. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.

MINIMUM REMUNERATION IN CASE OF INADEQUACY OF PROFITS DURING ANY FINANCIAL YEAR : Salary, perquisites and other allowances mentioned above but not exceeding the limits prescribed under Schedule XIII to the Companies Act, 1956.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (In case of expatriates the relevant details would be w.r.t. the country of his origin) : Taking into consideration the size of the Company, the profile of the appointee, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level appointees in other companies.
7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any : Besides the remuneration proposed, the appointee does not have any other pecuniary relationship directly or indirectly with the Company or with the managerial personnel.

III Other information :

1. Reasons of loss or inadequate profits :
 1. Highly competitive Market
 2. Needs to operate on low margins.
2. Steps taken or proposed to be taken for improvement :
 1. Introduction of new products like Gas Compressor
 2. Reduction in overheads
 3. Changing of product mix
 4. Alternative sources of materials.
 5. Adopting value engineering policy
3. Expected increase in productivity and profits in measurable terms : During the current year, the Company expects to achieve good growth in sales considering the present order board and demand for new products.

Resolution passed at the Annual General Meeting held on July 21, 2005

“RESOLVED THAT subject to the provisions of Section 310 of the Companies Act, 1956 read with the Articles of Association of the Company, the remuneration of a Director for his services in attending the meeting of Board of Directors or Committee thereof, be and is hereby increased from Rs. 2,000/- to Rs. 5,000/- with immediate effect.”

Explanatory Statement to the above resolution.

At present the Company pays Rs. 2,000/- as sitting fees to Directors for attending the meeting of the Board or Committee, thereof. Considering the valuable time given by the Directors and timely guidance provided, it is proposed to increase the sitting fees payable from existing Rs. 2000/- to Rs. 5,000/-.

The board of Directors of your Company recommend the special resolution as set out at item no. 5 of the notice for your approval.

All the Directors except Mr. H. R. Mustikar, Managing Director, are concerned or interested in this resolution.

Resolution passed at the Annual General Meeting held on July 21, 2006

“RESOLVED that pursuant to the provisions of Section 198, 309, 310, 349, 350 and other applicable provisions, if any of the Companies Act, 1956 (“the Act”) and subject to the approval of the Central Government, the Company may pay to a Director, who is neither in the whole time employment of the Company nor a Managing Director, further remuneration by way of commission (to be divided amongst them in such manner as the Board of Directors may from time to time determine and in default of such determination equally) upto a period of 5 years commencing from the financial year 2006-07, provided that the remuneration so paid to such a Director, or when there is more than one such Director to all of them together, shall not exceed 1% of the net profits of the Company, computed in the manner laid down in Sections 349 and 350 of the Act.”

Explanatory Statement to the above resolution.

In view of increasing business operations of the Company and as a token of recognition of the onerous responsibilities shouldered by its Directors, it is proposed to pay additional remuneration by way of commission to the Directors who are neither in the whole time employment of the Company nor the Managing Director of the Company (non executive Directors).

At present, only sitting fee for attending a Board / Committee Meeting is being paid to all such Directors of the Company. The remuneration committee and the Board of Directors, at their respective meetings held on May 15, 2006 accorded their approval for payment of additional remuneration by way of commission to Non Executive Directors of the Company in pursuance to the provisions of Section 198, 309, 310, 349, 350 and other applicable provisions, if any, of the Companies Act, 1956, and subject to the necessary approvals of the Central Government and of the members of the Company.

All the Directors of the Company, except Mr. H. R. Mustikar, Managing Director of the Company may be deemed to be interested / concerned in this resolution to the extent of additional remuneration by way of commission payable to them.

Resolution passed at the Annual General Meeting held on July 19, 2008

“RESOLVED THAT pursuant to the provisions of Section 81 (1A), and all other applicable provisions, if any of the Companies Act, 1956, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as 'SEBI Guidelines'), Listing agreement entered / to be entered into by the Company with the Stock Exchange(s) where the securities of the Company are listed / Proposed to be listed and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (herein after referred to as “the Board” which term shall be deemed to include the remuneration / Compensation Committee which the Board constituted to exercise its powers, including the powers, conferred by this resolution), to create, offer, issue and allot at any time to or to the benefit of such person(s) who are in permanent employment of the Company, whether working in India or out of India, including any Director of the Company, whether whole time or otherwise, option exercisable into, not more than 2,56,886 (not more than 2% of the subscribed paid -up capital) equity shares of Rs. 10/- each of the Company under one or more employee stock option schemes ('the schemes'), in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or guidelines issued by the relevant Authority; each option would be exercisable for one Equity share of a face value of Rs. 10/- each full paid -up on payment of the requisite exercise price to the Company.

RESOLVED FURTHER THAT the maximum number of options that may be granted to a specific employee / director under the employee stock option scheme shall not exceed such number as can get converted into more than 1% of the Paid-up Equity Share Capital of the Company from time to time.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and other events, if any, the Board is also authorized to make fair and reasonable adjustments to the number of options offered and the exercise price.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition of the shares by the aforesaid option grantees under the schemes shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 10/- each per equity share bears to the revised face value of the equity shares of the Company after sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

RESOLVED FURTHER that the Board be and is hereby authorized to issue and allot Equity shares upon exercise of options from time to time in accordance with the employee stock option scheme and take necessary steps for listing of such shares allotted under the employee stock option scheme, on the exchange(s) where company's shares are listed / to be listed, as per the terms and conditions of the respective listing agreement(s) and other applicable guidelines, rules and regulations and such equity shares shall rank pari-passu in all respects with the then existing equity Shares of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, deem necessary expedient or proper, at any stage, without requiring the Board to secure any further consent or approval of the members of the company and the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the said schemes as it may deem fit,

from time to time in its sole and absolute discretion in conformity with the provisions of the Companies Act, 1956, the Memorandum and Articles of Association of the Company, SEBI Guidelines, Listing Agreement(s) and any other applicable laws.”

Explanatory Statement to the above resolution.

Human resource is the key for the continuous growth and development of the Company. In order to motivate the employees and to enable them to participate in the long-term growth and financial success of the organisation, it is proposed to grant employee stock options to the permanent employees, including the Directors but excluding the promoters of the Company, through one or more employee stock option scheme(s). This would also enable the Company to retain and attract talents and to develop a sense of belonging among employees with the organisation, who are the most valuable resources of the company.

As per the SEBI Guidelines, approval of members is required for grant of such options. Hence specific resolution is placed for approval of the members.

The main features of the employee stock option scheme(s) are as under:

Total number of options to be granted :

A total number of options equal to 2,56,886 (not more than 2% of the subscribed paid-up capital) equity shares of the Company would be available for being granted to eligible permanent employees, including the Directors but excluding the promoters of the Company, present and future, under one or more Employee Stock Option Scheme(s). Each option when exercised would be converted into one equity share of Rs. 10/- each fully paid-up.

Vested options that lapse due to non-exercise or unvested options that get cancelled due to resignation of the employees or otherwise, would be available for being re-granted at a future date.

SEBI guidelines require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and other events, a fair and reasonable adjustments needs to be made to the options granted. Accordingly, if any additional equity shares are issued by the Company to the said option grantees for making such fair and reasonable adjustment, the ceiling of 2,56,886 (not more than 2% of the subscribed paid-up capital) equity shares of the Company shall be deemed to be increased to the extent of such additional equity shares issued.

Identification of classes of employees entitled to participate in the Employee Stock Option Scheme(s) :

All permanent employees of the Company, including the Directors but excluding the promoters of the Company, as may be decided by the Remuneration / Compensation Committee from time to time, would be entitled to be granted stock options under the Employee Stock Option Scheme(s).

Select employees of the Company may be granted additional stock options based on extraordinary performance and such other criteria as the Remuneration / Compensation Committee may, in its absolute discretion decide.

Transferability of employee stock options :

The stock options granted to any of the employees will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of an employee stock option holder while in employment, the right to exercise all the options granted to him till such date shall be transferred to his legal heirs or nominees.

Requirements of vesting and period of vesting the maximum period within which the option shall be vested :

The Options granted shall vest as long as the employee continues to be in the employment of the

Company. The Remuneration / Compensation Committee may, at its discretion, lay down certain performance metrics on the achievement of which the granted options would vest, the detailed terms and conditions relating to such performance based vesting, and the proportion in which options granted would vest (subject to the minimum and maximum vesting period as specified below).

The options would vest not earlier than one year and not later than five years from the date of grant of options. The exact proportion in which and the exact period over which the options would vest would be determined by the Remuneration / Compensation Committee, subject to the minimum vesting period of one year from the date of grant of options.

Exercise Price :

The exercise price for the purpose of the grant of the options shall be the price as decided by the Remuneration/Compensation Committee at the time of finalising the specific number of options to be granted to the employees.

The additional options for the extra-ordinary performance / achievements of the employees of the Company as the Remuneration / Compensation Committee may, in its absolute discretion decide, would be granted at an exercise price equivalent to face value of equity share, per option.

Exercise Period and the process of Exercise :

The Exercise period would commence from the date of vesting and will not exceed three years from the date of vesting of options.

The options will be exercisable by the Employees by a written application accompanied by payment of the exercise price to the Company to exercise the option in such manner, and on execution of such documents, as may be prescribed by the Remuneration/Compensation Committee from time to time. The options will lapse if not exercised within the specified exercise period.

Appraisal Process for determining the eligibility of the employee to ESOS: The appraisal process for determining the eligibility of the employee will be specified by the Remuneration / Compensation Committee, and will be based on criteria such as role / designation of the employee, length of service with the Company, past performance record, future potential of the employee and / or such other criteria that may be determined by the Remuneration / Compensation Committee at its sole discretion.

The additional options may be granted to employees of the Company demonstrating extra ordinary performance / achievement and / or such other criteria that may be determined by the Remuneration / Compensation Committee at its sole discretion.

Maximum number of options to be issued per employee and in aggregate :

The number of options that may be granted to any specific employee under the Scheme shall be less than 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of options and in aggregate, shall not exceed 2,56,886 (not more than 2% of the subscribed paid-up capital) equity shares of Rs. 10/- each.

Disclosure and Accounting Policies :

The Company shall comply with the disclosure and the accounting policies prescribed as per SEBI Guidelines.

Method of option valuation :

The Company will adopt the intrinsic value method of valuation of option. Notwithstanding the above, the Company may adopt any other method as may be determined by the Remuneration /

Compensation Committee and as may be permitted under SEBI guidelines.

The difference between the employee compensation cost computed using the Intrinsic Value and the cost that shall have been recognized if it had used the Fair Value of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report.

Pursuant to the provisions of section 81(1A) of the Companies Act, 1956 and in terms of the SEBI Guidelines, members consent by way of a special resolution is necessary; accordingly, the Board recommends the resolutions as set out at item no. 6 for your approval as Special Resolution.

None of the Directors of the Company is in any way, concerned or interested in the resolutions, except to the extent of the securities that may be offered to them under the scheme.

Resolution passed at the Annual General Meeting held on July 18, 2009

“RESOLVED THAT Mr. Aditya Kowshik who was appointed as an Additional Director and was designated as an Executive Director by the Board of Directors w.e.f. October 24, 2008 and who holds office of a Director upto the date of ensuing Annual General Meeting, be and is hereby appointed as a Director of the Company not liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII to the Companies Act, 1956 and subject to such other approvals as may be necessary, consent of the Members be and is hereby accorded to the appointment of Mr. Aditya Kowshik as an Executive Director of the Company for a period of five years effective from October 24, 2008 on the terms and conditions and remuneration as set out in the explanatory statement and contained in the draft agreement to be entered into between the Company and Mr. Aditya Kowshik with liberty to the Board of Directors to alter and vary the said terms of appointment and remuneration but so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956, or any amendments thereto, as may be agreed to between the Board of Directors and Mr. Aditya Kowshik.”

Explanatory Statement to the above resolution.

The Board of Directors of the Company at their Meeting held on October 24, 2008 appointed Mr. Aditya Kowshik as an Additional Director and a Whole Time Director under Article 88 of the Articles of Association of the Company and was designated as an Executive Director. Under Section 260 of the Companies Act, 1956, Mr. Aditya Kowshik holds office as an Additional Director till the date of the ensuing Annual General Meeting. The Company has received a Notice from a member under Section 257 of the Companies Act, 1956 alongwith required deposit of Rs.500/- proposing Mr Aditya Kowshik as a candidate for the office of a Director.

