सत्यमेव जयते

GOVERNMENT OF INDIA

MINISTRY OF CORPORATE AFFAIRS

Registrar of companies, Pune

Pune PMT Building, 3rd Floor Deccan Gymkhana, Pune, Maharashtra, India, 411004

Corporate Identity Number: L70100PN1978PLC088972

SECTION 13(1) OF THE COMPANIES ACT, 2013

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

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

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

Given under my hand at Pune this Second day of January Two thousand eighteen.

DS MINISTRY OF CORPORATE AFFAIRS 07

VIJAYA NAGORAO KHANDARE

Registrar of Companies

Registrar of Companies

RoC - Pune

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

KIRLOSKAR INDUSTRIES LIMITED

13/A, KARVE ROAD, KOTHRUD, PUNE, Maharashtra, India, 411038

भारत सरकार–कारपोरेट कार्य मंत्रालय
कम्पनी रजिस्ट्रार कार्यालय, महाराष्ट्र, पूणे

कारपोरेट पहचान संख्या : L29112PN1978PLC088972

(कम्पनी अधिनियम, 1956 की धारा 103(4))

पूँजी घटाने की पुष्टि से संबंधित माननीय उच्च न्यायालय के आदेश को रजिस्ट्रीकृत करने से संबंधित

प्रमाण पत्र ।

मैसर्स KIRLOSKAR INDUSTRIES LIMITED

द्वारा विशेष विनिश्चय दिनांक 13/06/2009 पारित करके इसकी पूँजी को घटाने और इस घटोत्तरी की पुष्टि , माननीय High Court,Bombay

ने एक आदेश दिनांक 31/07/2009 को याचिका संख्या 526 of 2009 में पारित करके कर दी है । मैं, एतदद्वारा सत्यापित करता हूँ कि उक्त आदेश की एक प्रतिलिपि और माननीय उच्च न्यायालय Bombay

द्वारा अनुमोदित कार्यवृत्त ,जिसमें ,उक्त आदेश द्वारा कम्पनी की पूँजी और शेयर के परिवर्तित विवरणों को दर्शाया गया है , उनको आज रजिस्ट्रीकृत कर लिया गया है ।

मेरे हस्ताक्षर द्वारा पूणे में, यह प्रमाण-पत्र, आज दिनांक नौ अप्रेल दो हजार दस को जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS
Office of the Registrar of Companies, Maharashtra, Pune

Corporate Identity Number: L29112PN1978PLC088972

(SECTION 103(4) OF THE COMPANIES ACT, 1956)
CERTIFICATE OF REGISTRATION OF ORDER OF THE HON'BLE HIGH COURT CONFIRMING REDUCTION OF CAPITAL

M/s.KIRLOSKAR INDUSTRIES LIMITED having by special resolution passed on 13/06/2009 reduced its capital, and such reduction having been confirmed by an order dated 31/07/2009 of the Hon'ble High Court, Bombay passed in Petition number 526 of 2009.
I hereby certify that a copy of the said order and Minutes approved by the Hon'ble High Court of Bombay showing the particulars of the capital and shares of the company as altered by the said order have this day been registered.
Given under my hand at Pune this Nineth day of April Two Thousand Ten .

(VISHNU PANDURANG KATKAR)
कम्पनी रजिस्ट्रार / Registrar of Companies
कम्पनी रजिस्ट्रार /Registrar of Companies

महाराष्ट्र, पूणे
Maharashtra, Pune

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता।
Mailing Address as per record available in Registrar of Companies office:
KIRLOSKAR INDUSTRIES LIMITED
LAXMANRAO KIRLOSKAR ROAD,, KHADKI,,
PUNE - 411003,
Maharashtra, INDIA

TRUE COPY
For KIRLOSKAR INDUSTRIES LTD.
A.V. Mali
ASHWINI MALI
Company Secretary & Compliance Officer
ACS - 19944

भारत सरकार–कॉर्पोरेट कार्य मंत्रालय
कम्पनी रजिस्ट्रार कार्यालय, महाराष्ट्र, पूणे

नाम परिवर्तन के पश्चात नया निगमन प्रमाण–पत्र

कॉर्पोरेट पहचान संख्या : L29112PN1978PLC088972

मैसर्स KIRLOSKAR OIL ENGINES LIMITED

के मामले मे, मैं एतदद्वारा सत्यापित करता हूँ कि मैसर्स
KIRLOSKAR OIL ENGINES LIMITED

जो मूल रुप में दिनांक तेरह जून उन्नीस सौ अठहत्तर को कम्पनी अधिनियम, 1956 (1956 का 1) के अंतर्गत मैसर्स
PRASHANT KHOSLA PNEUMATICS PRIVATE LIMITED

के रुप में निगमित की गई थी, ने कम्पनी अधिनियम, 1956 की धारा 21 की शर्तों के अनुसार विधियत आवश्यक विनिश्चय पारित करके तथा लिखित रुप में यह सूचित करके की उसे भारत का अनुमोदन, कम्पनी अधिनियम, 1956 की धारा 21 के साथ पठित, भारत सरकार, कम्पनी कार्य विभाग, नई दिल्ली की अधिसूचना सं. सा. का. नि 507 (अ) दिनांक 24.6.1985 एस.आर.एन A61868226 दिनांक 31/03/2010 के द्वारा प्राप्त हो गया है, उक्त कम्पनी का नाम आज परिवर्तित रुप में मैसर्स
KIRLOSKAR INDUSTRIES LIMITED

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

यह प्रमाण–पत्र, मेरे हस्ताक्षर द्वारा पूणे में आज दिनांक इकतीस मार्च दो हजार दस को जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS
Registrar of Companies, Maharashtra, Pune

Fresh Certificate of Incorporation Consequent upon Change of Name

Corporate Identity Number : L29112PN1978PLC088972

In the matter of M/s KIRLOSKAR OIL ENGINES LIMITED

I hereby certify that KIRLOSKAR OIL ENGINES LIMITED which was originally incorporated on Thirteenth day of June Nineteen Hundred Seventy Eight under the Companies Act, 1956 (No. 1 of 1956) as PRASHANT KHOSLA PNEUMATICS PRIVATE LIMITED having duly passed the necessary resolution in terms of Section 21 of the Companies Act, 1956 and the approval of the Central Government signified in writing having been accorded thereto under Section 21 of the Companies Act, 1956, read with Government of India, Department of Company Affairs, New Delhi, Notification No. G.S.R 507 (E) dated 24/06/1985 vide SRN A61868226 dated 31/03/2010 the name of the said company is this day changed to KIRLOSKAR INDUSTRIES LIMITED and this Certificate is issued pursuant to Section 23(1) of the said Act.

Given under my hand at Pune this Thirty First day of March Two Thousand Ten .

(VISHNU PANDURANG KATKAR)

कम्पनी रजिस्ट्रार / Registrar of Companies

महाराष्ट्र, पूणे

Maharashtra, Pune

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :
Mailing Address as per record available in Registrar of Companies office:

KIRLOSKAR INDUSTRIES LIMITED
LAXMANRAO KIRLOSKAR ROAD,, KHADKI,,
PUNE - 411003,
Maharashtra, INDIA

CIN NO
Telephone : Off.(Direct) & Fax : 5530042
: Gen : 5521376
e-mail : roc-pun@sb.nic.in

GOVERNMENT OF INDIA
MINISTRY OF FINANCE & COMPANY AFFAIRS
DEPARTMENT OF COMPANY AFFAIRS
OFFICE OF REGISTRAR OF COMPANIES
PMT COMMERCIAL BUILDING 3rd FLOOR
DECCAN GYMKHANA
PUNE-4.

No. ROCP/RECORD/2002/ Date: 18/5/06

To,
M/s. Kirloskar Oil Engines Limited
Laxmanrao Kirloskar Road,
Khadki, Pune - 411 003.

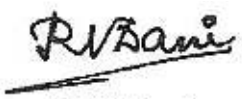
Sub: Change of Your Old Company No. **11/ 88972**
to New Company No.

CIN	L	2	9	1	1	2	M	H	1	9	7	8	P	L	C	0	8	8	9	7	2

Sir,

This is to inform that the CIN No. of your company is as mentioned above. All documents should be tendered with newly allotted number with immediate effect. Also please quote new number in all your Correspondence with this office in future.

Yours faithfully,



(R. V. Dani)
REGISTRAR OF COMPANIES,
PUNE

No. 11 : 88972

FRESH CERTIFICATE OF INCORPORATION CONSEQUENT ON CHANGE OF NAME

IN THE OFFICE OF THE REGISTRAR OF COMPANIES, MAHARASHTRA, MUMBAI.

In the matter of PRASHANT KHOSLA PNEUMATICS 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 PRASHANT KHOSLA PNEUMATICS LIMITED

to KIRLOSKAR OIL ENGINES LIMITED

and I hereby certify that PRASHANT KHOSLA PNEUMATICS LIMITED which was originally incorporated on THIRTEENTH day of JUNE, 1978 under the Companies Act, 1956 and under the name PRASHANT KHOSLA PNEUMATICS PRIVATE LIMITED [illegible] of [illegible] the name of the said Company is this day changed to KIRLOSKAR OIL ENGINES LIMITED ** and this certificate is issued pursuant to Section 23(1) of the said Act.

Given under my hand at MUMBAI this FIRST day of MARCH one thousand nine hundred ninety SIX.

**Pursuant to the order of BIFR dt.7.2.1996 issued under section 18 of Sick Industrial Companies(Special Provisions)Act, 1985.