Mr. Aditya Kowshik graduated from Bangalore University in Mechanical Engineering in 1977. He has total experience of over 30 years. He is a member of ISHRAE Pune Chapter, ASHRAE USA and International Institute of Ammonia Refrigeration over 8 years.

Mr. Aditya Kowshik is also a Director of Kirloskar Chillers Private Limited and he does not hold any shares in the Company.

The Board of Directors, appointed Mr Aditya Kowshik for a period of 5 years subject to the approval of the Members of the Company and in accordance with the conditions relating to the remuneration as specified in Schedule XIII of the Companies Act, 1956 and on the other terms and conditions set out below and contained in the draft agreement to be entered into between the Company and Mr. Aditya Kowshik as approved by the Board of Directors at the said meeting a copy whereof is open for inspection.

As the Executive Director Mr. Aditya Kowshik shall be entrusted with powers of management of the business and affairs of the Company subject to superintendence, direction and control of the Board of Directors and he shall not be liable to retire by rotation pursuant to the provisions of Section 255 of the Companies Act, 1956.

The details of remuneration payable to Mr. Kowshik are as under;

Salary

Rs.1,50,000/- (Rupees One Lac Fifty Thousand only) per month.

Perquisites

- a) House Rent allowance of Rs.15,000/- per month.
- b) Expenses on Hard and Soft furnishing by way of an allowance upto a limit of Rs.40,000/- per annum.
- c) Reimbursement of all medical expenses incurred for self and family as per Company Rules. In addition, hospitalisation expenses for self and family will be paid on actual basis.
- d) Leave Travel Assistance Rs.40,000/- per annum.
- e) Club fees as per Company Rules.
- f) Personal accident insurance premium shall be paid by the Company.
- g) A car with driver.
- h) Telephone and fax facilities at residence.
- i) Contribution to Provident fund and Superannuation fund as per Company Rules.
- j) Gratuity as per the Scheme of the Company and
- k) Privilege Leave as per Company Rules. Leave not availed of may be encashed as per Company Rules.

Commission

Commission shall be decided by the Board of Directors based on the net profits of the Company for each year subject to the condition that the aggregate remuneration of an Executive Director shall not exceed the limit laid down under Section 309 of the Companies Act, 1956.

Sitting Fees

The Executive Director shall not be entitled to receive any fees for attending meetings of the Board and / or any Committee thereof.

Others

The Contract may be determined by giving six months notice in writing in that behalf by either party.

Minimum Remuneration

In case of loss or inadequacy of profits in any financial year of the Company during the tenure of Executive Director the remuneration payable by way of salary and perquisites would be determined in accordance with Schedule XIII to the Companies Act, 1956.

Memorandum of Interest

No other Director except Mr. Aditya Kowshik is concerned or interested in the resolution at item no.7.

Resolution passed at the Board Meeting held on October 27, 2010

“RESOLVED that the salary payable to Mr. Aditya Kowshik, Executive Director be and is hereby revised with effect from 1st October 2010, as under :

Particulars	Existing	Revised
Salary	Rs. 1,50,000/- per month	Rs. 3,50,000/- per month
House Rent Allowance	Rs. 15,000/- per month	Rs. 35,000/- per month
Furnishing Allowance	Rs. 40,000/- per annum	Rs. 1,80,000/- per annum
Leave Travel Assistance	Rs. 40,000/- per annum	Rs. 1,50,000/- per annum

RESOLVED FURTHER that all other terms and conditions in respect of the salary and perquisites payable to Mr. Aditya Kowshik, Executive Director as mentioned in agreement dated July 18, 2009 remain unchanged.

RESOLVED FURTHER that Mr. Kedar P. Phadke, Company Secretary be and is hereby authorised to circulate the abstract of the revision to all the shareholders under section 302 of the Companies Act, 1956.

Mr. Aditya Kowshik, Executive Director, being interested neither participated in the discussion nor his presence was counted for the purpose of quorum.

Resolution passed at the Board Meeting of the Company held on April 27, 2011, regarding re-designation of Mr. Aditya Kowshik, Executive Director as Managing Director with immediate effect.

RESOLVED that Mr. Aditya Kowshik, Executive Director be and is hereby re-designated as Managing Director with effect from April 27, 2011, subject to approval of Members

RESOLVED FURTHER that the terms & conditions of his appointment remain unchanged.

The above resolution was passed unanimously by all the Directors present except Mr. Aditya Kowshik being interested / deemed to be interested Director, who did not participate in the discussions and did not vote on this resolution.”

Resolution passed at the Annual General Meeting held on June 28, 2011

“RESOLVED that pursuant to the provisions of Section 198, 309, 310, 349, 350 and other applicable provisions, if any of the Companies Act, 1956 (“the Act”), the Company may pay to a Director, who is neither in the whole time employment of the Company nor a Managing Director, further remuneration by way of commission (to be divided amongst them in such manner as the Board of Directors may from time to time determine and in default of such determination equally) upto a period of 5 years commencing from the financial year 2011-12, provided that the remuneration so paid to such a Director, or when there is more than one such Director to all of them together, shall not exceed 1% of the net profits of the Company, computed in the manner laid down in Sections 349 and 350 of the Act.”

Explanatory Statement to the above resolution.

In view of increasing business operations of the Company and as a token of recognition of the onerous responsibilities cast on the Directors of the Company under the various laws in achieving the desired objectives, it is proposed to pay additional remuneration by way of commission to the Directors who are neither in the whole time employment of the Company nor the Managing Director of the Company (Non Executive Directors). The remuneration committee and the Board of

Directors, at their respective meetings held on April 27, 2011 accorded their approval for payment of additional remuneration by way of commission to such Directors of the Company in pursuance to the provisions of Section 198, 309, 310, 349, 350 and other applicable provisions, if any, of the Companies Act, 1956, and subject to the necessary approvals of the members of the Company.

All the Directors of the Company, except Mr Aditya Kowshik, Managing Director of the Company may be deemed to be interested / concerned in this resolution to the extent of additional remuneration by way of commission payable to them.

Resolution passed at the Annual General Meeting oheld on June 28, 2011

“RESOLVED that pursuant to all applicable provisions of the Companies Act, 1956 consent of the members be and is hereby accorded to the re-designation of Mr. Aditya Kowshik as Managing Director of the Company with effect from April 27, 2011.

RESOLVED FURTHER that all the terms and conditions of his appointment as approved by the members in its meeting held on July 18, 2009 remain unchanged and as per the said resolution the Board of Directors be and are hereby authorised to alter and vary the said terms and conditions of his appointment including remuneration not exceeding the limits specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto, as may be agreed between the Board of Directors and Mr. Aditya Kowshik”

Explanatory Statement to the above resolution.

The Members at their Annual General Meeting held on July 18, 2009 had approved the appointment of Mr. Aditya Kowshik as Executive Director for a period of 5 years w.e.f. October 24, 2008 and had also authorised the Board of Directors to alter and vary the terms of his appointment.

The Board of Directors of the Company at their meeting held on April 27, 2011 re-designated Mr Aditya Kowshik, Executive Director as Managing Director with effect from April 27, 2011 subject to approval of members.

The terms & conditions of his appointment including remuneration remain unchanged.

In this respect company has already circulated Abstract under Section 302 of the Companies Act, 1956 on May 9, 2011.

The Board of Directors of your Company recommends the resolutions as set out at Item No. 7 of the Notice for your approval.

No other Director of the Company is concerned or interested except Mr. Aditya Kowshik in far as it relate to him.

Resolution passed at the Annual General Meeting held on July 17, 2012

RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII to the Companies Act, 1956 and subject to such other approvals as may be necessary, consent of the Members be and is hereby accorded to the appointment of Mr. Rahul C. Kirloskar, Chairman as the Whole-Time Director to be designated as the Executive Chairman of the Company for a period of five years with effect from January 23, 2012 on the terms and conditions and remuneration as set out in the explanatory statement and contained in the agreement entered into between the Company and Mr. Rahul C. Kirloskar with liberty to the Board of Directors to alter and vary the said terms of appointment and remuneration but so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956, or any amendments thereto, as may be agreed to between the Board of Directors and Mr. Rahul C. Kirloskar.”

Explanatory Statement to the above resolution.

The Board of Directors of the Company, in its meeting held on 23rd January, 2012, appointed Mr. Rahul C Kirloskar, Chairman as a Whole Time Director designated as the "Executive Chairman" of the Company, for a period of 5 years from 23rd January, 2012. The said appointment as Whole Time Director as well as remuneration is subject to approval by the members of the Company in the ensuing annual general meeting.

Mr. Rahul C. Kirloskar is qualified as B. S. (Mechanical Engineering) USA. He has been with the Kirloskar Group of Companies for more than 25 years at senior levels in different capacities. He has actively participated in extensive course for top management professionals of major international Companies on Total Quality Management (TQM) in Japan, conducted by Japanese Union of Scientists and Engineers (JUSE). This course has exposed him to the latest methods of TQM prevailing in Japan. He is also on the Board of several Companies. He has also been Chairman of the CII Pune Zonal Council as well as CII Maharashtra Council.

The details of remuneration payable to Mr. Rahul C. Kirloskar are as under :

SALARY:

Rs. 10,00,000/- (Rupees Ten Lakhs only) per month.

PERQUISITES:

In addition to the aforesaid salary, Mr. Rahul C. Kirloskar as Executive Chairman shall be entitled to the following perquisites:

- a. Fully furnished residential accommodation: Where no accommodation is provided by the Company, suitable house rent allowance in lieu thereof may be paid. The expenses on furnishings gas, electricity, water and other utilities and repairs shall be borne by the Company.
- b. Reimbursement of all medical expenses incurred for self and family.
- c. Leave travel assistance for self and family not exceeding Rs. 2,00,000/- per annum.
- d. Fees of clubs, subject to a maximum of two clubs, which will include admission fee but will not include life membership fees.
- e. Personal accident insurance, premium whereof does not exceed Rs. 25,000/- per annum.
- f. A car with driver.
- g. Telephone and fax facilities at residence.
- h. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961.
- i. Gratuity at the rate of 30 days' salary for each completed year of service as per the Scheme of the Company, and
- j. Leave at the rate of one month for every eleven months of service. Leave not availed of may be encashed at the end of the tenure.
- k. Education Allowance for the education of his Children as per Company Rules.

"Family" for the above purpose means wife, dependent children and dependent parents of the Executive Chairman.

Perquisites shall be evaluated as per the provisions of the Income tax Rules.

COMMISSION:

Commission shall be decided by the Board of Directors based on the net profits of the Company each year subject to the condition that the aggregate remuneration of the Executive Chairman shall

not exceed the limit laid down under Section 309 of the Companies Act, 1956.

MINIMUM REMUNERATION:

In the event of loss or inadequacy of profits in any financial year during the currency of his tenure as Whole-time Director, remuneration by way of salary, perquisites and other allowances shall be in accordance with the ceiling prescribed in Section II of Part II of Schedule XIII to the Companies Act, 1956 or any statutory modification thereof.

Mr. Rahul C. Kirloskar will be a Director liable to retire by rotation and his re-appointment as such Director shall not be deemed to constitute a break in his appointment as Executive Chairman.

Mr. Rahul C. Kirloskar is interested to the extent of remuneration payable to him. Mr. Atul C. Kirloskar, Mr. Sanjay C. Kirloskar, Directors of the Company being the brothers are related to each other and hence may be deemed to be interested in his appointment.

No other Director of the Company is concerned or interested.

Resolution passed at the Annual General Meeting held on July 23, 2014

“RESOLVED that pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII to the Companies Act 1956 (Corresponding Sections 196,197, 203 and Schedule V to the Companies Act, 2013), Mr. Aditya Kowshik, be and is hereby re-appointed as the Managing Director of the Company for a period of three years beginning from October 24, 2013 on the terms and conditions including remuneration as set out hereunder.

RESOLVED FURTHER that subject to the provisions of the Companies Act, 1956 and in terms of Article 99 of the Articles of Association of the Company, the Managing Director shall not, while he continues to hold office of the Managing Director, be subject to retirement by rotation of Directors and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire, but he shall ipso facto and immediately cease to be the Managing Director if he ceases to hold the office of Director for any cause.”

Explanatory Statement to the above resolution.

The Board of Directors of the Company at their Meeting held on October 23, 2013 reappointed Mr. Aditya Kowshik as Managing Director for a period of three years w.e.f. 24th October, 2013 subject to approval of shareholders at the ensuing Annual General Meeting and in accordance with the conditions relating to the remuneration as specified in Schedule XIII of the Companies Act, 1956 (Corresponding Schedule V to the Companies Act, 2013) and on the other terms and conditions set out below and contained in the draft agreement to be entered into between the Company and Mr. Aditya Kowshik as approved by the Board of Directors at the said meeting a copy whereof is open for inspection.

Mr. Aditya Kowshik graduated from Bangalore University in Mechanical Engineering in 1977. He has total experience of over 30 years. He is a member of ISHRAE Pune Chapter, ASHRAE USA and International Institute of Ammonia Refrigeration over a decade.

Mr. Aditya Kowshik is also a Director of Kirloskar Chillers Private Limited and he does not hold shares in the Company. As the Managing Director Mr. Aditya Kowshik shall be entrusted with powers of management of the business and affairs of the Company subject to superintendence, direction and control of the Board of Directors. The details of remuneration paid / payable to Mr. Aditya Kowshik are as under;

Salary:

Rs. 5,00,000/- (Rupees Five Lacs only) per month (w.e.f. 24th October, 2013).

Perquisites :

- a. House Rent allowance of Rs.50,000/- per month.
- b. Expenses on Hard and Soft furnishing by way of an allowance upto a limit of Rs.2,00,000/- per annum.
- c. Reimbursement of all medical expenses incurred for self and family as per Company Rules. In addition, hospitalization expenses for self and family will be paid on actual basis.
- d. Leave Travel Assistance Rs. 1,50,000/- per annum.
- e. Club fees as per Company Rules.
- f. Suitable Personal Accident Insurance premium shall be paid by the Company.
- g. A car with driver.
- h. Telephone, Telefax and other telecommunication facilities at residence.
- i. Contribution to Provident fund and Superannuation fund as per Company Rules.
- j. Gratuity as per Scheme of the Company, and
- k. Privilege Leave as per Company Rules, Leave not availed of may be encashed as per Company Rules.

Commission :

Commission shall be decided by the Board of Directors based on the net profits of the Company for each year subject to the condition that the aggregate remuneration of a Managing Director shall not exceed the limit laid down under Section 309 of the Companies Act, 1956. (Corresponding Section 197 of the Companies Act, 2013).

Minimum Remuneration :

In case of loss or inadequacy of profits in any financial year of the Company during the tenure of Managing Director the remuneration payable by way of salary and perquisites would be determined in accordance with Schedule XIII to the Companies Act, 1956 (Corresponding Schedule V of the Companies Act, 2013).

Sitting Fees :

The Managing Director shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof from the date of his appointment.

Except Mr. Aditya Kowshik, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at an Item No. 15. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Resolution passed by Postal Ballot on July 23, 2014

“RESOLVED that pursuant to Section 186 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and such other approvals, consents, sanctions and permissions of appropriate authorities, departments or bodies as may be necessary, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to give loan(s) to any person or other body corporate and/or give any guarantee(s)/provide any security(ies) in connection with loan(s) made to any other body corporate or person and/or to acquire by way of subscription, purchase or otherwise the securities of any body corporate up to a limit not exceeding Rs. 1,000 Crores (Rupees One Thousand Crores only) notwithstanding that the aggregate of the loans,

guarantees or securities so far given or to be given to and/or securities so far acquired or to be acquired in all bodies corporate may exceed the limits prescribed under the said section.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and also to delegate all or any of the above powers to the Committee of Directors or the Managing Director or the Principal Officer of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.”

Explanatory Statement to the above resolution.

The Company is proposing to make substantial investments in the areas of business of the Company. Company might have required to make loans or give guarantee or to provide security to any person in connection with a loan provided to its wholly owned subsidiary, subsidiary or associate company, as and when required.

As a measure of achieving greater financial flexibility and to enable optimal financial structuring to facilitate speedy implementation of various projects, it is proposed that the Board of Directors be authorized to invest upto Rs. 1000 Crores (Rs. One Thousand Crores) in any body corporate by way of subscription and /or purchase of equity/equity related securities and/or debentures, grant of loan, guarantee and/or providing of security from time to time.

As per Section 186 of the Companies Act, 2013, a Company cannot make investment, give loan or guarantee or provide any security in excess of the limits set out therein unless it is previously authorised by a special resolution. Hence, it is necessary to obtain approval for the same from the Members by passing a special resolution. The funds required for the investment will be sourced through internal accruals, equity proceeds and/or borrowings.

Your approval is sought by voting by postal ballot in terms of the provisions of Section 110 of the Companies Act, 2013 read with Companies (Management & Administration) Rules 2014.

Therefore, the Board of Directors recommend the proposed resolution for your approval.

None of the Directors and Key Managerial Personnel is concerned or interested, financial or otherwise, in the resolution set out at an Item No. 14.

Resolution passed by Postal Ballot on July 23, 2014

“RESOLVED that in supersession of the earlier resolution passed under Section 293(1)(d) of the Companies Act, 1956 by way of Postal Ballot and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall include and Committee thereof) for borrowing from time to time, any sum or sums of money for the purpose of the Company upon such terms and conditions and with or without security as the Board may at its discretion think fit so, in excess of the aggregate of the paid-up share capital and free reserves of the Company, provided that the total amount of such borrowing and outstanding at any point of time, apart from temporary loans obtained / to be obtained from the Company's Bankers in the ordinary course of business shall not exceed Rs.1000 Crores (Rupees One Thousand Crores Only) over and above the aggregate of the paid-up capital and free reserves of the Company.

RESOLVED FURTHER that the Board or its Committee be and is hereby authorized to negotiate and finalize with the lenders, terms and conditions, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, agreements applications, documents and writings that may be required, on behalf of the Company and also to delegate all or any of the above powers to the Committee of Directors or the Managing Director or the Principal Officer of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.”

Explanatory Statement to the above resolution.

The Members of the Company approved by way of Postal ballot on June 10, 2011 by way of an Ordinary Resolution under Section 293 (1) (d) of the Companies Act, 1956 borrowings over and above the aggregate of paid-up share capital and free reserves of the Company provided that the total amount of such borrowings shall not exceed Rs. 1,000 Crores (Rupees One Thousand Crores only) notwithstanding that the money or moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans, if any, obtained from the companies bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and free reserves of the Company. Further under law, it is now required that such a resolution be by way of special resolution.

As per sections 180(1) (c) and other applicable provisions of the Companies Act, 2013 the consent of shareholders is required for increasing the borrowing limits of the Company. The increasing business operations and future growth plans of the Company would necessitate to increase the borrowing limit by authorizing the Board of Directors to borrow money, therefore it is proposed to increase the borrowing limit up to an amount of Rs.1000 Crores (Rupees One Thousand Crores only) (apart from temporary loans, if any, obtained from the Company's bankers in the ordinary course of business). Such enhanced borrowing limit would also enable the Company to borrow for its routine business purposes.

Your approval is sought by voting by postal ballot in terms of the provisions of Section 110 of the Companies Act, 2013 read with Companies (Management & Administration) Rules 2014.

Therefore, the Board of Directors recommend the proposed resolution for your approval.

None of the Directors and Key Managerial Personnel is concerned or interested, financial or otherwise, in the resolution set out at an Item No. 12.

Resolution passed by Postal Ballot on July 23, 2014

“RESOLVED that in supersession of the earlier resolution passed under Section 293(1)(a) of the Companies Act, 1956 by way of Postal Ballot and pursuant to Section 180(1)(a) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and such other approvals as may be necessary, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called “the Board” and which term shall be deemed to include any Committee, which the Board may have constituted or hereinafter constitute to exercise its powers including powers conferred by this resolution and with the power to delegate such authority to any person or persons) to mortgage and/or charge and/or hypothecation (and/or lease and/or assign, in addition to mortgage(s) and/or charge(s) and/or hypothecations and/or assignment(s) created/to be created by the Company, in such form and manner and with such ranking as to priority and at such time and on such terms as the Board may determine, on all or any of the moveable and/ or immovable, tangible and/or intangible properties of the Company,

wherever situate, both present and future, and/or the whole or any part of undertaking(s) of the Company together with a power to take over the management of the business and concern of the Company in certain events of default, in favour of various lender(s), agent(s), trustee(s) for securing the borrowings availed/to be availed by the Company by way of loan(s) (in foreign currency and/or rupee currency) and/or advances including credit facilities and/or securities (comprising fully/partly convertible debentures and/or non convertible debentures with or without detachable or nondetachable warrants and/or secured premium notes and/or floating rate notes/bonds or other debt instruments), issued or to be issued by the Company from time to time of an aggregate value not exceeding Rs. 1000 Crores (Rupees One Thousand Crores Only) together with interest thereon at the respective agreed rates, compound interest, additional interest, accumulated interest, liquidated damages, premia on prepayment or on redemption, costs, charges, expenses including any increase as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other moneys payable by the Company in terms of loan agreement(s) and other moneys payable by the Company to the lenders in terms of loan agreement(s) and/or any other document(s) entered into/to be entered into between the Company and the lenders(s) / agent(s) / trustee(s) in respect of said loans / borrowings / debentures / securities and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors (including any Committee thereof) and lender(s), agent(s) and trustee(s).

RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board or its Committee be and is hereby authorized to negotiate and finalize with the lenders, terms and conditions, including the nature and ranking of charge and/or mortgage, documents / deeds / writings / papers / agreements as may be required for creation of mortgage and/or charge and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any questions, difficulty or doubts relating thereto that may arise in regard to creating mortgage/charge as aforesaid.”

Explanatory Statement to the above resolution.

The Members of the Company approved by way of Postal ballot on June 10, 2011 by way of an Ordinary Resolution under Section 293 (1) (a) of the Companies Act, 1956 creation of mortgage, lease and/or charge in addition to charge created/to be created by the Company, on all or any of the moveable and/or immovable, tangible and/or intangible or properties of the Company upto the borrowing limits of the Company. Further under law, it is now required that such a resolution be by way of special resolution.

The Company proposes to enhance the limit of mortgage of and/or creation of security on the moveable and/or immovable properties of the Company, in order to commensurate the same with the borrowing limit as referred to in the resolution at Item No.12.

As per the provisions of Section 180(1) (a) of the Companies Act, 1956 the consent of Members is required to authorize the Board of Directors of the Company to mortgage, lease and/or create charge in addition to charge created/to be created by the Company, on all or any of the moveable and/or immovable, tangible and/or intangible or properties of the Company. Hence it is necessary to obtain approval for the same from the Members, voting by way of Postal Ballot.

Your approval is sought by voting by postal ballot in terms of the provisions of Section 110 of the Companies Act, 2013 read with Companies (Management & Administration) Rules 2014.

Therefore, the Board of Directors recommend the proposed resolution for your approval.

None of the Directors and Key Managerial Personnel is concerned or interested, financial or otherwise, in the resolution set out at an Item No. 13.

Resolution passed at the Annual General Meeting held on July 22, 2016

“RESOLVED that pursuant to the recommendation of the Nomination and Remuneration Committee, provisions of Sections 196, 197, 203 read with Schedule V and any other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other approvals as may be necessary, consent of the Members be and is hereby accorded to the re-appointment of Mr. Rahul C Kirloskar (holding DIN 007319), Executive Chairman as the Whole Time Director to be designated as the 'Executive Chairman' of the Company for a further period of five years with effect from 23rd January 2017 on the terms and conditions and remuneration as set out in the explanatory statement and contained in the draft agreement to be entered into between the Company and Mr. Rahul C Kirloskar with liberty to the Board of Directors or any committee thereof to alter and vary the said terms of appointment and remuneration subject to the limits specified in Schedule V to the Companies Act, 2013 or any amendments thereto, as may be agreed to between the Board of Directors and Mr. Rahul C Kirloskar.”

Explanatory Statement to the above resolution.

Mr. Rahul C Kirloskar (DIN : 00007319) was appointed as Director on the Board w.e.f. 30th September, 1993 and was co-opted as Non-Executive Chairman w.e.f. 9th March, 2010. He was appointed as the Whole Time Director designated as the 'Executive Chairman' of the Company, for a period of 5 years from 23rd January, 2012 till 22nd January 2017 and the Members of the Company, in its Annual General Meeting held on 17th July, 2012, had approved the same.

The Board of Directors of the Company, in its meeting held on 27th April, 2016, re-appointed Mr. Rahul C Kirloskar as a Whole Time Director designated as the 'Executive Chairman' of the Company, for a further period of 5 years from 23rd January, 2017. The said re-appointment as Whole Time Director as well as remuneration to be paid is subject to approval by the Members of the Company at the ensuing Annual General Meeting. The remuneration and other terms and conditions are as set out below and contained in the agreement to be entered into between the Company and Mr. Rahul C Kirloskar as approved by the Board of Directors at the said meeting, a copy whereof is open for inspection.