R Narendran

Registrar of Companies,
Maharashtra, MUMBAI.

No.11-88972

(Section 18(3) of Companies Act 1956)

CERTIFICATE OF REGISTRATION OF THE ORDER OF

COMPANY LAW BOARD , NORTHERN REGION BENCH, NEW DELHI

CONFIRMING TRANSFER OF THE REGISTERED OFFICE

FROM ONE STATE TO ANOTHER

The PRASHANT KHOSLA PNEUMATICS 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 26th April 1995

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

Given under my hand at BOMBAY
this THIRTYFIRST day of MAY
one thousand nine hundred and NINETYFIVE



(Y.M.DECLIKAR)
ADDL. REGISTRAR OF COMPANIES
MAHARASHTRA.

C.L.B. 00.109. 11765

[कम्पनी अधिनियम, 1956 की धारा 18(3)]
[Section 18(3) of Companies Act, 1956]

एक राज्य से दूसरे राज्य में रजिस्ट्रीकृत कार्यालय के अन्तरण की पुष्टि करने वाले न्यायालय के आदेश के रजिस्ट्रीकरण का प्रमाण-पत्र

CERTIFICATE OF REGISTRATION OF THE ORDER OF COURT CONFIRMING TRANSFER OF THE REGISTERED OFFICE FROM ONE STATE TO ANOTHER

प्रधान होजरी [illegible] लिमिटेड ने विशेष संकल्प द्वारा रजिस्ट्रीकृत कार्यालय का राजस्थान राज्य से दिल्ली राज्य में अन्तरण करने के प्रयोजन की दृष्टि से संस्थापन के अनुच्छेदों में परिवर्तन कर दिया है और ऐसे परिवर्तन की कम्पनी लॉ बोर्ड तारीख 2.5.2.81 के आदेश द्वारा पुष्टि कर दी गई है।

The Prashant Hosiery Pvt. Ltd. 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 Rajasthan to the state of Union Territory of Delhi, the alteration having been confirmed by an order of Company Law Board bearing date the 25.2.81

मैं एतद्द्वारा प्रमाणित करता हूँ कि उक्त आदेश की प्रमाणित प्रति इस दिन रजिस्ट्रीकृत कर दी गई है।

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

मेरे हस्ताक्षर से यह तारीख 23.5.81 को दिया गया।

Given under my hand at Delhi this Twenty third day of May One thousand nine hundred and Eighty One

के० एल० [illegible]-6
J.S.L.—
GMSP—HD—78 Form [illegible]—Job I—6-9-81—3,500

कम्पनियों का रजिस्ट्रार
Asstt. Registrar of Companies

4346 of 12/478

REGISTRAR OF COMPANIES
RAJASTHAN, JAIPUR

प्रपत्र क सारि आर
Form I. R.
निगमन का प्रमाण-पत्र
CERTIFICATE OF INCORPORATION

सं. ..... दी गई ..... को

No. 1795 of 1978-79

मैं एतद्द्वारा प्रमाणित करता हूं कि निम्नांकित

I hereby certify that PRASHANT KHOSLA RHEUMATICS LIMITED

Registrar of Companies

Company is JAIPUR

कंपनी का रजिस्ट्रीकृत कार्यालय राज्य ..... को स्थित है।

Given under my hand at JAIPUR THIRTEENTH

day of JUNE One thousand nine hundred and SEVENTY EIGHT

(Saka- 23rd JYAISTHA, 1900)

(R. D. KUREEL)
कम्पनियों का रजिस्ट्रार
Registrar of Companies
RAJASTHAN, JAIPUR

जे० एस० सी०-1
J. S. C-1

प्रकाशन-मुद्रण-397-10 प्रकाशन तिथि/78-79-आपूर्ति क्र० (सी०-478)=5 ₹ 71=20,000.
MGIPC—397-10 Genl. Admin./78-79—GIPTC—(C-408)—5-5-79—JL,000.

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Memorandum of Association

OF
KIRLOSKAR INDUSTRIES LIMITED

I. The name of the Company is **KIRLOSKAR INDUSTRIES LIMITED.**

II. The Registered Office of the Company will be situated at Pune in the State of Maharashtra.

III. The Objects for which the Company is established are:

(A) MAIN OBJECTS OF THE COMPANY TO BE PURSUED ON ITS INCORPORATION ARE AS FOLLOWS:

1. To carry on the business of iron founders, mechanical engineers, manufacturers of all types of internal combustion engines including oil and petrol engines, gas turbines, steam turbines, boilers, locomotives, road rollers, automobiles, trucks, tractors, agricultural implements and pumps, machine-tool makers, brass founders, moulders and metal workers, iron and steel converters, smiths, wood workers, tool makers and metallurgists, and to buy, sell, repair, convert, alter, export, import, let on hire and deal in machinery, implements and hardware of all kinds.

2. To carry on the business of electrical engineers, machinists, millwrights, founders, wire drawers, tube-makers, and to buy, sell, repair, alter and deal in apparatus, machinery, materials and articles of all kinds and to carry on any other business (manufacturing or otherwise) which may seem to the Company capable of being conveniently carried on in connection with the above or otherwise calculated directly or indirectly to enhance the value of any of the Company's property and rights for the time being.

3. To carry on the business of general electric power supply company in all the branches, and to construct, lay down, establish, fix and carry out all necessary power stations, cables, wires, lines, accumulators, lamps and works and to generate, accumulate, distribute and supply electricity and to light cities, towns, streets, docks, markets, theatres, buildings and places, both public and private.

4. To carry on any business relating to the mining and working of minerals, the production and working of metals and the production, manufacture and preparation of any other materials which may be usually or conveniently combined with the engineering or manufacturing business of the Company or any contracts undertaken by the Company, and either for the purpose only of such contracts or as an independent business.

4A* To carry on, acquire, run, promote and establish the business of filter industry and for that purpose to design, manufacture, fabricate, produce, process, develop, make, repair, buy, sell, import, export, let on hire, assemble, improve or otherwise deal in all kinds and varieties of filters such as air filters, water filters, oil filters, gas filters, filter elements, filter papers or any other products covered in the range of filter elements and to manufacture, make, sell, export, import, process and improve and otherwise deal in filter elements and filter processing paper and other media such as felt, wire gauge, glass, wool and like or any other product which may due to advanced technique be or become useful as media or material or base for the manufacture of filter elements including depth type, edge type, state type and micronite paper type media which are used for filtration.

4B* To manufacture, buy, sell, process, improve, import, export or otherwise deal in all types of chemicals including processing chemicals, solvent filters, oil filters, air filters, water filters, gas filters and all other types of filters and to carry on the business of manufacturing filter element, chemical processing papers and paper processing, felt processing, and any other method of processing of filtration and to carry on business as manufacturers and dealers in products, services, consumer goods, appliances, and the like associated with the engineering and filter industry or produce from plastic, vinyls, felt, glass wool, or wire or wire gauge, papers, chemicals, whether soft or heavy, and any other consumer or other products which will be required by the business of the Company due to technical, commercial or industrial development and to carry on the business of manufacturers of filter making plants, equipments and specifications required for the manufacturing of filter, filter elements.

* Added vide order of the High Court of Judicature, Mumbai, dated July 17, 1997, sanctioning the Scheme of Amalgamation between Kirloskar Oil Engines Ltd. and Kirloskar Filters Ltd.

4C# To promote, establish or carry on business as iron-smiths, carpenters, brick-layers, masons, civil engineering contractors, iron founders, tin-smiths, galvanisers, electro-platers or as dealers in or manufacturers of metal, alloys, metal sheets, metal-wares, or articles in which metal of any kind is used.

4D# To promote, establish or conduct machine-shops, work-shops, repair shops, foundries, smithies, rolling mills or sheet-mills, or carry on business as dealers in machines and machinery spare parts or accessories, required or used in such establishments.

Added vide order of the Board for Industrial and Financial Reconstruction, dated December 16, 1999 sanctioning the Scheme of Amalgamation between Kirloskar Oil Engines Ltd. and Shivaji Works Ltd.

4E## To carry on the business of a General Electric Power Supply Company in all its branches and to generate, develop, accumulate, augment, receive, transmit, distribute, sell, resell, supply or otherwise deal in electric power by establishment, erection of diesel genset power plants, gas based combined cycle power plants, therma power plants, solar power plants, wind power plants, atomic power plants, hydraulic power plants or any other power plants based on any source of energy as may be developed or invented in future and to construct, lay down, establish, fix and carry out and execute all necessary work in respect of power stations, cables, wires, lines, accumulators and transformers.

Added vide order of the High Court of Judicature at Bombay dated March 26, 2003, sanctioning the Scheme of amalgamation between Kirloskar Oil Engines Ltd. and Kirloskar Power Supply Co. Ltd.

4F: "To carry on the business of development of land, estates, plantations, forests, gardens, real estate, held by the Company or purchased, taken on lease, exchange or otherwise acquired or landed properties and estate or interest therein or rights connected therewith, infrastructure development for industrial, institutional, commercial, residential purposes and constructing and setting up of Software Technology Parks, Special Economic Zones (SEZs) and engage in construction activities of buildings, complexes, factories, warehouses, godowns, shops, clubs, theatres, water works, roads, schools, hospitals, hotels, restaurants, malls, garden, pavilions, bridges canals, pleasure grounds, amusement parks on BOT basis or otherwise and in particular by laying out and preparing building sites by planting, paving, draining and cultivating land and by demolishing, constructing, reconstructing, altering, improving, decorating, furnishing, maintaining, administering, equipping the same and generally to carry on the business of land development company and to appropriate, use or layout land belonging to the Company and transfer by sell / lease / give on rent or license or otherwise dispose off or present such land so laid out and / or properties so constructed, to the Government / semi-government authorities, public or to any person(s) or company(ies), conditionally or unconditionally as the Board of Directors think fit."