Mr. Rahul C Kirloskar is qualified as B. S. (Mechanical Engineering) USA. He has been with the Kirloskar Group of Companies for more than 25 years at senior levels in different capacities. He has actively participated in extensive course for top management professionals of major International Companies on Total Quality Management (TQM) in Japan, conducted by Japanese Union of Scientists and Engineers (JUSE). This course has exposed him to the latest methods of TQM prevailing in Japan. He is also on the Board of several Companies. He has also been Chairman of the CII Pune Zonal Council as well as CII Maharashtra Council.

The Directorship in other companies is as follows:

Name of the Company	Board position held	Committee Position held
Kirloskar Oil Engines Ltd	Director	Audit Committee- Member Nomination & Remuneration Committee-Member
Kirloskar Proprietary Ltd	Director	-
Kirloskar Ferrous Industries Ltd	Vice- Chairman	Corporate Social Responsibility Committee- Chairman
J. K. Fenner India Ltd	Director	Audit Committee- Member Nomination & Remuneration Committee-Member
Green Tek Systems (India) Pvt Ltd	Chairman	-
Alpak Investments Pvt Ltd	Chairman	-
Asara Sales & Investments Pvt Ltd	Director	-
Kirloskar Energen Pvt Ltd	Director	-

Mr. Rahul C Kirloskar holds 1,15,579 shares (in the name of first holder only) in the Company.

The details of remuneration payable to Mr Rahul C Kirloskar are as under :

SALARY:

Rs. 10,00,000/- (Rupees Ten Lacs) per month.

PERQUISITES & OTHER BENEFITS:

In addition to the aforesaid salary, Mr. Rahul C Kirloskar as Executive Chairman shall be entitled to the following perquisites and other benefits:

- a. Fully furnished residential accommodation. Where no accommodation is provided by the Company, suitable house rent allowance in lieu thereof may be paid. The expenses on furnishings, gas, electricity, water and other utilities and repairs shall be borne by the Company.
- b. Reimbursement of all medical expenses incurred for self and family.
- c. Leave travel assistance for self and family not exceeding Rs. 2,00,000/- per annum.
- d. Fees of clubs, subject to a maximum of two clubs, which will include admission fee but will not include life membership fees.
- e. Personal accident insurance, premium whereof does not exceed Rs. 25,000/- per annum.
- f. A car with driver.
- g. Telephone, fax and other communication facilities at residence.
- h. Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per Company Rules.
- i. Gratuity at the rate of 30 days' salary for each completed year of service as per the Scheme of the Company.

- j. Leave at the rate of one month for every eleven months of service. Leave not availed of may be encashed at the end of the tenure, and
- k. Education Allowance for the education of his Children as per Company Rules.

"Family" for the above purpose means wife, dependent children and dependent parents of the Executive Chairman.

Perquisites shall be evaluated as per the provisions of the Income Tax Rules.

COMMISSION:

Commission shall be decided by the Board of Directors based on the net profits of the Company each year subject to the condition that the aggregate remuneration of the Executive Chairman shall not exceed the limit laid down under Section 197 and Schedule V of the Companies Act, 2013.

MINIMUM REMUNERATION:

In the event of loss or inadequacy of profits in any financial year during the currency of his tenure as Whole Time Director, minimum remuneration by way of salary, perquisites and other allowances shall be in accordance with the ceiling prescribed in Schedule V to the Companies Act, 2013 or any statutory modification thereof.

Mr. Rahul C Kirloskar will be a Director liable to retire by rotation and his re-appointment as such Director shall not be deemed to constitute a break in his appointment as Executive Chairman.

The Board considers that the re-appointment of Mr. Rahul C Kirloskar would be of immense benefit to the Company. Accordingly, the Board of Directors recommend his appointment.

The copy of the draft agreement referred to in the resolution would be available for inspection by the Members at the Registered Office of the Company during normal business hours on any working day excluding Saturday.

Mr. Rahul C Kirloskar is interested to the extent of remuneration payable to him. Mr. Atul C Kirloskar, Director of the Company being the brother is related to each other and hence may be deemed to be interested in his re-appointment.

None of the Directors or Key Managerial Personnel or their relatives other than Mr. Rahul C Kirloskar and Mr. Atul C Kirloskar are concerned or interested, financial or otherwise, in the resolution set out at an Item No.7. This explanatory statement may also be regarded as disclosure under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Resolution passed at the Annual General Meeting held on July 22, 2016,

"RESOLVED that pursuant to the recommendation of the Nomination and Remuneration Committee, provisions of Section 197 read with Schedule V and applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof) for the time being in force and Articles of Association of the Company, the consent of the Members be and is hereby accorded for revision in the remuneration payable to Mr. Aditya Kowshik (holding DIN 00228983) for his remaining term as Managing Director w.e.f. 1st May, 2016 as set out in the explanatory statement and contained in the draft supplementary agreement to be entered into between the Company and Mr. Aditya Kowshik, Managing Director."

Explanatory Statement to the above resolution.

Mr. Aditya Kowshik (DIN: 00228983) joined the Company in the year 1993 as a Senior Manager-ACR Projects. In the year 1998 he was promoted as Vice President (Operations) and made In-

charge of ACR and Process Gas Division. He was appointed as a Whole Time Director on the Board w.e.f. 24th October, 2008 and designated as the 'Executive Director' of the Company for a period of 5 years and was re-designated as Managing Director w.e.f. 27th April, 2011. He was re-appointed as the Managing Director of the Company for a further period of 3 years w.e.f. 24th October 2013. The Members of the Company, in its Annual General Meeting held on 23rd July, 2014 have approved his re-appointment and remuneration for the said term. The approval of the Members is being sought for the following revision in remuneration of Mr. Aditya Kowshik for his remaining term as Managing Director w.e.f. 1st May, 2016:

(Amount in Rs.)

Particulars (per month)	Existing	Revised
Salary	5,00,000	6,50,000
House Rent Allowance	50,000	65,000

All other terms of remuneration including perquisites payable to Mr. Aditya Kowshik, Managing Director and other terms and conditions, as mentioned in the agreement dated 24th July, 2014 remain unchanged. The copy of the draft supplementary agreement referred to in the resolution would be available for inspection by the Members at the Registered Office of the company during normal business hours on any working day excluding Saturday. Except Mr. Aditya Kowshik, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financial or otherwise, in the resolution set out at an Item No 8.

Resolution passed at the Annual General Meeting held on July 22, 2016

"RESOLVED that pursuant to the recommendation of the Nomination and Remuneration Committee, provisions of Sections 196, 197, 203 read with Schedule V and any other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other approvals as may be necessary, consent of the Members be and is hereby accorded to the re-appointment of Mr. Aditya Kowshik (holding DIN 00228983), as Managing Director of the Company for a further period of three years beginning from 24th October, 2016 on the terms and conditions including remuneration as set out in the explanatory statement and contained in the draft agreement to be entered into between the Company and Mr. Aditya Kowshik with liberty to the Board of Directors or any committee thereof to alter and vary the said terms of appointment and remuneration but so as not to exceed the limits specified in Schedule V to the Companies Act, 2013 or any amendments thereto, as may be agreed to between the Board of Directors and Mr. Aditya Kowshik.

RESOLVED FURTHER that subject to the provisions of the Companies Act, 2013 and in terms of Article 99 of the Articles of Association of the Company, the Managing Director shall not, while he continues to hold office of the Managing Director, be subject to retirement by rotation of Directors and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire, but he shall ipso facto and immediately cease to be the Managing Director if he ceases to hold the office of Director for any cause."

Explanatory Statement to the above resolution.

The Board of Directors of the Company at their Meeting held on 27th April, 2016 re-appointed Mr. Aditya Kowshik as Managing Director for a period of three years w.e.f. 24th October, 2016 subject to approval of Members at the ensuing Annual General Meeting and in accordance with the conditions relating to the remuneration as specified in Section 197 read with Schedule V of the Companies Act, 2013 and on the other terms and conditions as set out below and contained in the

draft agreement to be entered into between the Company and Mr. Aditya Kowshik as approved by the Board of Directors at the said meeting, a copy whereof is open for inspection.

Mr. Aditya Kowshik graduated from Bangalore University in Mechanical Engineering in 1977. He has total experience of over 30 years. He is a member of ISHRAE Pune Chapter, ASHRAE USA and International Institute of Ammonia Refrigeration over 8 years.

Mr. Aditya Kowshik is also a Director of Kirloskar Chillers Private Limited and he does not hold any shares in that Company.

Mr. Aditya Kowshik does not hold any shares in the Company.

As a Managing Director, Mr. Aditya Kowshik shall be entrusted with powers of management of the business and affairs of the Company subject to superintendence, direction and control of the Board of Directors.

The details of remuneration payable to Mr. Aditya Kowshik are as under:

Salary :

Rs. 6,50,000/- (Rupees Six Lacs Fifty Thousand) per month.

Perquisites and other benefits :

House Rent allowance of Rs.65,000/- per month.

Expenses on Hard and Soft furnishing byway of an allowance upto a limit of Rs. 2,00,000/-per annum.

Reimbursement of all medical expenses incurred for self and family as per Company Rules. In addition, hospitalization expenses for self and family will be paid on actual basis.

Leave Travel Assistance Rs. 1,50,000/- per annum.

Club fees as per Company Rules.

Suitable Personal Accident Insurance premium shall be paid by the Company.

A car with driver.

Telephone, Telefax and other telecommunication facilities at residence.

Contribution to Provident fund and Superannuation fund as per Company Rules.

Gratuity as per Scheme of the Company; and

Privilege Leave as per Company Rules. Leave not availed of may be encashed as per Company Rules.

Commission :

Commission shall be decided by the Board of Directors based on the net profits of the Company for each year subject to the condition that the aggregate remuneration of a Managing Director shall not exceed the limit laid down under Section 197 and Schedule V of the Companies Act, 2013.

Sitting Fees :

The Managing Director shall not be entitled to receive any fees for attending meetings of the Board and/or any Committee thereof.

Others :

The Contract may be determined by giving six months' notice in writing in that behalf by either party.

Minimum Remuneration :

In case of loss or inadequacy of profits in any financial year of the Company during the tenure of Managing Director, the minimum remuneration payable by way of salary and perquisites would be determined in accordance with Schedule V to the Companies Act, 2013.

The Board considers that the re-appointment of Mr. Aditya Kowshik would be of immense benefit to the Company.

Accordingly, the Board of Directors recommend his appointment.

The copy of the draft agreement referred to in the resolution would be available for inspection by the Members at the Registered Office of the Company during normal business hours on any working day excluding Saturday.

Except Mr Aditya Kowshik, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financial or otherwise, in the resolution set out at an Item No 9. This Explanatory Statement may also be regarded as a disclosure under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Resolution passed at the Annual General Meeting held on July 22, 2016

"RESOLVED that pursuant to provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), the Company may pay to a Director who is neither in the whole time employment of the Company nor a Managing Director, further remuneration by way of commission (to be divided amongst them in such manner as the Board of Directors may from time to time determine and in default of such determination equally) commencing from the financial year 2016-17, provided that the remuneration so paid to such a Director, or when there is more than one such Director to all of them together, shall not exceed 1% of the net profits of the Company, computed in the manner laid down in Section 198 of the Act."

Explanatory Statement to the above resolution.

The Members of the Company at their Annual General Meeting held on 28th June, 2011 approved by way of Special Resolution under Section 309 of the Companies Act, 1956, the payment of additional remuneration by way of commission to the Non-Executive Directors of the Company not exceeding one percent per annum of the Net Profits of the Company, computed in accordance with the provisions of the Companies Act, 1956 for a period of 5 years with effect from the financial Year 2011-12.

In view of Sections 149, 197 and other applicable provisions of the Companies Act, 2013 and taking into account the roles and responsibilities of the directors, it is proposed to pay additional remuneration by way of commission to the Directors, who are neither in the whole time employment of the company nor Managing Director of the Company (Non Executive Directors) not exceeding one percent per annum of the Net Profits of the Company, computed in accordance with the provisions of the Companies Act, 2013, commencing from the financial year 2016-17. This remuneration will be distributed amongst the Directors in such manner as the Board of Directors may from time to time determine subject to any other applicable requirements under the Companies Act, 2013. This remuneration shall be in addition to fee payable to the Directors for attending the meetings of the Directors or Committees thereof or for any other purpose whatsoever as may be decided by the Board, the reimbursement of expenses for participation in the Board and other meetings.

Accordingly, a fresh approval of the Members is sought by way of an Ordinary Resolution under the applicable provisions of the Companies Act, 2013 for payment of additional remuneration by way of commission to the Directors, who are neither in the whole time employment of the Company nor Managing Director of the Company commencing from the financial year 2016-17 as set out in the resolution at an Item No. 10 of the Notice.

All the Directors of the Company except Managing Director, Whole Time Director, Key Managerial Personnel and their relatives, may be deemed to be concerned or interested to the extent of additional remuneration by way of commission payable to them.

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH

COMPANY SCHEME PETITION NO 199 OF 2017

IN

COMPANY SCHEME APPLICATION NO 6 OF 2017

Kirloskar Pneumatic Company Limited

..... Petitioner/Transferee Company

COMPANY SCHEME PETITION NO 200 OF 2017

IN

COMPANY SCHEME APPLICATION NO 7 OF 2017

Kirloskar RoadRailer Limited

..... Petitioner/Transferor Company I

COMPANY SCHEME PETITION NO 201 OF 2017

IN

COMPANY SCHEME APPLICATION NO 5 OF 2017

Pneumatic Holdings Limited

..... Petitioner/Transferor Company II

In the matter of the Companies Act, 2013;

AND

In the matter of Sections 230 to 232 of the Companies Act, 2013;

AND

In the matter of Scheme of Arrangement and Amalgamation between Kirloskar RoadRailer Limited having CIN U35990PN2008PLC132445 (Transferor Company I) and Pneumatic Holdings Limited having CIN L65993PN2014PLC152566 (Transferor Company II), and Kirloskar Pneumatic Company Limited having CIN L29120PN1974PLC110307 (Transferee Company) and their respective Shareholders

Called for hearing

Mr. Hemant Sethi, M/s Hemant Sethi & Co., Advocate for the Petitioners in all the Petitions.

Mr. Ramesh Gholap, Assistant Director in the office of Regional Director

Coram : B.S.V. Prakash Kumar, Member (Judicial)

V. Nallasenapathy, Member (Technical)

Date: 19th April, 2017

1. Heard the learned counsel for the Petitioner Companies. None appears before this Tribunal either to oppose the Scheme or to contravene averments made in the Petition.
2. The sanction of this Tribunal is sought under section 230 to 232 of the Companies Act, 2013, to the Scheme of Arrangement and Amalgamation between Kirloskar RoadRailer Limited (Transferor Company I) and Pneumatic Holdings Limited (Transferor Company II), and Kirloskar Pneumatic

Company Limited (Transferee Company) and their respective Shareholders.

3. The learned Counsel for the Petitioners submit that Transferor Company I is presently setting up business of carrying on multimodal transport business using RoadRailer technology of the Transferee Company. The main operations of the Transferor Company II are that of Investment and Leasing and majority of the Investments of the Company are in the nature of strategic Investments in Kirloskar group companies and Leasing. The Transferee Company is engaged in the business of manufacturing and selling air, gas and refrigeration compressors and packages thereof, hydraulic & mechanical transmission including gears and gear box and RoadRailer equipments.
4. The amalgamation of the Transferor Companies with the Transferee Company would *inter alia* have the following benefits:
 - (a) The amalgamation of the Transferor Company I with the Transferee Company shall integrate RoadRailer manufacturing technology with RoadRailer service operations thereby providing complete business solution.
 - (b) The amalgamation of the Transferor Company I with the Transferee Company shall provide greater financial strength to the RoadRailer service operations.
 - (c) The amalgamation of the Transferor Companies with the Transferee Company shall create a diversified company having a portfolio of manufacturing and service businesses.
 - (d) The amalgamation of the Transferor Company II with the Transferee Company will result in an increase in the public float of the Transferee Company's shares by approximately 15%. This will in turn increase the trading stock of the shares of the Transferee Company.
 - (e) Increase in the public float and trading stock of the shares of the Transferee Company will positively impact the liquidity of the shares of the Transferee Company.
 - (f) The amalgamation will result in the promoter group of the Transferee Company directly holding shares in the Transferee Company, which will lead not only to simplification of the shareholding structure and reduction of shareholding tiers but also demonstrate the promoter group's direct commitment to and engagement with the Transferee Company.
 - (g) Pursuant to the Scheme, all the shareholders of the Transferor Company II will get shares of the Transferee Company and there will be no change in economic interest of any of the shareholders of the Transferee Company pre and post scheme.
 - (h) Pursuant to the scheme number of shares in the paid-up share capital of the Transferee Company shall remain same, thus not affecting economic interest of other shareholders of the Transferee Company.
 - (i) Cost savings are expected to flow from more focused operational efforts, standardisation and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses.
 - (j) The amalgamation of the companies shall result in achieving economies of scale.
5. Petitioner Companies have approved the said Scheme by passing the Board Resolutions which are annexed to the respective Company Scheme Petitions.
6. The learned Counsel for the Petitioner Companies further states that, the Petitioner Companies have complied with all the directions passed in Company Summons for Direction and that the Company Scheme Petition have been filed in consonance with the orders passed in respective Company Summons for Directions.

7. The learned Counsel for the Petitioner Companies further states that the Petitioner Companies have complied with all requirements as per the directions of this Court/Tribunal and they have filed necessary Affidavits of compliance in the Court/Tribunal. Moreover, the Petitioner Companies through their Counsel undertakes to comply with all statutory requirements, if any, as required under the Companies Act, 1956 / 2013 and the rules made there under whichever is applicable. The said undertaking is accepted.
8. The Regional Director has filed his Report dated 12th April, 2017 stating therein that save and except as stated in paragraph IV of the said Affidavit, it appears that the Scheme is not prejudicial to the interest of shareholders and public. In paragraph IV of the said Affidavit, the Regional Director has stated that:
 1. *The tax implication if any arising out of the scheme is subject to final decision of Income Tax Authorities. The approval of the scheme by this Hon 'ble Court may not deter the Income Tax Authority to scrutinize the tax return filed by the transferee company after the giving effect to the scheme. The decision of the Income Tax Authority is binding on the Petitioner Company.*
 2. *The Transferor Company II has submitted the proof of serving notice, upon the Income Tax Authorities dated 06.02.2017 for comments. This Directorate has also issued reminder letters to the Income Tax Department dated 06.04.2017.*
 3. *Transferor Company II and the Transferee Company have furnished the No objection letter received from BSE and NSE dated 30.10.2016. In this regard it is submitted that Petitioner undertakes to comply with the conditions mentioned in the letters.*
9. In so far as observations made in paragraph IV (1) and (2) of the Report of Regional Director is concerned, the Transferee Company through its Counsel undertakes to comply with all applicable provisions of the Income Tax Act, 1961 and all tax issues arising out of the Scheme will be met and answered in accordance with law.
10. As far as observations made in paragraph IV (3) of the Report of the Regional Director is concerned, the Transferee Company through its counsel undertakes to comply with all the requisitions as per no objection letters received from BSE and NSE to the extent applicable.
11. The observations made by the Regional Director have been explained by the Petitioner Companies in paragraphs 9 and 10 above. The clarifications and undertakings given by the Petitioner Companies are hereby accepted.
12. The Official Liquidator has filed his report dated 6th March 2017 stating therein that the affairs of the Transferor Companies namely Kirloskar RoadRailer Limited and Pneumatic Holdings Limited have been conducted in a proper manner and the Transferor Companies may be ordered to be dissolved without winding up.
13. From the material on record, the Scheme appears to be fair and reasonable and is not in violation of any provisions of law and is not contrary to public policy. None of the parties concerned have come forward to oppose the Scheme.
14. Since all the requisite statutory compliances have been fulfilled, transferred Company Scheme Petition No. 199, 200 and 201 of 2017 filed by the Petitioner Companies are made absolute in terms of prayer clause (a) of the respective Petitions.
15. The Petitioner Companies to lodge a copy of this order and the Scheme duly authenticated by the Deputy Director, National Company Law Tribunal, Mumbai Bench, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of receipt of the order.

16. Petitioner Companies are directed to file a certified copy of this order along with a copy of the Scheme with the concerned Registrar of companies, electronically, along with E-form INC 28 in addition to the physical copy, within 30 days from the date of issuance of the order by the Registry.
17. The Petitioner Companies to pay costs of Rs. 25,000/- each to the Regional Director, Western Region, Mumbai. Petitioner in Company Scheme Petition Nos. 200 of 2017 and 201 of 2017 to pay cost of Rs. 25,000/- each to the Official Liquidator, High Court, Bombay. The costs to be paid within four weeks from the date of receipt of Order.
18. All authorities concerned to act on a certified copy of this order along with Scheme duly certified by the Deputy Director, National Company Law Tribunal, Mumbai Bench.
19. Any person interested shall be at liberty to apply to the Tribunal in the above matter for any direction that may be necessary.

sd/-

V. Nallasenapathy, Member
(Technical)

sd/-

B.S.V. Prakash Kumar, Member
(Judicial)

SCHEME OF ARRANGEMENT AND AMALGAMATION
UNDER SECTIONS 391 TO 394 READ WITH SECTION 100 TO 105
OF THE COMPANIES ACT, 1956

BETWEEN

KIRLOSKAR ROADRAILER LIMITED
(THE "TRANSFEROR COMPANY I")

AND

PNEUMATIC HOLDINGS LIMITED
(THE "TRANSFEROR COMPANY II")

AND

KIRLOSKAR PNEUMATIC COMPANY LIMITED
(THE "TRANSFeree COMPANY")

AND

THEIR RESPECTIVE SHAREHOLDERS

GENERAL

A. Description of Companies and Background

- I. KIRLOSKAR ROADRAILER LIMITED, (CIN: U35990PN2008PLC132445) is a company incorporated under the Companies Act, 1956 having its registered office at Hadapsar Industrial Estate, Pune 411013 (hereinafter referred to as the "**Transferor Company I**"). The Transferor Company I is presently setting up business of carrying on multimodal transport business using RoadRailer technology of the Transferee Company. The Transferor Company I is 100% subsidiary of the Transferee Company.
- II. PNEUMATIC HOLDINGS LIMITED, (CIN: L65993PN2014PLC152566) is a company incorporated under the Companies Act, 2013 having its registered office at Survey No 13, 156 Kothrud, Pune 411038 (hereinafter referred to as the "**Transferor Company II**"). The main operations of the Transferor Company II are that of Investment and majority of the Investments of the Company are in the nature of strategic Investments in Kirloskar group companies and leasing. The main source of revenue for the Company presently is in the form of dividends. The shares of the Transferor Company II are listed with BSE Limited and National Stock Exchange of India Limited.

- III. KIRLOSKAR PNEUMATIC COMPANY LIMITED, (CIN: L29120PN1974PLC110307) is a company incorporated under the Companies Act, 1956 having its registered office at Hadapsar Industrial Estate, Pune 411013 (hereinafter referred to as the “**Transferee Company**”). The Transferee Company is engaged in the business of manufacturing and selling air, gas and refrigeration compressors and packages thereof, hydraulic & mechanical transmission including gears and gear box and RoadRailer equipments. The Transferee Company is a subsidiary of the Transferor Company II. Presently 54.45% shares of the Transferee Company are held by the Transferor Company II. The Shares of the Transferee Company are listed with BSE Limited.
- IV. This Scheme of Amalgamation provides for the amalgamation of the Transferor Companies with the Transferee Company pursuant to Sections 391 to 394 and other relevant provisions of the Companies Act, 1956 and applicable provisions of the Companies Act, 2013.