(Inserted vide Special Resolution passed by the members of the Company through Postal Ballot on 14 December 2017)



"**4G** To undertake and carry out activities as registered core investment company as may be permitted or prescribed under the statutory regulations for registered core investment companies including investment in bank deposits, money market instruments, money market mutual funds that make investments in debt / money market instruments, government securities and bonds or debentures issued by group companies and issuing guarantees on behalf of group companies and to access public funds including funds raised either directly or indirectly through public deposits, inter-corporate deposits, bank finance and all funds raised from outside sources such as funds raised by issue of commercial papers, debentures etc."

(Inserted vide Special Resolution passed by the members of the Company through Postal Ballot on 14 October 2021)

KIRLOSKAR INDUSTRIES LTD. PUNE-05

(B) OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS:

5. To undertake the business of manufacturers of and dealers in ferrous and non-ferrous castings and forgings of all types and also the business as iron masters, iron and steel makers, steel founders, steel converters, steel fabricators, extruders, iron ore miners, steel re-processors and re-rollers, metallurgists, smelters.

6. To carry on the business of founders of ferrous and non-ferrous metals, sheet worker, mechanical, structural, electrical and metallurgical engineers, to carry on the work of cast iron foundry and to manufacture iron, steel brass, bronze aluminium and other metal products, machinery, tools, accessories, implements and machinery of all kinds and also to manufacture and deal in castings of all materials.

7. To carry on the business of manufacturers, fabricators, producers, importers, exporters, dealers, agents, stockiest, retailers, traders or brokers of all kinds of foundry equipments, mould boxes, ingot moulds, material handling equipments, tools, machine tools, gadgets, accessories, spares and machinery.

8. To carry on the business of all or any kind of iron and steel founders, steel melters, steel makers, steel shapers and manufacturers, mechanical, civil, electrical and general engineers and fabricators, contractors, machinists, tool makers, brass founders, metal workers, fitters, manufacturers of steel metal and malleable gray castings including ferrous, non-ferrous special and alloy steel, spring steel, forging quality steel manufacturers, forgers of iron, steel and other metal manufacturers, forgings and casting, processors of all types of forged components.

9. To construct, manufacture, rebuild, repair, purchase, sell, import, export, rent and deal in machines, and machinery and stores of any kind and description which may appear to be necessary or convenient for or incidental to any business of the Company.

10. To acquire by concession, grant, purchase, amalgamation, barter, lease, licence or otherwise, either absolutely or conditionally and either solely or jointly with others, any tract(s) of country, lands, houses, flats, apartments, estates, quarries, water rights, way leaves and other works, privileges, rights and hereditaments and machinery, plant, utensils, trade marks and other movable and immovable properties of any description whatsoever at any place(s) in India or in any foreign country and together with such rights as may be agreed upon and granted by the Government or the owners, thereof and to expend such sums of money as may be deemed requisite and advisable in the exploration, survey, cultivation and development thereof.

11. To develop the resources of and turn to account any lands and any rights over to or connected with land belonging to or in which the Company is interested in particular by clearing, draining, fencing, irrigating, grazing and promoting irrigation and establishment of colonies and settlements.

12. To purchase, take on lease or in exchange or otherwise acquire, either absolutely or by lease, licence, concession, grant or otherwise, any lands, mines, mineral rights, easements, rights and privileges and to search for ores and minerals and mines and grant licences for mining in or over any lands which may be acquired by the Company and to lease out any such lands for building or agricultural use and to sell or otherwise dispose of the lands, mines or other property of the Company.

13. To establish branches or appoint agencies for or in connection with any of the objects of the Company, to carry on any business or branch of a business which the Company is authorised to carry on by means or through the agency of any subsidiary company or companies and to enter into any arrangement with such subsidiary company for taking the profits of and bearing the losses of any business or branch so carried on, or for financing any such subsidiary company or guaranteeing its liabilities or to make any other arrangement which may seem desirable with reference to any business or branch so carried on including the power at any time and either temporarily or permanently to close any such branch or business.

14. To let on lease or on hire-purchase system or to lend or otherwise dispose of any property belonging to the Company and to finance the purchase of any articles whether made by the Company or not, by way of loans or by the purchase of any such article or articles and the letting thereof on the hire purchase system or otherwise howsoever and to act as financiers generally.

15. To sell and in any other manner deal with or dispose of the undertakings of the Company or any part thereof, for such consideration and generally upon such terms and conditions as the Company may think fit, and in particular for shares, debentures and other securities of any other company having objects altogether or in part similar to those of the Company.

16. To sell, improve, manage, work, develop, lease, mortgage, abandon or otherwise deal with all or any part of the property, rights and concessions of the Company.

17. To promote any company having similar objects, corporation, firm for the purpose of acquiring all or any of the properties and liabilities of the Company.

18. To build, construct, alter, maintain, enlarge, pull down, remove or replace and to work, manage and control any buildings, offices, factories, mills, shops, hotels, guest houses, machinery, engines, roads, ways, tramways, railways, branches of sidings, bridges, reservoirs, warehouses, wharves, electric works and other works and conveniences, which may seem calculated directly to advance the interests of the Company and to join with any other person or company in doing any of the aforesaid things.

19. To pay all the costs, charges and expenses of and incidental to the promotion, formation, registration and establishment of the Company and the issue of its capital including any underwriting or other commissions, broker's fees and charges in connection therewith and to remunerate (by cash or other assets or by the allotment of fully or partly paid up shares, preference or otherwise and upon such terms and conditions as to payment of dividend and voting rights as the Company's Directors may deem fit or by a call or option on shares, debentures, debenture-stock or securities, of this or any other company or in any other manner whether out of the Company's capital or profit or otherwise) any person or firm or company for services rendered or to be rendered, introducing any property or business to the Company or in placing or assisting to place or guaranteeing the subscription of any shares, debentures, debenture-stock, or other securities of the Company or in or about the formation or promotion of the Company or for any other reason which the Company may think proper.

20. To enter into any arrangement with any Government or Authority, municipal, local or otherwise that may seem conducive to the Company's objects or any of them and to obtain from any such Government or authority, any rights, privileges, and concessions which the Company may think it desirable to obtain and to carry out, execute and comply with any such arrangements, rights, privileges and concessions.

21. To erect, construct, enlarge, alter and maintain, buildings and structures of every kind necessary or convenient for the business of the Company.

22. To accept or make gifts, donations, bequests, whether onerous or not, from or to any person, firm company or trust.

23. To establish, provide, maintain and conduct or otherwise subsidise, research laboratories and experimental workshops for scientific and technical research and experiments and to undertake and carry on with all scientific and technical researches, experiments and tests of all kinds and to promote studies and research, both scientific and technical investigation and invention by providing, subsidising, endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing the remuneration of scientific or technical professors or teachers and by providing for the award or exhibition, scholarship, prizes, and grants to students or independent students or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any of the businesses which the Company is authorised to carry on.

24. To apply for, purchase, or otherwise acquire and protect and renew in any part of the world any patents, patent rights, brevets d' invention, trade marks, designs, copyrights, know-how, licenses, concessions, industrial property, intellectual property and the like conferring any exclusive or nonexclusive or limited right to their use, application or any secret or other information as to any invention or otherwise which may seem capable of being used for any of the purpose of the Company and to use, exercise, develop, grant licenses in respect of or otherwise turn to account the property, rights, or information so acquired and to expend money in experimenting upon, testing or improving any such patents, inventions or rights.

25. To sell any patents, rights or privileges belonging to the Company or which may be acquired by it or any interest in the same and to grant licenses for the use and practice of the same or any of them, and to let or allow to be used or otherwise deal with any inventions, patents or privileges in which the Company may be interested and to do all such acts and things as may be considered/deemed expedient, for turning to account any inventions, patents and privileges in which the Company may be interested.

26. To be interested in promoting and undertaking the formation and establishment of such institutions, businesses or companies having similar objects as may be considered to be conducive to the profit and interest of the Company.

27. To enter into partnership or into any arrangement for sharing or pooling profits, amalgamation, union of interest, cooperation, joint venture, reciprocal concession or otherwise with any person, firm or company carrying on or engaged in or about to carry on or engage in, any business or transaction which this Company is authorised to carry on.

28. To amalgamate with any company or companies having objects altogether or in part similar to those of this Company.

29. To pay for any properties, rights, or privileges acquired by the Company either in shares of this Company or partly in shares and partly in cash or otherwise.

30. To draw, accept, make and to endorse, discount and negotiate promissory notes, hundies, bills of exchange, bills of lading and other negotiable or transferable instruments.

31. To borrow or raise money or to receive on deposit, at interest or otherwise, in such manner as the Company may think fit, and in particular by the issue of debentures or debenture-stock, perpetual or otherwise, including debentures or debenture-stock convertible into shares of this Company or perpetual annuities and in security of any money so borrowed, raised, or received, to mortgage, pledge, hypothecate or charge the whole or any part of the property, assets or revenue of the Company, present or future, including its uncalled capital, by special assignment or otherwise, or to transfer or convert the same absolutely or any interest therein and to give lenders power of sale and other powers as may seem expedient, and to purchase, redeem, or payoff any such securities, subject to section 58 A of the Companies Act, 1956 and directives of the Reserve Bank of India.

32. To invest surplus funds in any shares, securities or investments upon such terms as may be thought proper and from time to time vary such transactions in such manner as the Company may think fit, and to invest and to deal with the money of the Company in any investments, movable or immovable, in such manners as may from time to time seem expedient and be determined, and also to lend money and to make advances to or make deposits with such persons, firms, companies and on such terms as may seem expedient and in particular to or with customers and others having dealings with the Company and to guarantee the performance of contracts by any such persons, firms or companies.

33. To acquire from any person, firm or body corporate whether in India or elsewhere, technical information, know-how, processes, engineering, manufacturing and operating data, plans, layouts and blue prints useful for the design, erection and operation of plant required for any of the business of the Company and to acquire any grant or licence and other rights and benefits in the foregoing matters and things.

34. To undertake and execute any trusts, the undertaking of which may seem to the Company desirable and either gratuitous or otherwise.

35. To bear and pay all preliminary expenses of any company, firm or body corporate promoted by this Company or any company in which this Company is or may contemplate being interested including in such preliminary expenses all or any part of the costs and expenses of owners of any business or property acquired by the Company.

36. To guarantee the payment of money, unsecured, or secured by or payable under or in respect of promissory notes, bonds, debentures, debenture-stocks, contracts, mortgages, charges, obligations, instruments and securities of any company or of any person whomsoever, whether incorporated or not incorporated and generally to guarantee and become sureties for the performance of any contracts or obligations, AND also to subscribe or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national and other institutions and objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation or of public and general utility or otherwise.

37. To subscribe or to contribute or otherwise to assist or guarantee money to public, political and charitable objects, purposes, funds and institutions and to any other useful institutions, funds, or purposes which in the opinion of the Board of Directors are likely to promote the interests or the business of the Company or to further its objects and/or to charitable and other useful funds whatsoever or for any exhibition.

    AND also further to aid pecuniarily or otherwise any association, body or movement having for an object the solution, settlement or surmounting of industrial or labour problems, disputes or troubles, or the promotion of industry, science, art or trade.

38. To insure the whole or any part of the property of the Company either fully or partially, to protect and indemnify the Company from liability or loss in any respect either fully or partially and also to insure and to protect and indemnify any part or portion thereof either on mutual principle or otherwise.

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

40. To distribute any of the property of the Company amongst the members in species or kind subject to provisions of the Companies Act, 1956, in the event of winding up.

41. To appropriate, use or layout land belonging to the Company for streets, parks, pleasure grounds, amusements and other public or private conveniences and to present any such land so laid out to the public or to any persons or companies, conditionally or unconditionally as the Company thinks fit.

42. To provide for the welfare of employees, or ex-employees of the Company and to wives and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwellings or chawls or by grant of money, pensions, allowances, bonus or other payments or by creating and from time to time subscribing or contributing to provident and other associations,

institutions, funds or trusts, and by providing or subscribing or contributing towards places of instruction and recreation, hospital and dispensaries, medical and other attendance, and other assistance as the Company shall think fit.

43. To do all of the above things and all such other things as are incidental or may be thought conducive to the attainment of the above objects or any of them in any part of the world and as principals, agents, contractors, trustees or otherwise and by or through trustees, agents or otherwise and either alone or in conjunction with others and so that the word "Company" in this Memorandum, when applied otherwise than to this Company shall be deemed to include any authority, partnership or other body or persons, whether incorporated or not incorporated and the intention is that the subjects set forth in each of the several paragraphs of this clause shall have the widest possible construction and shall be in no way limited or restricted by reference to or inference from the terms of any other paragraph of this Clause or the name of the Company.

(C) OTHER OBJECTS NOT INCLUDED IN (A) AND (B) ABOVE

44. To carry on business as manufacturers and repairers of and dealers in forgings, castings, projectiles, plates, boilers, engines, stores, screws, nails, sewing machines, machinery, presses, implements, gears, motor cars, tool and engineering products of all kinds, motor lorries, omnibuses, coaches, tramcars, locomotives, railway carriages and trucks and other vehicles, aeroplanes, seaplanes, airships, aircraft and hardware and wireless goods.

45. To manufacture, purchase or otherwise acquire engines and other machinery, machine tools, pumps, tractors, agricultural implements, bullocks, horses and other animals and pay for the same either in cash, shares or debentures.

46. To undertake and execute any contracts for works involving the supply or use of any machinery and carryout any ancillary or other works comprised in such contracts.

47. To negotiate, deal with and enter into contracts/arrangements with railways, shipping and airway companies and other transport carriers/contractors and those managing directly or in control or associated with other means of transport, the post office authorities and other transport and distributing agencies, couriers services and agencies with respect to the transit and transmission of goods and cargoes and facilities generally.

48. To buy and sell foreign exchange in all lawful ways in compliance with the relevant laws of India and of the foreign country concerned in that behalf, and generally to invest and deal with the moneys of the Company in or upon such securities and in such manner as from time to time be determined.

49. To acquire, take up and hold shares, stocks, debentures, debenture-stock, bonds, obligations and securities issued or guaranteed by any company constituted or carrying on business in India or in any foreign country; and also any debentures, debenture-stocks, bonds, obligations and securities issued or guaranteed by any Government, Commissioner, Public Body or Authority, Supreme, Municipal, Local or otherwise whether in India or in any foreign country; AND to acquire any such shares, stocks, debentures, debenture-stocks, bonds, obligations or securities by original subscription, purchase, exchange or otherwise. To subscribe for, take, purchase or otherwise acquire and hold shares, stock, debentures, debenture-stocks, bonds or other interest in or securities of any other Company or body having objects altogether or in part similar to those of this Company or carrying on any business capable of being conducted so as directly or indirectly to benefit this Company and to subscribe for the same, either conditionally or otherwise and to guarantee the subscription thereof, and to exercise and enforce all rights and powers conferred by or incidental to the ownership thereof.

50. To act as agents and brokers for sellers, buyers, exporters, importers, manufacturers, merchants, tradesmen, insurers, and others and generally to undertake and carry out agency work on commission basis.

51. To promote, establish, improve, develop, administer, own and run agro-industries, projects or enterprises or programmes for manufacture or production of plant and machinery, implements, accessories, tools, materials, substances, goods or things of any description, which in the opinion of the Company will help the growth and modernisation of agriculture, horticulture, forestry, pisciculture, sericulture, apiculture, poultry farming and animal husbandry.

52. To carry on anywhere in India or abroad, the business of manufacturers of and/or dealers in wires, cables of all types and kinds, copper conductors, aluminium conductors or other conductors made of any matter or substance and all types of machinery, plant and apparatus and things required for or capable of being used in connection with the manufacture of the above or for the generation, accumulation, distribution, supply or employment of electricity.

53. To investigate, search, survey, prospect, explore, extract, drill, dig, raise, pump, procure, excavate, produce, purify, refine, separate, treat, process, blend, store, transport, buy, sell, import, export, distribute, market, pack, and otherwise deal in minerals, oils, metals, inorganic substances, ores, stones, precious stones, and their derivatives, mixtures and gaseous, liquid, semi-liquid or solid form.

54. To acquire and work mining leases or rights or otherwise own, sub-lease, explore, plan, design, mines and to undertake on contract or otherwise shaft sinking, tunneling, grouting, shafting, cementing, construction of production well, development of mines and co-ordinate mining activities.

55. To carry on the business of benefication, purification, amalgation, chemically treating metals, minerals, inorganic substances and to undertake alloy making, development of new combinations and put to multiple use metals and minerals.

56. To provide for consideration or otherwise finance, labour, materials, machines for carrying on mining activity and to undertake on turn key basis development and exploration of mines, and purification, processing, amalgation, treatment of minerals, metals, inorganic substances.

57. To undertake on contract or otherwise conduct geological and hydrogeological prospecting and exploration, geophysical surveys, geological mapping and laboratory testing.

58. To own, or otherwise acquire, lease, let on hire plant and machinery, equipments, tools and other infrastructural facilities as may be stipulated under any enactment applicable for the time being for mining activity.

59. To carry on the business of manufacturers of and dealers in containers, boxes, packings, packages, wrappings, wrappers and receptacles of all kinds made from paper and boards, including cardboards and plywoods, plastic, plastic materials, metals, alloy, glass, veneers and other materials of all kinds, whether synthetic or not, for trade and industries of every description.

60. To carry on business as estate agents and estate managers, and to collect rents, repair, look after and manage immovable properties of or any persons, firms and companies, Governments and States, as well as this Company. To give, take, let and sublet, rent-farming contracts, and to carry out, undertake, or supervise any building, constructing, altering, improving, demolishing and repairing operations and all other works and operations in connection with immovable estates and properties.

61. To carry on the trades or business of manufacturers, importers, exporters, buyers, sellers, commission agents and dealers in explosives, explosive accessories, other machineries, ammunition, fireworks and other explosive products and accessories of all kinds and of whatsoever composition and whether for military, sporting, mining or industrial purposes or for pyrotechnical display or for any other purpose.

62. To carry on the business of garage keepers, garage owners for service, repairs, or overhaul of automobiles, and other vehicles of any kind and description and also to carry on the business of body-builders, painters and furnishers of all types of automobiles and other vehicle suppliers of and dealers in petrol, diesel oil, electricity and other motive power for motors and other automobiles, and also to carry on the business of servicing, repairing and maintaining of all kinds of motors and other vehicles of every description.