B. Rationale for the Scheme

The amalgamation of the Transferor Companies with the Transferee Company would *inter alia* have the following benefits:

- (a) The amalgamation of the Transferor Company I with the Transferee Company shall integrate RoadRailer manufacturing technology with RoadRailer service operations thereby providing complete business solution.
- (b) The amalgamation of the Transferor Company I with the Transferee Company shall provide greater financial strength to the RoadRailer service operations.
- (c) The amalgamation of the Transferor Companies with the Transferee Company shall create a diversified company having a portfolio of manufacturing and service businesses.
- (d) The amalgamation of the Transferor Company II with the Transferee Company will result in an increase in the public float of the Transferee Company's shares by approximately 15%. This will in turn increase the trading stock of the shares of the Transferee Company.
- (e) Increase in the public float and trading stock of the shares of the Transferee Company will positively impact the liquidity of the shares of the Transferee Company.
- (f) The amalgamation will result in the promoter group of the Transferee Company directly holding shares in the Transferee Company, which will lead not only to simplification of the shareholding structure and reduction of shareholding tiers but also demonstrate the promoter group's direct commitment to and engagement with the Transferee Company.
- (g) Pursuant to the Scheme, all the shareholders of the Transferor Company II will get shares of the Transferee Company and there will be no change in economic interest of any of the shareholders of the Transferee Company pre and post scheme.
- (h) Pursuant to the scheme number of shares in the paid-up share capital of the Transferee Company shall remain same, thus not affecting economic interest of other shareholders of the Transferee Company.
- (i) Cost savings are expected to flow from more focused operational efforts, standardisation and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses.
- (j) The amalgamation of the companies shall result in achieving economies of scale.

In view of the aforesaid, the Board of Directors of the Transferor Companies and the Transferee Company have considered and proposed the amalgamation of the entire undertaking and business of the Transferor Companies with the Transferee Company in order to benefit the stakeholders of all companies. Accordingly, the Board of Directors of the Transferor Companies and the Transferee Company have formulated this Scheme of Amalgamation for the transfer and vesting of the entire undertaking and business of the Transferor Companies with and into the Transferee Company pursuant to the provisions of Section 391 to Section 394 and other relevant provisions of the Act.

C. Parts of the Scheme:

This Scheme of Amalgamation is divided into following parts:

- (i) **Part I** deals with definitions of the terms used in this Scheme of Amalgamation and sets out the share capital of the Transferor Companies and the Transferee Company;
- (ii) **Part II** deals with the transfer and vesting of the Undertaking (as hereinafter defined) of the Transferor Companies to and in the Transferee Company;
- (iii) **Part III** deals with the issue of new equity shares by the Transferee Company to the Equity Shareholders of the Transferor Company II, as applicable and reduction of share capital of the Transferee Company;
- (iv) **Part IV** deals with the accounting treatment for the amalgamation in the books of the Transferee Company and dividends;
- (v) **Part V** deals with the dissolution of the Transferor Companies and the general terms and conditions applicable to this Scheme of Amalgamation and other matters consequential and integrally connected thereto.

- D.** The amalgamation of the Transferor Companies with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with the relevant provisions of the Income Tax Act, 1961 including but not limited to Section 2(1B) and Section 47 thereof. If any of the terms or provisions of this Scheme are found or interpreted to be inconsistent with the provisions of the said sections and other related provisions at a later date including due to result from an amendment of law or for any other reason whatsoever up to the Effective Date, the provisions of the said sections and other related provisions of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with section 2(1B) and other relevant provisions of the Income Tax Act, 1961.

PART I DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

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

- 1.1. "Act"** means the Companies Act, 1956, or the Companies Act, 2013 as in force from time to time. As on the date of approval of this Scheme by the respective Board of Directors of the

Transferor Companies and the Transferee Company, Sections 391 and 394 of the Companies Act, 1956 continue to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified. References in this Scheme to particular provisions of the Act are references to particular provisions of the Companies Act, 1956 unless stated otherwise. Upon such provisions standing re-enacted by enforcement of provisions of the Companies Act, 2013, such references shall unless a different intention appears, be construed as references to the provisions so re-enacted;

- 1.2. **"Appointed Date"** For the purpose of this Scheme and for Income Tax Act, 1961, the "Appointed Date" means 1st April, 2016;
- 1.3. **"Board of Directors" or "Board"** means the board of directors of the Transferor Company I or the Transferor Company II or the Transferee Company, as the case may be, and shall include a duly constituted committee thereof;
- 1.4. **"Effective Date"** means the last of the dates on which the certified or authenticated copy of the orders of the High Court sanctioning the Scheme are filed with the Registrar of Companies by the Transferor Companies and by the Transferee Company. Any references in this Scheme to the date of **"coming into effect of this Scheme"** or **"effectiveness of this Scheme"** or **"Scheme taking effect"** shall mean the Effective Date;
- 1.5. **"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 over the territory of India;
- 1.6. **"High Court"** means the High Court of Judicature at Bombay having jurisdiction in relation to the Transferor Companies and the Transferee Company, as the context may admit and shall, if applicable, include the National Company Law Tribunal ;
- 1.7. **"Record Date"** means the date to be fixed by the Board of Directors of the Transferee Company for the purpose of determining the names of the equity shareholders of the Transferor Company II, as applicable, who shall be entitled to shares of the Transferee Company under Clause 10.2 hereto, upon coming into effect of this Scheme;
- 1.8. **"Scheme"** means this Scheme of Arrangement and Amalgamation between the Transferor Companies and the Transferee Company and their respective shareholders as submitted to the High Court together with any modification(s) approved or directed by the High Court;
- 1.9. **"Stock Exchanges"** means the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE);
- 1.10. **"Transferor Company I"** means KIRLOSKAR ROADRAILER LIMITED, a company incorporated under the Companies Act, 1956 having its registered office at Hadapsar Industrial Estate, Pune 411013;
- 1.11. **"Transferor Company II"** means PNEUMATIC HOLDINGS LIMITED, a company incorporated under the Companies Act, 2013 having its registered office at Survey No 13, 156 Kothrud, Pune 411038;
- 1.12. **"Transferor Companies"** means both the Transferor Company I and the Transferor Company II;
- 1.13. **"Transferee Company"** means KIRLOSKAR PNEUMATIC COMPANY LIMITED, a company incorporated under the Companies Act, 1956 having its registered office at Hadapsar Industrial Estate, Pune-411013;

1.14. **"Undertaking"** means the whole of the undertaking and entire business of the Transferor Companies as a going concern, including (without limitation):

- I. All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent) of the Transferor Companies, including but not limited to, plant and machinery, equipment, buildings and structures, offices, residential and other premises, vehicles, sundry debtors, furniture, fixtures, office equipment including computers, laptops, printers and servers, appliances, accessories, depots, deposits, all stocks, assets, investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units), and interests in its subsidiaries, cash in hand, balances and deposits with banks, loans, advances, disbursements, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Companies, financial assets, leases (including lease rights), hire purchase contracts and assets, leasing contracts and assets lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, municipal permissions, tenancies in relation to the office and/or residential properties for the employees or other persons, guest houses, godowns, warehouses, licenses, fixed and other assets, trade and service names and marks, patents, copyrights, and other intellectual property rights of any nature whatsoever, know how, good will, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, websites, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights including, title, interests, other benefits (including tax benefits), easements, privileges, liberties, mortgages, hypothecations, pledges or other security interests created in favour of the Transferor Companies and advantages of whatsoever nature and wheresoever situated in India or abroad, belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Companies or in connection with or relating to the Transferor Companies and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Companies, whether in India or abroad;
- II. All liabilities including, without being limited to, secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations of the Transferor Companies, of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised;
- III. All agreements, rights, contracts, entitlements, permits, licenses, approvals, authorizations, concessions, consents, quota rights, engagements, arrangements, assignments, authorities, allotments, security arrangements (to the extent provided herein), benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the business activities and operations of the Transferor Companies;
- IV. All records, files, papers, computer programs, manuals, data, catalogues, sales material, lists of customers and suppliers, other customer information and all other

records and documents relating to the business activities and operations of the Transferor Companies;

V. All permanent employees engaged by the Transferor Companies as on the Effective Date.

1.15. All capitalized terms not defined but used in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations and byelaws, as the case may be, or any statutory amendment(s) or re-enactment thereof, for the time being in force.

1.16. The words importing the singular shall include the plural and words importing any gender shall include every gender.

2. SHARE CAPITAL

2.1. Transferor Company I:

The authorised, subscribed and paid-up share capital of the Transferor Company I as on March 31, 2016 was as under:

Particulars	Rs.
Authorised Share Capital:	
15,000,000 Equity Shares of Rs. 10/- each	150,000,000
Issued, and Subscribed	
15,000,000	150,000,000
Paid up Share Capital:	
Fully Paid Up 100,000 equity shares of Rs. 10/- each	1,000,000
Partly Paid Up 14,900,000 Equity Shares of Rs 10/- each Rs 3/- paid	44,700,000
	45,700,000

Subsequent to balance sheet date Paid up Share Capital of the Transferor Company I has undergone a change and position as on September 30, 2016 is as stated below :

Paid up Share Capital:	Rs.
Fully Paid Up 100,000 equity shares of Rs. 10/- each	1,000,000
Partly Paid Up 14,900,000 Equity Shares of Rs 10/- each Rs 5/- paid	74,500,000
	75,500,000

The Transferor Company I is a 100% subsidiary of the Transferee Company.

2.2. Transferor Company II:

The authorised, subscribed and paid-up share capital of the Transferor Company II as on March 31, 2016 was as under:

Particulars	Rs.
Authorised Share Capital:	
7,500,000 equity shares of Rs.10/- each	75,000,000
Subscribed and Paid up Share Capital:	
5,288,718 equity shares of Rs.10/- each	52,887,180

Subsequent to balance sheet date there is no change in capital structure of the Transferor Company II. The equity shares of the Transferor Company II are, at present, listed on the NSE and the BSE.

2.3. Transferee Company:

The authorised, subscribed and paid-up share capital of the Transferee Company as on March 31, 2016 was as under:

Particulars	Rs.
Authorised Share Capital:	
15,000,000 Equity Shares of Rs. 10/- each.	150,000,000
Subscribed and Paid up Share Capital:	
12,844,338 Equity Shares of Rs. 10/- each	128,443,380

Subsequent to balance sheet date there is no change in capital structure of the Transferee Company. The equity shares of the Transferee Company are, at present, listed on the BSE.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modifications approved or imposed or directed by the High Court shall be operative from the Appointed Date but shall be effective from the Effective Date.

PART II

TRANSFER AND VESTING OF UNDERTAKING

4. TRANSFER OF UNDERTAKING

4.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Undertaking, pursuant to the sanction of this Scheme by the High Court under and in accordance with the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Act, shall stand transferred to and be vested in or be deemed to have been transferred to and vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing to be made, done or executed so as to become, as and from the Appointed Date, the Undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.

4.2 Transfer of Assets:

- 4.2.1 Without prejudice to the generality of Clause 4.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:
- 4.2.1.1 All the assets and properties comprised in the Undertaking of whatsoever nature and wheresoever situated, shall, under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act or deed, be and stand transferred to and vested in the Transferee Company or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the assets and properties of the Transferee Company.
- 4.2.1.2 Without prejudice to the provisions of Clause 4.2.1.1 above, in respect of such of the assets and properties of the Undertaking as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by the Transferor Companies and shall, upon such transfer, become the assets and properties of the Transferee Company as an integral part of the Undertaking, without requiring any separate deed or instrument or conveyance for the same.
- 4.2.1.3 In respect of movables other than those dealt with in Clause 4.2.1.2 above including sundry debts, receivables, bills, credits, loans and advances of the Undertaking, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Governmental Authority or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company.
- 4.2.1.4 All the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Companies and all rights and benefits that have accrued or which may accrue to the Transferor Companies, whether before or after the Appointed Date, 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, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.
- 4.2.2 The Transferor Companies shall, if so required, also give notice in such form as it may deem fit and proper to the debtors, that pursuant to the sanction of this Scheme by the High Court under and in accordance with Sections 391 and 394 and all other applicable provisions, if any, of the Act, the said debtors should pay to the Transferee Company the debt, loan or advance or make the same on account of the Transferor Companies and the right of the Transferor Companies to recover or realize the same stands vested in the Transferee Company.

4.2.3 All assets and properties of the Transferor Companies as on the Appointed Date, whether or not included in the books of the respective Transferor Company, and all assets and properties which are acquired by the Transferor Companies on or 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 be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme. Provided however that no onerous assets shall have been acquired by the Transferor Companies after the Appointed Date without the consent of the Transferee Company as provided for in this Scheme.

4.3 **Transfer of Liabilities:**

4.3.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date all liabilities relating to and comprised in the Undertaking including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the Transferor Companies of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations (herein referred to as the "**Liabilities**"), shall, pursuant to the sanction of this Scheme by the High Court under and in accordance with the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, along with any charge, encumbrance, lien or security thereon, and the same shall be assumed by the Transferee Company to the extent they are outstanding as on the Effective Date so as to become as and from the Appointed Date the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Companies, and the Transferee Company shall meet, discharge and satisfy the same and further 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 have arisen in order to give effect to the provisions of this Clause.