63. To manufacture, draw, purchase, sell and deal in nickel, zinc, silver, bronze, gun metal, white metal, cadmium silicon, tin aluminium, lead, copper, brass, rods, flats, pipes, sheets, circles, gates, railings, grills, stairs, channels, columns, trusses, metal doors and windows and other building materials, railway carriage and wagon fittings and die and press works of all kinds, enamels, rivets, bolts, screws, nuts, wire nuts, pins, cables, conduit pipes, cast iron pipes, galvanising pipes, sheets and wires, reinforced pipes, barbed wire and fittings and accessories thereof and other similar products and materials.

64. To establish, operate, plant and carry on business in India and elsewhere in the world, for producing, manufacturing, processing, developing, marketing, dealing in importing, exporting and selling zinc oxide, lead oxide, tin oxide, alimony oxide and metallic oxides including sulphides, chlorides, and litharges, and their by-products connected therewith AND also to carry on the business in India and elsewhere in the world, relating to mining and working of iron ore, coal, bauxite, manganese, copper, brass, zinc and other minerals, metallic ores and substances, the production and working of aluminium hydroxide, magnesia and oxides and the winning and working of salts and combinations thereof and chemical products.

65. 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, licenses, 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 and 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, suits and residential and business quarters.

66. To carry on all or any of the business of transport, lorry operator, oil tank operators, cartage and haulage contractors, garage proprietors, service stations, spares and accessories shop, owners and charters of road vehicles, aircrafts, ships, trucks, barges and boats of every description, lighterman, carriers of goods and passengers by road, rail, water or air, carman, cartage, contractors, stevedores, wharfingers, cargo superintendents, packers, haulers, warehouse-men, store-keepers and job-masters;

    AND ALSO to carry on the business of running motor lorries, motor taxies, motor omnibuses, tank, lorries, coaches, tankers, tractors, combines, jeeps, trailers, trolleys and conveyances of all kinds and on such lines and routes as the Company may think fit and to transport passengers and goods and generally to do the business of common carriers.

67. To carry on the business of an investment company or an investment trust company and to undertake and to transact all kinds of trust and agency. To carry on business as financiers and for that purpose to lend or invest money and negotiate loans in any form or manner, to draw, accept, endorse, discount, buy, sell and deal in bills of exchange, hundies, promissory notes and other negotiable instruments and securities and also to issue on commission, to subscribe for, undertake, acquire and hold, sell and exchange and deal in shares, stocks, bonds, or debentures or securities of any Government or public authority or company, gold, silver and bullion, and to form, promote, subsidise and assist companies, syndicate and partnerships of all kinds to project, promote and to start industries and also to give any guarantee for payment of money or performance of any obligation or undertaking and to undertake and execute any trust, but not to carry on the business of banking or insurance within the purview of the Banking Regulation Act, 1949 or the Insurance Act, 1938.

68. To carry on the business as manufacturers and repairers of and dealers in dynamos, motors, armatures, magnetos, batteries, conductors, insulators, transformers, converters, switch boards, cookers, glass, pottery, rubber, insulating materials and generally electrical plant, appliances and supplies of every description.

69. To carry on business as manufacturers of and dealers in cables, chains, anchors, belts, wires, cords, conductors, turbines, boilers, engines, dynamos, motors and mechanical and electrical machinery plant and fittings generally.

70. To undertake the custody and warehousing of merchandise, goods and materials and to provide cold storage and other special storage facilities.

71. To carry on the business of manufacturers, hirers, repairers, cleaners of and dealers in all types of aircrafts, hovercrafts and other crafts of all types and descriptions that are capable of being flown in air or run on land whether on dry land or waterways like rivers, lakes or sea, whether carrying passengers or cargo and other equipments of whatsoever nature or kind which are presently being used or may be used hereinafter in aircrafts or hovercrafts.

72. To undertake, carry out, promote and sponsor rural development including any programme for promoting the social and economic welfare of, or the uplift of the public in any rural area and to incur an expenditure on any programme of rural development and to assist execution and promotion thereof either directly or through an independent agency or in any other manner, without prejudice to the generality of the foregoing. "Programme of rural development" shall also include any programme for promoting the social and economic uplift of the public in any rural area which the Directors consider it likely to promote and assist rural development and that the word "rural area" shall include such area as may be regarded as rural development for the time being in force or as may be regarded by the Directors as rural areas, 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, as the Directors may approve.

73. To undertake, carry out, promote and sponsor or assist any activity for the promotion and growth of national economy and for discharging what the Directors may consider to be social 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 without prejudice to the generality of the foregoing, undertake, carryout, promote and sponsor any activity for publishing any books, literature, newspaper 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 for academic pursuits or research and for establishing, conducting or assisting any institutions, funds, trust, etc. having anyone 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 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 as the Directors may approve.

IV. The liability of the members is limited.

V. The Capital of the Company is Rs. 50,00,00,000 (Rupees Fifty Crores only) divided into 5,00,00,000 (Five Crores) Equity Shares of Rs. 10/- (Rupees ten Only) each with power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being be provided by the Articles of Association of the Company.

(Substituted vide Order of the High Court of Judicature at Bombay, dated 31st July 2010 read with its Order dated 19th March 2010, sanctioning the Scheme of Arrangement for Demerger between Kirloskar Oil Engines Ltd. and Kirloskar Engines India Ltd.)

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

No.	Name, Address and Occupations of the Subscribers	Signature of the Subscribers	No. of Shares taken by each Subscriber	Names, Address, Occupation of Witness
1.	K. G. Khosla S/o. Late Shri. R. N. Khosla 11, Prithvi Raj Road, New Delhi 110 011 - Industrialist	Sd/-	8 Preference	
2.	Mrs. Kanwal Khosla W/o. Shri. K. G. Khosla 11, Prithvi Raj Road, New Delhi 110 011 - Business Executive	Sd/-	1 Equity 2 Preference	
3.	For K. G. Khosla Compressors Ltd. 1, Deshbandhu Gupta Road, New Delhi 110 055 - Industry	Sd/- K. G. Khosla Mg. Director	6 Equity	
4.	B. N. Kapur S/o. Late Shri. R. C. Kapur 10/9, East Patel Nagar, New Delhi - Business Executive	Sd/-	1 Equity	Sd/- (B. P. Chand) S/o. Late Sh. Diwan Sansar Chand C-5/197, Janak Puri, NEW DELHI Service
5.	K. L. Mehra S/o. Shri. R. R. Mehra 130, Double Storey, New Rajinder Nagar, New Delhi - Business Executive	Sd/-	1 Equity	
6.	Deepak Khosla S/o. Shri. K. G. Khosla 11, Prithvi Raj Road, New Delhi 110 011 - Industrialist	Sd/-	1 Equity	
7.	Mrs. Deepti Khosla W/o. Mr. Deepak Khosla 11, Prithvi Raj Road, New Delhi 110 011 - Business Executive	Sd/-	1 Equity	
		TOTAL	11 Equity 10 Preference	

New Delhi, Dated the 27th May, 1978.

Articles of Association

OF

KIRLOSKAR INDUSTRIES LIMITED

TABLE 'A' EXCLUDED

1. The regulations contained in the Table marked 'A' in the First Schedule of the Companies Act, 1956 (hereinafter called 'the Act' or 'the said Act') shall not apply to the Company except so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act. — Table 'A' not to apply

2. The regulations for the management of the Company and for the observance thereof by the members and their representatives shall, subject to any exercise of the statutory powers of the Company in reference to the repeal or alterations of or additions to the regulations by Special Resolution as prescribed or permitted by Section 31 of the Act, be such as are contained in these Articles. — Company to be governed by these Articles

INTERPRETATION

3. The marginal notes in these Articles shall not affect the construction thereof. — Marginal notes not authoritative

In these Articles, unless there be something in the subject or context inconsistent therewith: -

(1) 'The Act or 'the said Act' means the Companies Act 1 of 1956 and subsequent amendments and other Acts for the time being in force in India containing the provisions of the Legislature in relation to Companies. — 'The Act'

(2) 'Alter' and 'alteration' shall include the making of additions and omissions. — 'Alter'

(3) 'Board' means a meeting of the Directors duly called and constituted or as the case may be, the Directors assembled at a Board Meeting or acting by circular under the Articles of Association of the Company. — 'Board'

(4) 'Body Corporate' or 'Corporation' includes a Company incorporated outside India but does not include: — 'Body Corporate' or 'Corporation'

(a) a corporation sole;

(b) a co-operative society registered under any law relating to co-operative societies; and

(c) any other body corporate (not being a Company as defined in the Act) which the Central Government may, by a notification in the Official Gazette, specify in this behalf.

(4-A) 'Book and Paper' and 'Book or Paper' include accounts, deeds, vouchers, writings and documents. — 'Book and/or paper'

(5) 'A Company' shall include a Company as defined in Section 3 of the Companies Act, 1956. — 'A Company'

(5A) 'Beneficial Owner' means the Beneficial Owner as defined under the Depositories Act. — 'Beneficial Owner'

'The Company'	(6)	'The Company' means the above-named Company.
'Debentures'	(7)	Debenture' includes Debenture-stock, bonds and any other securities of a Company whether constituting a charge on the assets of the Company or not.
'Depository'	(7A)	'Depository' means a Depository as defined under the Depositories Act.
'Depositories Act'	(7B)	'Depositories Act' means the Depositories Act, 1996 and any statutory modification or re-enactment thereof.
'The Directors'	(8)	'The Directors' means the Directors for the time being of the Company or as the case may be the Directors assembled at a meeting of the Board or acting by circular under the Articles of Association of the Company.
Dividend'	(9)	'Dividend' includes bonus.
Document'	(10)	'Document' includes summons, notice, requisition, order, other legal process and registers whether issued, sent or kept in pursuance of this or any other Act or otherwise.
'Member'	(11)	'Member' means the duly registered holder from time to time of the shares of the Company and includes every person holding share capital of the Company and whose name is entered as Beneficial Owner in the records of the Depository.
' Modify'	(11 A)	'Modify' and 'Modification' shall include the making of additions and omissions.
' Month'	(12)	'Month' means calendar month.
'Office'	(13)	'Office' means the registered office for the time being of the Company.
'Ordinary Resolution' and 'Special Resolution's	(14)	'Ordinary Resolution' and 'Special Resolution shall have the meaning respectively assigned to these terms by Section 189 of the Act.
'Paid up'	(15)	'Paid up' includes credited as paid up.
'These Presents' or 'the Articles'	(16)	'These Presents' or 'the Articles' mean these Articles of Association as originally framed or as altered from time to time by Special Resolution.
'Public Holiday'	(17)	'Public Holiday' means a public holiday within the meaning of the Negotiable Instruments Act, 1881 (XXVI of 1881): Provided that no day declared by the Central Governmet to be a public holiday shall be deemed to be such a holiday, in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.
'The Seal'	(18)	'The Seal' means the Common Seal of the Company for the time being.
'Variation'	(19)	'Variation' shall include abrogation; and 'vary' shall include abrogate.
'Writing'	(20)	'Writing' shall include printing, lithography and any other mode or modes of representing or reproducing words in a visible form or partly one and partly the other.
'Singular number'	(21)	Words importing the 'singular number' shall also include the plural number and vice-versa.
'Gender'	(22)	Words importing the masculine gender shall also include the feminine gender.

(23) 'Persons' shall include Corporation as well as individuals. 'Persons'

Subject as aforesaid any words or expressions defined in the Act shall, except where the subject or context forbids, shall bear the same meaning in these Articles. 'Expressions in the Act to bear the same meaning in Articles'

4. The Company shall, on being so required by a member, send to him within seven days of the requirement and subject to the payment of a fee of one rupee, a copy each of the following documents as in force for the time being. Copies of the Memorandum and Articles etc. to be given to members.

(a) The Memorandum,

(b) The Articles, if any,

(c) Every agreement and every resolution referred to in Section 192, if and in so far as they have not been embodied in the Memorandum or Articles.

5. (i) The Company shall not have power to buy its own shares, unless the consequent reduction of capital is effected and sanctioned in pursuance of Sections 100 to 104 or of Section 402. Company's funds may not be applied in purchase of or lent for purchase of shares of the Company

(ii) The Company shall not give, whether directly or indirectly and whether by means of a loan, guarantee, the provisions of security or otherwise any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or in its holding Company.

Provided that nothing in this clause shall be taken to prohibit :

(a) The provision in accordance with any scheme for the time being in force, of money for the purchase of, or subscription for, fully paid shares in the Company or its holding Company being a purchase or subscription by Trustees of or for shares to be held by or for the benefit of employees of the Company including any Director holding a salaried office or employment in the company; or

(b) The making by the Company of loans within the limit laid down in sub-section (3) of Section 77 of the Act, to persons (other than Directors or Managers) bonafide in the employment of the Company, with a view to enabling those persons to purchase or subscribe for fully paid shares in the Company or its holding Company to be held by themselves by way of beneficial ownership.

(iii) No loan made to any person in pursuance of subclause (b) of the foregoing proviso shall exceed in amount his salary or wages at that time for a period of six months.

Nothing in this Article shall affect the right of the Company to redeem any shares issued under Section 80 or under any corresponding provision in any previous Companies Law.

5A. Notwithstanding anything to the contrary contained in the Articles and subject to the provisions of the Act and the Rules or Regulations as may be in force from time to time, the Company may purchase any of its own shares or any other specified securities issued by the Company and may either extinguish, destroy and/or reissue the shares/securities so bought back as may be permissible under the provisions of the Act, Rules and Regulations as applicable. Buy-back of securities

(Inserted vide Special resolution passed in the AGM held on 15th Sep. 2001)

CAPITAL

Capital and Shares

6. "The Authorized Share Capital of the Company is Rs. 50,00,00,000 (Rupees Fifty Crores only) divided into 5,00,00,000 (Five Crores) Equity Shares of Rs. 10/- (Rupees ten only) each."

(Substituted vide Order of the High Court of Judicature at Bombay, dated 31st July 2010 read with its Order dated 19th March 2010, sanctioning the Scheme of Arrangement for Demerger between Kirloskar Oil Engines Ltd. and Kirloskar Engines India Ltd.)

Register and index of Members and debenture-holders and Foreign Register

7. (a) The Company shall cause to be kept a Register of Members and an Index of Members in accordance with Section 150 and 151 of the Act, and Register and an Index of Debenture-holders in accordance with Section 152 of the Act. The Company may also keep a foreign Register of Members and Debenture holders in accordance with Section 157 of the Act.

The Register and Index of Beneficial owners maintained by a Depository under the Depositories Act shall be deemed to be Register and Index of Members in accordance with Section 150 and 151 of the Act.

Annual Returns

(b) The Company shall also comply with the provisions of Section 159 and 161 of the Act as to filling Annual Returns.

(c) The Company shall duly comply with the provisions of Section 163 of the Act in regard to keeping of the Registers, indices, copies of Annual Returns and giving inspection thereof and furnishing copies thereof.

Shares to be under control of the Director

8. Subject to the provisions of the Act and the Articles, the shares in the capital of the Company for the time being shall be under the control of the Directors who may allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 79 of the Act) at a discount and at such times as they may from time to time think fit.

Nature of Shares

9. The shares or other interest of any member in the Company, shall be movable property, transferable in the manner provided by the Articles.

Numbering of Shares

10. Each share in the Company other than the share(s) held in a Depository shall be distinguished by its appropriate number.

Certificate of shares as prima facie evidence

11. A certificate, under the Common Seal of the Company, specifying any shares held by any member shall be prima facie evidence of the title of the member to such shares.

Application of premium received on issue of shares

12. (1) Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those shares shall be transferred to an account to be called 'the share premium account' and the provisions of the Act relating to the reduction of the share capital of a Company shall, except as provided in this Article, apply as if the share premium account were paid up share capital of the Company.

(2) The share premium account may, notwithstanding anything in clause (1) of this Article be applied by the Company;

(a) in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares;

(b) in writing off the expenses of, or the commission paid or discount allowed on any issue of shares or debentures of the Company; or

(c) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.

13. Where at any time it is proposed to increase the subscribed capital of the Company by the allotment of further shares, the provision of Section 81 of the Act shall apply and shall be observed and complied with in so far as they may be applicable. Further issue of capital

14. If and whenever as the result of issue of new shares or any consolidation or sub- division of shares, any shares become held by members, in fractions, the Directors shall, subject to the provisions of the Act and the Articles and to the directions of the Company in General Meeting if any, sell those shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such share in due proportion, the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Directors may authorise any person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale. Sale of fractional shares

15. An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein shall be an acceptance of shares within the meaning of the Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall for the purpose of the Articles be a member. The Directors shall comply with the provisions of Section 69, 70, 72 , 73 and 74 of the Act so far as applicable. Acceptance of shares

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

17. If by the condition of allotment of any shares the whole or part of the amount or issue price thereof shall be payable by instalments every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, shall be the registered holder of the share or his legal representative. Instalments on shares to be duly paid

18. Where any calls for further capital are made on shares, such calls shall be made on a uniform basis on all shares, falling under the same class. Calls on shares of same class to be made on uniform basis

    Explanation :- For the purpose of this provision, shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.

19. Subject to the provisions of Section 91 of the Act, the Company may make arrangements on the issue of shares for a difference between the holders of such shares in the amount of calls to be paid and the time of payment of such calls. Shares may be issued subject to different conditions as to call, etc.

20. 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 shares. Liability of joint holders of shares

Trusts not recognised

21. Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or as by law required) be bound to recognise any benami, trust or equity or equitable, contingent, future or partial or other claim or right to or interest in such share on the part of any other person whether or not it shall have expressed or implied notice thereof. The provisions of Section 153 of the Act shall apply.

UNDERWRITING AND COMMISSION

Power to pay certain commissions and prohibition of payment of all other commissions, discounts, etc.

22. (1) Subject to the provisions of Section 76 of the Act, the Company may pay a commission to any person in consideration of :

(i) his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any Shares in or Debentures of the Company, or

(ii) his procuring or agreeing to procure subscriptions, whether absolute or conditional, for any Shares in or Debentures of the Company, but the rate of the commission shall not exceed in the case of shares, five per cent of the price at which the shares are issued and in case of Debentures, two and half per cent of the price at which the Debentures are issued.

(2) A copy of the contract for the payment of the Commission shall be delivered to the Registrar at the time of the delivery of the Prospectus or the Statement in lieu of Prospectus for registration.

(3) No commission shall be paid to any person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any Shares in or Debentures of the Company which are not offered to the public for subscription. Provided that where a person has subscribed or agreed to subscribe for any Shares in or Debentures of the Company and before the issue of the Prospectus or Statement in lieu thereof, any other person or persons has or have subscribed for any or all of those Shares or Debentures and that fact together with the aggregate amount of commission payable in respect of such subscription is disclosed in such Prospectus or Statement then the Company may pay commission to the first mentioned person in respect of such subscription.

CERTIFICATES

Certificate of Shares

23. Every share certificate shall be issued under the Seal of the Company, which shall be affixed in the presence of :

(i) Two Directors or persons acting on behalf of the Directors under a duly registered Power of Attorney;

(ii) The Secretary or some other person appointed by the Board for the purpose. The two Directors or their Attorneys and the Secretary or other person shall sign the share certificates;

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 the Managing Director or Whole Time Director.