4.3.2 All debts, liabilities, duties and obligations of the Undertaking as on the Appointed Date, whether or not provided in the books of the respective Transferor Company, and all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Undertaking on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.

4.3.3 Where any such debts, loans raised, liabilities, duties and obligations of the Undertaking as on the Appointed Date have been discharged or satisfied by the Transferor Companies 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.

4.3.4 Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future

become due between the Undertaking and the Transferee Company shall, *ipso facto*, stand discharged and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of the Transferee Company.

4.4 Encumbrances

- 4.4.1 The transfer and vesting of the assets comprised in the Undertaking to and in the Transferee Company under Clauses 4.1 and 4.2 of this Scheme shall be subject to the mortgages and charges, if any, affecting the same, as and to the extent hereinafter provided.
- 4.4.2 All the existing securities, mortgages, charges, encumbrances or liens (the "**Encumbrances**"), if any, as on the Appointed Date and created by the Transferor Companies after the Appointed Date, over the assets comprised in the Undertaking or any part thereof transferred to the Transferee Company by virtue of this Scheme and in so far as such Encumbrances secure or relate to liabilities of the Transferor Companies, the same 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 Companies over its assets after the Appointed Date without the consent of the Transferee Company as provided for in this Scheme.
- 4.4.3 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 Undertaking transferred to and vested in the Transferee Company by virtue of this Scheme.
- 4.4.4 Any reference in any security documents or arrangements (to which the Transferor Companies are a party) to the Transferor Companies and its assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Companies transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferor Companies 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.
- 4.4.5 Upon the coming into effect of this 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.
- 4.4.6 It is expressly provided that, no other term or condition of the Liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.
- 4.4.7 The provisions of this Clause 4.4 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.

4.5 Inter - se Transactions:

Without prejudice to the provisions of Clauses 4.1 to 4.2, with effect from the Appointed Date, all inter-party transactions between the Transferor Companies and the Transferee Company shall be considered as intra-party transactions for all purposes.

5. CONTRACTS, DEEDS, ETC.

- 5.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, assurances and other instruments of whatsoever nature to which the Transferor Companies are a party or to the benefit of which the Transferor Companies may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect by, for or against or in favour of, as the case may be, the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary or obligee or obligor thereto or thereunder.
- 5.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Companies are a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Companies and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Companies.
- 5.3 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Companies shall without any further act or deed, stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall receive relevant approvals from the concerned Governmental Authorities as may be necessary in this behalf.

6. LEGAL PROCEEDINGS

- 6.1 On and from the Appointed Date, all suits, actions, claims and legal proceedings by or against the Transferor Companies pending and/or arising on or before the Effective Date shall be continued and / or enforced as desired by the Transferee Company and on and from the Effective Date, shall be continued and / or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had

been originally instituted and/or pending and/or arising by or against the Transferee Company. On and from the Effective Date, the Transferee Company shall have the right to initiate, defend, compromise or otherwise deal with any legal proceedings relating to the Undertaking, in the same manner and to the same extent as would or might have been initiated by the Transferor Companies as the case may be, had the Scheme not been made. If any suit, appeal or other proceedings relating to the Undertaking, of whatever nature by or against the Transferor Companies be pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the amalgamation of the Undertaking or by 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 or might have been continued, prosecuted and enforced by or against the Transferor Companies as if this Scheme had not been made.

7. CONDUCT OF BUSINESS

- 7.1 With effect from the Appointed Date and up to and including the Effective Date:
- 7.1.1 The Transferor Companies 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 Undertaking on account of, and for the benefit of and in trust for, the Transferee Company.
- 7.1.2 All the profits or income accruing or arising to the Transferor Companies, and all expenditure or losses arising or incurred (including all taxes, if any, paid or accruing in respect of any profits and income) by the Transferor Companies shall, for all purposes, be treated and be deemed to be and accrue as the profits or income or as the case may be, expenditure or losses (including taxes) of the Transferee Company.
- 7.1.3 Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the Transferor Companies shall be deemed to have been exercised by the Transferor Companies for and on behalf of and as agent for 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 Companies shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the Transferee Company.
- 7.2 With effect from the date of filing of this Scheme with the High Court and up to and including the Effective Date:
- 7.2.1 The Transferor Companies shall preserve and carry on their business and activities with reasonable diligence and business prudence and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for itself or on behalf of its group companies or any third party or sell, transfer, alienate, charge, mortgage or encumber or deal with the Undertaking or any part thereof save and except in each case in the following circumstances:
- 7.2.1.1 if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the High Court; or
- 7.2.1.2 if the same is permitted by this Scheme; or

- 7.2.1.3 if consent of the Board of Directors of the Transferee Company has been obtained.
- 7.2.2 The Transferor Companies shall not take, enter into, perform or undertake, as applicable (i) any material decision in relation to its business and operations (ii) any agreement or transaction; and (iii) such other matters as the Transferee Company may notify from time to time save and except in each case in the following circumstances:
- 7.2.2.1 if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the High Court; or
- 7.2.2.2 if the same is permitted by this Scheme; or
- 7.2.2.3 if consent of the Board of Directors of the Transferee Company has been obtained.
- 7.2.3 Without prejudice to the generality of Clause 7.2.2 above, the Transferor Companies shall not make any change in its capital structure, whether by way of increase (by issue of equity shares on a rights basis, bonus shares) decrease, reduction, reclassification, sub-division or consolidation, re-organisation, or in any other manner except by way of making calls on partly paid shares to make them as fully paid, which may, in any way, affect the Share Exchange Ratio (as provided in Clause 10.2 below), except under any of the following circumstances:
- 7.2.3.1 by mutual consent of the Board of Directors of the Transferor Companies and of the Transferee Company; or
- 7.2.3.2 as may be permitted under this Scheme.
- 7.3 Treatment of Taxes
- 7.3.1 Any tax liabilities under the Income-tax Act, 1961, Wealth Tax Act, 1957, Customs Act, 1962, Central Excise Act, 1944, Maharashtra Value Added Tax Act, 2002, Central Sales Tax Act, 1956, any other state Sales Tax / Value Added Tax laws, service tax, luxury tax, stamp laws or other applicable laws/ regulations (hereinafter in this Clause referred to as "Tax Laws") dealing with taxes/ duties/ levies allocable or related to the business of the Transferor Companies to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company.
- 7.3.2 All taxes (including income tax, wealth tax, sales tax, excise duty, customs duty, service tax, luxury tax, VAT, etc.) paid or payable by the Transferor Companies in respect of the operations and/or the profits of the business on and from the Appointed Date, shall be on account of the Transferee Company and, insofar as it relates to the tax payment (including without limitation income tax, wealth tax, sales tax, excise duty, customs duty, service tax, luxury tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Companies in respect of the profits or activities or operation of the business on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and shall, in all proceedings, be dealt with accordingly.
- 7.3.3 Any refund under the Tax Laws due to the Transferor Companies consequent to the assessments made on the Transferor Companies and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

7.3.4 Without prejudice to the generality of the above, all benefits including that of withholding tax (TDS) under the income tax, sales tax, excise duty, customs duty, service tax, luxury tax, VAT, etc., to which the Transferor Companies are entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in the Transferee Company.

8. EMPLOYEES

8.1 Upon the coming into effect of this Scheme:

8.1.1 All the permanent employees of the Transferor Companies who are in its employment as on the Effective Date shall become the permanent employees of the Transferee Company with effect from the Effective Date without any break or interruption in service and on terms and conditions as to employment and remuneration not less favourable than those on which they are engaged or employed by the respective Transferor Company. It is clarified that the employees of the Transferor Companies who become employees of the Transferee Company by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and available to any of the employees of the Transferee Company (including the benefits of or under any employee stock option schemes applicable to or covering all or any of the employees of the Transferee Company), unless otherwise determined by the Board of Directors of the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement/ settlement, if any, validly entered into by the Transferor Companies with any union/employee of the Transferor Companies (as may be recognized by the Transferor Companies). After the Effective Date, the Transferee Company shall be entitled to vary the terms and conditions as to employment and remuneration of the employees of the Transferor Companies on the same basis as it may do for the employees of the Transferee Company.

8.1.2 The existing provident fund, gratuity fund and pension and/or superannuation fund or trusts or retirement funds or benefits created by the Transferor Companies or any other special funds created or existing for the benefit of the concerned permanent employees of the Transferor Companies (collectively referred to as the "**Funds**") and the investments made out of such Funds shall, at an appropriate stage, be transferred to the Transferee Company to be held for the benefit of the concerned employees. The Funds shall, subject to the necessary approvals and permission and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees of the Transferor Companies 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 fund with respect to any such Funds, the Transferee Company may, subject to necessary approvals and permissions, continue to maintain the existing Funds separately and contribute thereto, until such time as the Transferee Company creates its own funds at which time the Funds and the investments and contributions pertaining to the employees of the Transferor Companies shall be transferred to such funds of the Transferee Company.

9. SAVING OF CONCLUDED TRANSACTIONS

Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the Transferor Companies under Clause 4 of this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Companies on or before the Appointed Date or concluded after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Companies as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

PART III

10. ISSUE OF EQUITY SHARES BY THE TRANSFEE COMPANY

10.1 The provisions of this Part III shall operate notwithstanding anything to the contrary in any other instrument, deed or writing.

10.2 Issue of new equity shares by the Transferee Company

10.2.1 Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Undertaking of the Transferor Company II in the Transferee Company, in terms of this scheme, the Transferee Company shall without any further application or deed, be required to issue and allot to the equity shareholders of the Transferor Company II whose names appear in the register of members of the Transferor Company II as on the Record Date, 53 (Fifty Three) fully paid-up equity shares of the face value of Rs.10/- each in the Transferee Company, (hereinafter referred to as the "New Equity Shares") for every 40 (Forty) fully paid-up equity shares of the face value of Rs. 10/- each held in the Transferor Company II.

10.2.2 The equity shares of the Transferee Company are listed and admitted to trading on the BSE. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with applicable laws and regulations for complying with the formalities of the BSE with respect to the issue of the new equity shares under this Scheme. On such formalities being fulfilled, the BSE shall list and/or admit such new equity shares issued pursuant to this Scheme, for the purpose of trading.

10.2.3 The Transferee Company will make application for approval, if applicable or filings to Foreign Investment Promotion Board / Reserve Bank of India / authorized dealer or appropriate authority, for its approval under the provisions of the Foreign Exchange Management Act, 1999, for the issue and allotment of Equity Shares in the Transferee Company to non-resident shareholder of the Transferor Company II in accordance with the provisions of the Scheme.

10.3 It is clarified that no special resolution under Section 62(1) (c) of the Companies Act, 2013 and any other applicable provisions of the Act will 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 II under this Scheme and on the members of the Transferee Company approving this Scheme, it shall be deemed that they have given their consent to the issue of new equity shares of the Transferee Company to the shareholders of the Transferor Company II in the Share Exchange Ratio.

- 10.4 The New Equity Shares of the Transferee Company allotted to the shareholders of the Transferor Company II in lieu of lock-in shares held by them in the Transferor Company II, shall be locked-in for the remaining period.
- 10.5 No fractional certificates shall be issued by the Transferee Company in respect of the fractional entitlements, if any, to which the equity shareholders of the Transferor Company II may be entitled. The Board of Directors of the Transferee Company shall instead consolidate all such fractional entitlements to which the shareholders of the Transferor Company may be entitled to, and shall without any further application, act, instrument or deed, issue and allot equity shares in lieu thereof to an individual trustee, board of trustees, or a corporate trustee (Trustee) who shall hold the same, with all additions or accretions thereto in trust for those entitled to the fractions and sell the same in the market at such price and at such time as the Trustee may deem fit at its sole discretion decide and distribute the net sale proceeds to all the equity shareholders of the Transferor Company entitled to the same in proportion to their fractional entitlements.
- 10.6 The shares held by the Transferee Company in the Transferor Company I, shall stand cancelled upon the Scheme becoming effective without any further application, act or deed and there would be no issuance of equity shares by the Transferee Company pursuant to this Scheme in relation to such shareholding.
- 10.7 **Amendment to Memorandum of Association and Articles of Association of the Transferee Company**

10.7.1 Increase in authorised, share capital of the Transferee Company

Upon the Scheme coming into effect, the authorised share capital of the Transferee Company in terms of its Memorandum of Association and Articles of Association shall automatically stand enhanced without any further act, instrument or deed on the part of the Transferee Company, including payment of stamp duty and fees payable to Registrar of Companies, by an amount of Rs. 22,50,00,000 (Rupees Twenty Two Crores Fifty Lacs only), and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 16, Section 31, Section 94 or any other applicable provisions of the Companies Act 1956 (corresponding Sections 13, 14, 61, 64 and any other applicable provisions of the Companies Act 2013), would be required to be separately passed. For this purpose, the filing fees and stamp duty already paid by the Transferor Companies on their respective authorised share capital shall be utilized and applied to the increased share capital of the Transferee Company, and shall be deemed to have been so paid by the Transferee Company on such combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fees / stamp duty on the authorised share capital so increased.