A Director may sign share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the

Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

24. (a) Every member or allottee of shares shall be entitled, without payment, to receive one certificate for all the shares of each class or denomination registered in his name, or, if the Directors so approve (on paying such fee as the Directors may from time to time determine) several such certificates each for one or more such shares.

Members' right to certificates

(b) Every certificate shall specify the name or names of the person or persons in whose favour the certificate is issued, the shares to which it relates and the amount paid up thereon.

(c) Unless the conditions of issue of the shares otherwise provide such certificates shall be ready for delivery to the shareholders, within 3 months after the allotment of any shares and within two months after the application for the registration of the transfer of any such shares.

(d) The share certificates shall be in such form as the Directors shall prescribe or approve.

(e) In respect of share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all.

25. (1) When the Company shall issue any capital, no certificate of any share or shares in the Company shall be issued except;

To issue new certificate in place of one defaced, lost or destroyed

(i) In pursuance of a resolution passed by the Board; and

(ii) On surrender to the Company of its letter of allotment or of its fractional coupons of requisite value, save in cases of issues against letters of acceptance or of renunciation, or in cases of issue of bonus shares.

Provided that if the letter of allotment is lost or destroyed, the Board may impose such reasonable terms, if any, as to evidence and indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit.

(2) No certificate of any share or shares, shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decreipt, worn out or where the space provided on the reverse for recording transfers has been duly utilized unless the certificate in lieu of which it is issued is surrendered to the Company.

Provided that the Company may charge such fee, if any, not exceeding Rs. 2 per certificate issued on splitting or consolidation of share certificates or in replacement of share certificates that are defaced or torn, as the Board thinks fit.

(3) No duplicate share certificate shall be issued in lieu of those that are lost or destroyed without the prior consent of the Board or without payment of such fees, if any, not exceeding Rs. 2 and on such reasonable terms, if any, as to evidence and indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit.

Shares may be held in Depository

25A. The Company may dematerialise / rematerialise its shares pursuant to the Depositories Act and offer its shares for subscription / allotment in a dematerialised form. The provisions of Articles 23, 24 and 25 of the Articles of Association of the Company shall not apply to shares held with a Depository in a dematerialised form.

CALLS

Calls

26. The Directors may from time to time and subject to Section 91 of the Act make such calls as they think 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 Directors. A call may be made payable by instalments.

Call to date from resolution

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

Notice of Call

28. Fifteen days' notice at the least shall be given by the Company of every call made payable otherwise than on allotment specifying the time and place of payment: Provided that before the time for payment of such call the Directors may by notice in writing to the members, revoke the same.

Directors may extend time

29. The Directors may from time to time at their discretion extend the time fixed for the payment of any call, and may extend such time as to, all or any of the members, who, the Directors may deem fit, entitled to such extension, but no members shall be entitled to such extension save as a matter of grace and favour.

Amount payable at fixed time or by instalments as calls

30. If by the terms of issue of any share or otherwise any amount is made payable on allotment at any fixed time or by instalments at fixed times, (whether on account of the 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 Directors and of which due notice has been given, and all the provisions herein contained in respect of calls shall relate to such amount or instalments accordingly.

When interest on call or instalment payable

31. 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 or allottee of the share in respect of which a call shall have been made or the instalment be due shall pay interest for the same at such rate as the Directors shall fix from the day appointed for the payment thereof to the time of actual payment but the Directors may waive payment of such interest wholly or in part.

Partial payment not to preclude forfeiture

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

Proof on trial or suit on money due on shares.

33. On the trial or hearing of any action or suit brought by the Company against any members or his legal representative for the recovery of any money claimed to be due to the Company in respect of any shares it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder or one

of the holders, at or subsequently to the date at which the money sought to be recovered is alleged to have become due, of the shares in respect of which such money is sought to be recovered, that the resolution making the call is duly recorded in the Minute Book and that notice of such call was duly given to the members sued in pursuance of these presents and it shall not be necessary to prove the appointment of the Director who made such calls or any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Payment in anticipation of calls may carry interest

34. (1) The Directors may, if they think fit, subject to the provisions of Section 92 of the Act receive from any member willing to advance the same all or any part of the sum due upon the shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate as the member paying such sum in advance and the Directors agree upon, and the Directors may at any time repay the amount so advanced upon giving to such member three months' notice in writing.

(2) The member shall not however be entitled to any voting rights in respect of the moneys so paid by him until the same would, but for such payment become presently payable.

FORFEITURE, SURRENDER AND LIEN

If call or instalment not paid, notice must be given

35. If any member fails to pay the whole or any part of any call or instalment on any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may at any time thereafter during such time as the call or instalment or any part thereof or other moneys remain unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such member or on the person (if any) entitled to the share by transmission requiring him to pay such call or instalment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

Form of Notice

36. The notice shall name a day (not being less than 14 days from the date of the notice) and a place or places, on and at which such call, instalment or such part of other moneys as aforesaid and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and the place appointed, the shares in respect of which the call was made or instalment or such part or other moneys is or are payable will be liable to be forfeited.

In default of payment shares to be forfeited

37. If the requisitions of any such notice as aforesaid are not complied with, any of the 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 or other money due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends and bonus declared in respect of the forfeited shares and not actually paid before the forfeiture.

Entry of forfeiture in Register of Members

38. When any share shall have been so forfeited, an entry of the forfeiture with the date thereof, shall be made in the Register of Members.

Forfeited shares to be property of the company and may be sold

39. Any share so forfeited shall be deemed to be the property of the Company and may be sold, reallotted or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Directors shall think fit.

Power to annul forfeiture

40. The Directors may, at any time before any shares so forfeited shall have been sold, reallotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as they think fit.

Shareholders still liable to pay money owing at the time of forfeiture and interest

41. Any member whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, all calls, instalments, interest, expenses and other moneys owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of forfeiture until payment, at such rate not exceeding nine per cent per annum as the Directors may determine, and the Directors may enforce the payment of the whole or a portion thereof if they think fit but shall not be under any obligation to do so.

Surrender of shares

42. The Directors may, subject to the provisions of the Act, accept a surrender of any shares from or by any member desirous of surrendering them on such terms as they think fit.

Company's lien on Shares

43. The Company shall have a first and paramount lien upon all the shares (other than fully paid shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys called or payable at a fixed time in respect of such shares and no equitable interest in any share shall be created except upon the footing and condition that Article 21 hereof is to have full effect. And such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.

As to enforcing lien by sale

44. For the purpose of enforcing such lien the Board of Directors may sell the shares subject thereto in such manner as they think fit, but no sale shall be made unless a sum in respect of which the lien exists is presently payable and until notice in writing of the intention to sell shall have been served on such member, his executors or administrator or his committee, curator, or other legal representative as the case may be and default shall have been made by him or them in the payment of the sum payable as aforesaid for seven days after the date of such notice.

Application of proceeds of sale

45. 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 be paid to such member, his executors or administrators or assigns or his committee, curator, or other legal representative as the case may be.

Certificate of forfeiture

46. A certificate in writing under the hand of the Director and countersigned by the Company Secretary or other Officer authorised by the Directors for the purpose that the call in respect of a share was made and notice thereof given, and that default in payment of the call was made and that the forfeiture of the share was made by a resolution of the Directors to that effect shall be conclusive evidence of the facts stated therein as against all persons entitled to such shares.

Title of purchaser and allottee of forfeited share

47. The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof, and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share. The validity of the sale and of the entry in the Register in respect of the shares sold shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and

against the Company exclusively. The Directors may upon any such sale appoint some person to execute an instrument of transfer of the shares sold and may cause to be issued a duplicate certificate in respect of the shares sold.

TRANSFER AND TRANSMISSION OF SHARES AND DEBENTURES

48. The Company shall keep such records in respect of each transfer and trasmission of shares as may be necessary and expedient, either on computer, or otherwise as may be decided by the Board of Directors from time to time. — Maintenance of records of transfers and transmissions of shares

49. Subject to the provisions of Section 108 of the Act, every instrument of transfer of shares shall be in such form as may be prescribed by the Act and or any Rules made thereunder and for the time being in force. — Form of transfer

50. Every such instrument of transfer shall be signed by both the Transferor and Transferee; — To be executed by Transferor and Transferee

The Transferor shall be deemed to remain the holder of such share until the name of the Transferee is entered in the Register of Members in respect thereof;

Transferor's signature to such transfer shall be duly attested by the signature of one witness who shall also add his address.

51. (i) Subject to the provisions of Section 111 A of the Act, the Directors may, at their own absolute and uncontrolled discretion and without assigning any reason, decline to register or acknowledge any transfer of shares and the right of refusal shall not be affected by the fact that the proposed Transferee is already a member of the Company. The registration of a transfer shall be conclusive evidence of the approval by the Directors of the transfer. — Directors may refuse to register

(ii) If, in pursuance of any such power or otherwise when the Directors refuse to register any such transfer or transmission of right, they 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 delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be.

52. The Directors shall comply with the provisions of Section 111 of the Act: — Transfer of shares

(1) An application for the registration of transfer of shares may be made either by the Transferor or by the Transferee: Provided that where such application is made by the Transferor, no registration shall in the case of partly paid shares be effected unless the Company gives notice of the application to the Transferee and subject to the provisions of clause (4), 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 of Members the name of the Transferee in the same manner and subject to the same conditions as if the application for registration was made by the Transferee.