Accordingly, in terms of this Scheme, the authorised share capital of the Transferee Company shall stand enhanced to an amount of Rs. 37,50,00,000 (Rupees Thirty Seven Crores Fifty Lacs only) divided into 3,75,00,000 (Three Crores Seventy Five Lacs) equity shares of Rs. 10 each. The capital clause being Clause V of the Memorandum of Association and Clause 3(a) of the Articles of Association of the Transferee Company shall on the Effective Date stand substituted to read as follows:

“The Authorised Share Capital of the Company is Rs. 37,50,00,000 (Rupees Thirty Seven Crores Fifty Lacs) Only divided into 3,75,00,000 (Three Crores Seventy Five Lacs) equity shares of Rs. 10 each.”

10.7.2 Amendment to the Object Clause of the Transferee Company

With effect from the Appointed date and upon the Scheme becoming effective, the object clause of the Memorandum of Association of the Transferee Company shall stand amended without any act, instrument or deed and stand altered, modified and amended pursuant to applicable provisions of the Act to include the following and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this alteration to the object clause of the Memorandum of Association and no further resolution(s) under Section 16 or any other applicable provisions of the Companies Act 1956 (corresponding section 13 or any other applicable provisions of the Companies Act 2013), would be required to be separately passed:

In Clause III(A) of the Memorandum of Association of the Transferee Company new Sub Clause no. 12 shall be inserted to read :

“12. To carry on the business of owning, furnishing, letting, leasing executive cabins, conferences facilities and rendering various services including computer services, telex services, telephone services, executive centers, secretarial services, travel services and other facilities to executives and business of leasing, hire purchase, factoring, bill discounting, supplier credit, import and export finance, venture capital, seed capital and generally financing of all industrial, commercial and domestic ventures, enterprises and items such as plant, machinery, vehicles, ships, aircrafts, office equipment's and machines, gas cylinders, domestic equipment, refrigerators, air conditioners, television, radio and music equipment, furniture and fixtures, equipment for the supply, storage, distribution, treatment and use of water, petroleum products, gases, chemicals, effluents and other liquids and solids, compressors and compressor packages of air, gas & refrigeration, gears & gearboxes, chillers including vapour absorption chillers, other engineering products and for this purpose to buy, take on lease or otherwise acquire and hold for improvement, investment, development or trade, and sell, lease or otherwise impose of, however all or any of the aforesaid things.”

The Transferee Company will file amended copy of Memorandum and Articles of Association with the concerned Registrar of Companies.

10.8 General provisions:

10.8.1 Issue of shares in dematerialized and physical form :

Upon the issue of new equity shares as provided in this Scheme, the equity shares of the Transferor Company II both in dematerialized and physical form, shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date.

The new equity shares to be issued by the Transferee Company pursuant to Clause 10.2 above shall be issued in dematerialized form, provided that the relevant members of the Transferor Company II have an account with a depository participant and provided details thereof and such other confirmations as may be required are furnished by such members of the Transferor Company II to the Transferee Company

on or before the Record Date.

Wherever the shares are held in physical form, the Share Certificates held by the Shareholders of the Transferor Company II shall automatically stand cancelled without any necessity of them being surrendered to the Transferee Company. The new Share Certificates for the requisite number of shares shall be issued by the Transferee Company.

10.8.2 Pending share transfers, etc.:

10.8.2.1 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company II, the Board of Directors of the Transferee Company shall be empowered in appropriate cases, prior to or even 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 the transferee of equity shares in the Transferor Company II, after the effectiveness of this Scheme;

10.8.2.2 The new equity shares to be issued by the Transferee Company pursuant to this Scheme in respect of any equity shares of the Transferor Company II which are held in abeyance under the provisions of Section 206A of the Companies Act, 1956 (corresponding Section 126 of the Companies Act, 2013) or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Transferee Company.

10.8.3 New Equity Shares subject to same terms:

The new equity shares issued and allotted by the Transferee Company in terms of this Scheme shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company and shall *inter-se* rank *pari passu* in all respects with the then existing equity shares of the Transferee Company, including in respect of dividend, if any, that may be declared by the Transferee Company on or after the Effective Date;

11. CANCELLATION OF SHARES

11.1 Upon the Scheme becoming effective, the Equity Shares held by the Transferor Company II in the Transferee Company shall stand cancelled and accordingly, the Paid-up Equity Share Capital of the Transferee Company shall stand reduced to that extent.

11.2 The cancellation and the consequent reduction of the share capital of the Transferee Company as provided in Clause 11.1 shall be done as an integral part of the Scheme and not in accordance with Sections 100-105 of the Act as the same does not involve either diminution of liability in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital and the order of the High Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the reduction.

PART IV
ACCOUNTING TREATMENT AND DIVIDENDS

12. ACCOUNTING TREATMENT

- 12.1 Upon the Scheme becoming effective and with effect from the Appointed Date, for the purpose of accounting for and dealing with the value of the assets and liabilities in the books of the Transferee Company, the Transferee Company shall record all the assets and liabilities including reserves of the Transferor Companies transferred to and vested in the Transferee Company pursuant to this Scheme, in accordance with Pooling of Interest Method at their respective book values as appearing in the books of the Transferor Companies.
- 12.2 The Transferee Company shall credit to its share capital account the aggregate face value of the new equity shares issued and allotted pursuant to Clause 10.2 above.
- 12.3 After giving effects to Clause 12.1 above, the difference between the value of New Equity Shares issued by the Transferee Company to the members of the Transferor Company II and the value of Share Capital of the Transferor Company II before the Scheme, shall be debited to Capital Reserve Account in the books of the Transferee Company.
- 12.4 After giving effects to Clause 12.1 & 12.3 above, the difference in the book value of Investments of the Transferor Company II held in the shares of the Transferee Company, and the face value of shares pursuant to Clause 11.1, of the Scheme shall be adjusted first against Capital Reserve and balance against General Reserves of the Transferee Company.
- 12.5 Upon coming into effect of this Scheme, to the extent that there are inter-corporate loans or balances between the Transferor Companies (inter-se), or between the Transferor Companies and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferor Companies and the Transferee Company for the reduction of any assets or liabilities, as the case may be.
- 12.6 In order to ensure that consistent Accounting Policies of the Transferee Company are reflected in the financial statements, differences, if any, in the Accounting Policies between the Transferor Companies and the Transferee Company, shall be ascertained and the impact of the same till the Amalgamation will be quantified and adjusted in the reserves of the Transferee Company.

13. Subject to provisions of this Scheme, the Transferee Company shall abide by Accounting Standard AS-14 as per Section 133 of the Act.

14. DECLARATION OF DIVIDEND

- 14.1 During the period between the Appointed Date and up to and including the Effective Date, the Transferor Company II, subject to prior consent of the Transferee Company, may declare and pay any dividend to its shareholders, whether interim or final, out of its profits and available cash.
- 14.2 For the avoidance of doubt, it is hereby declared 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 Record Date for the purpose of dividend and the shareholders

of the Transferor Companies shall not be entitled to dividend, if any, declared by the Transferee Company prior to the Effective Date.

- 14.3 For the avoidance of doubt, it is also clarified that the aforesaid provisions in respect of declaration of dividends of the Transferor Companies and the Transferee Company are enabling provisions only and shall not be deemed to confer any right on any member of the respective companies to demand or claim dividend which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of Directors of the respective companies.

PART V

DISSOLUTION OF THE TRANSFEROR COMPANIES AND GENERAL TERMS AND CONDITIONS

15. DISSOLUTION OF THE TRANSFEROR COMPANIES

On the coming into effect of this Scheme, the Transferor Companies shall stand dissolved without winding-up, and the Board of Directors and any committees thereof of the Transferor Companies shall without any further act, instrument or deed be and stand dissolved.

16. VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Companies, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

17. MODIFICATION OF SCHEME

17.1 Subject to approval of the High Court, the Transferor Companies and the Transferee Company by their respective Board of Directors or any director/executives or any committee authorised in that behalf (hereinafter referred to as the "**Delegate**") may assent to, or make, from time to time, any modification(s) or addition(s) to this Scheme which the High Court or any authorities under law may deem fit to approve of or may impose and which the Board of Directors of the Transferor Companies and the Transferee Company may in their discretion accept, such modification(s) or addition(s) as the Board of Directors of the Transferor Companies and the Transferee Company as the case may be, their respective Delegate may deem fit, or required for the purpose of resolving any doubts or difficulties that may arise in carrying out this Scheme. The Transferor Companies and the Transferee Company by their respective Boards of Directors or Delegates are authorised to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible in law) for bringing this Scheme into effect, and/or give such consents as may be required in terms of this Scheme. In the event that any conditions are imposed by the High Court or any Governmental Authorities, which the Board of Directors of the Transferor Companies or the Transferee

Company find unacceptable for any reason, then the Transferor Companies and the Transferee Company shall be at liberty to withdraw the Scheme.

- 17.2 For the purpose of giving effect to this Scheme or to any modification(s) thereof or addition(s) thereto, the Delegates (acting jointly) of the Transferor Companies and Transferee Company may give and are authorised to determine and give all such directions as are necessary for settling or removing any question of doubt or difficulty that may arise under this Scheme or in regard to the meaning or interpretation of any provision of this Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders or depositors, if any, of the Transferor Companies) or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any such conditions (to the extent permissible in law) and such determination or directions or waiver, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme. For the avoidance of doubt it is clarified that where this Scheme requires the approval of the Board of Directors of the Transferor Companies or the Transferee Company to be obtained for any matter, the same may be given through their Delegates.

18. FILING OF APPLICATIONS

The Transferor Companies and the Transferee Company shall use their best efforts to make and file all applications and petitions under Sections 391 to 394 and other applicable provisions of the Act, before the High Court having jurisdiction for sanction of this Scheme under the provisions of law, and shall apply for such approvals as may be required under law.

19. APPROVALS

The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Transferee Company may require to own the Undertaking and to carry on the business of the Transferor Companies.

20. SCHEME CONDITIONAL UPON SANCTIONS, ETC.

20.1 This Scheme is conditional upon and subject to:

20.1.1 The Scheme being agreed to by the requisite majority of the respective classes of members of the Transferor Companies and of the Transferee Company as required under the Act and the requisite orders of the High Court being obtained; and

20.1.2 The requisite consents, approvals or permissions if any of the Government Authority or any other Statutory Agencies, Stock Exchanges, SEBI which by law may be necessary for the implementation of this Scheme.

20.1.3 In terms of SEBI Circular dated 30th November 2015 bearing No. CIR/CFD/CMD/16/2015 approval of shareholders of the Transferor Company II and the Transferee Company shall be obtained by a resolution passed through postal ballot and e-voting after disclosure of all material facts in the explanatory statement in relation to such resolution and such resolution shall be acted upon only if the votes cast by public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.

20.1.4 The authenticated/certified copies of the orders of the High Court sanctioning this Scheme being filed with the Registrar of Companies, Pune, Maharashtra.

20.2 In the event of this Scheme failing to take effect finally by June 30, 2018, or by such later date as may be agreed by the respective Board of Directors of the Transferor Companies and the Transferee Company or their respective Delegates, this Scheme shall become null and void and be of no effect and in that event no rights and liabilities whatsoever shall accrue to or be incurred or claimed inter-se by the parties or their shareholders or creditors or employees or any other person. In such case, each company shall bear its own costs, charges and expenses or as may be mutually agreed.

21. COSTS, CHARGES, EXPENSES AND STAMP DUTY

All costs, charges and expenses (including any taxes and duties) incurred or payable by the Transferor Companies and the Transferee Company in relation to or in connection with this Scheme and incidental to the completion of the amalgamation of the Transferor Companies with the Transferee Company in pursuance of this Scheme, including stamp duty on the orders of the High Court, if any and to the extent applicable and payable, shall be paid by the Transferee Company out of the funds made available by the Transferor Company II and shall be debited to General Reserve.