(2) For the purpose of clause (1) notice to the Transferee shall be deemed to have been duly given if sent by prepaid registered post to the Transferee at the address given in the instrument of transfer and shall be deemed to have been delivered at the time at which it would have been delivered to him in the ordinary course of post.

(3) It shall not be lawful for the Company to register a transfer of any shares unless the proper instrument of transfer is in respect of only one class of shares duly stamped and executed by or on behalf of the Transferor and by or on behalf of the Transferee and specifying the name and address and occupation, if any, of the Transferee, has been delivered to the Company along with the scrip and if no such scrip is in existence, along with the letter of allotment of the shares. The Directors may also call for such other evidence as may be reasonably required to show the right of the Transferor to make the transfer: Provided that where it is proved to the satisfaction of the Directors of the Company that an instrument of transfer signed by the Transferor and Transferee has been lost, the Company, may, if the Directors think fit on an application in writing made by the Transferee and bearing the stamp required by an instrument of transfer, register the transfer on such terms as to indemnity as the Directors may think fit.

(4) If the Company refuses to register the transfer of any shares, the Company shall within two months from the date on which the instrument of transfer is lodged with the Company send to the Transferee and the Transferor notice of the refusal as provided in Article 51.

(5) Nothing in clause (3) shall prejudice any power of the Company to register as shareholder any person to whom the right to any share has been transmitted by operation of law;

(6) Nothing in this article shall prejudice any power of the Company to refuse to register the transfer of any share.

Custody of Instrument of Transfer

53. The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors Transfer may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine.

Closure of Register of Members

54. The Directors shall have power on giving seven days' notice by advertisement as required by Section 154 of the Act, to close the Register of Members of the Company for such period or periods of time not exceeding in the whole 45 days in each year, but not exceeding 30 days at a time, as they may deem fit.

Title of Shares of deceased holder

55. The Executors or Administrators or the holder of a Succession Certificate of a deceased member (whether European, Hindu, Mohamedan, Parsi or otherwise, not being one or two or more joint holders) shall be the only persons whom the Company will be bound to recognize as having any title to the shares registered in the name of such member and the Company shall not be bound to recognize such Executors or Administrators or holders of a Succession Certificate unless such Executors or Administrators or holders of a Succession Certificate shall have first obtained Probate or Letters of Administration or a Succession Certificate as the case may be, from a duly constituted competent Court in India; provided that in any case where the Directors in their absolute discretion think fit, the Directors may dispense with the production of Probate or Letters of Administration or a Succession Certificate and under the next Article register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.

Registration of Person entitled to Shares otherwise than by Transfer (Transmission clause)

56. Any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Directors (which they shall not be under any obligation to give) upon producing

such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title, as the Directors shall require, either be registered himself as a member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as a member in respect of such shares: Provided nevertheless that if such person shall elect to have his nominee registered, he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of such shares. This Article is herein referred to as 'the Transmission Clause'.

57. A transfer of the share or other interest in the Company of a deceased member thereof made by his legal representative shall although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.

Transfer by legal representative

This Article shall not prejudice the provision of Articles 51 and 58

58. Subject to the provisions of Section 111 A of the Act, the Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as if he were the Transferee named in an ordinary transfer presented for registration.

Refusal to register nominee

The Directors shall in case of such refusal comply with the provisions of Section 111 (1) of the Act.

59. Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient: provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.

Board may require evidence of transmission

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

The Company not liable for disregard of a notice prohibiting registration of transfer

61. The provisions of the Articles shall mutatis mutandis apply to the transfer or transmission by operation of law of debentures of the Company

Transfer of Debentures

61A. The provisions of the Depositories Act shall apply in respect of the issue, transfer and transmission of shares held by a Member with a Depository.

Issue, Transfer, Transmission of shares under the Depositories Act

INCREASE, REDUCTION AND ALTERATION OF CAPITAL

Increased Capital

62. The Company may from time to time in General Meeting increase its share capital by the issue of new shares of such amount as it thinks expedient.

On what conditions new Shares may be issued

63. Subject to the provisions of Section 80, 81 and 85 to 90 of the Act, the new shares shall be issued upon such conditions and with such rights and privileges annexed thereto as the General Meeting creating the same shall direct and if no direction be given as the Directors shall determine and in particular, such shares may be issued subject to the provisions of the said Sections with a preferential or qualified right to dividends and in distribution of assets of the Company and subject to the provisions of the said Sections with a special or without any right of voting.

Unless the Company in General Meeting, shall before the issue of new shares otherwise determine, the provisions of Section 81 of the Act shall be complied with, with regard to the offer of such shares.

(Substituted vide Special Resolution passed in the Extraordinary General Meeting held on 12 September 2007)

Same as original Capital

64. Except as 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 original capital, and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, surrender, voting and otherwise.

Power to issue redeemable preference Shares

65. (Deleted vide Special Resolution passed in the Extraordinary General Meeting held on 12 September 2007)

Reduction of Capital

66. Subject to confirmation by the Court, the Company may, by Special Resolution, reduce its share capital in any way; and in particular and without prejudice to the generality of the foregoing, may:

(a) extinguish or reduce the liability on any of its shares in respect of share capital not paid up;

(b) either with or without extinguishing or reducing liability on any of its shares, cancel any paid up share capital which is lost, or unrepresented by available assets; or

(c) either with or without extinguishing or reducing liability on any of its shares, payoff any paid up share capital which is in excess of the wants of the Company;

and may, if and so far as is necessary, after its Memorandum by reducing the amount of its share capital and of its shares accordingly.

Division and Sub-division

67. The Company in General Meeting by a Special Resolution may alter the conditions of the Memorandum as follows, that is to say, it may:

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) sub-divide its shares, or any of them, into shares of smaller amount than originally fixed by the Memorandum, subject nevertheless to the provisions of the Act in that behalf, and so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of

the share from which the reduced share is derived and so that as between the holders of the shares resulting from such sub-division one or more of such shares may, subject to the provisions of the Act, be given any preference or advantage or otherwise over the others or any other such shares;

(c) cancel shares which at the date of such General Meeting have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the share so cancelled.

Notice to Registrar of Consolidation of share Capital, conversion of shares into stock, etc.

68. (1) If the Company has

(a) consolidated and divided its share capital into shares of larger amount than its existing shares;

(b) converted any shares into stock; .

(c) reconverted any stock into shares;

(d) sub-divided its shares or any of them;

(e) redeemed any redeemable preference shares or

(f) cancelled any shares, otherwise than in connection with a reduction of share capital under Sections 100 to 104; the company shall within 30 days after doing so, give notice thereof to the Registrar, specifying, as the case may be, the shares consolidated, divided, converted, subdivided, redeemed, or cancelled, or the stock reconverted.

(2) The Company shall thereupon request the Registrar to record the notice and make any alterations which may be necessary in the Company's Memorandum or Articles or both.

MODIFICATION OF RIGHTS

Powers to modify rights

69. 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 any class may, subject to the provisions of Sections 106 and 107 of the Act, be modified, commuted, affected, abrogated or dealt with or varied by the consent in writing of the holders of not less than three-fourths of the issued shares of that class, or with the sanction of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class and all the provisions hereinafter contained relating to the General Meeting shall, mutatis mutandis, apply to every such meeting, but so that the quorum thereof shall be members holding or representing by proxy one-fifth of the nominal amount of the issued shares of that class. This Article is not to derogate from any power which the Company would have had if this Article were omitted.

The rights conferred upon the holders of the shares (including Preference Shares, if any) of any class issued with preferred or other rights or privileges shall unless otherwise expressly provided by the terms of issue of shares of that class be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking pari passu therewith.

JOINT HOLDERS

Joint Holders

70. Where two or more persons are registered as the holders of any share they shall be deemed (so far as the Company is concerned) to hold the same as joint holders with benefits of survivorship subject to the following and other provisions contained in the Articles:

Company may refuse to register more than three persons

(a) The Company shall be entitled to decline to register more than three persons as the holders of any share.

Joint and several liability

(b) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such shares.

Title of survivors

(c) On the death of anyone or more of such joint holders the survivor or survivors shall be the only person or persons recognised by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of deceased joint holder from any liability on shares held by him jointly with any other person.

Receipts of one sufficient

(d) Anyone of such joint holders may give effectual receipts of any dividends or other moneys payable in respect of such share.

Delivery of Certificate and giving of notices to first named holder

(e) Only the person whose name stands first in the Register of Members as one of the joint holders of any shares shall be entitled to delivery of the certificate relating to such share or to receive notices (which expression shall be deemed to include all documents as defined in Article 3) from the Company and any notice given to such person shall be deemed notice to all the joint holders.

Votes of joint holders

(f) Any one of two or more joint holders may vote at any meeting either personally or by an agent duly authorised under a power of attorney or by proxy in respect of such share as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney that one of such persons so present whose name stands first or higher (as the case may be) on the Register of Members in respect of such share shall alone be entitled to vote in respect thereof. Provided always that a person present at any meeting personally shall be entitled to vote in preference to a person, present by an agent, duly authorised under power of attorney or by proxy although the name of such person present by an agent or proxy stands first or higher in the Register in respect of such shares; several executors or administrators of a deceased member in whose (deceased members) sole name any share stands shall for the purposes of this sub-clause be deemed joint holders.

BORROWING POWERS

Power to borrow

71. Subject to the provisions of Sections 292 and 293 of the Act, the Directors may from time to time at their discretion borrow any sum or sums of money for the purpose of the Company.

Conditions on which money may be borrowed

72. The Directors may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, perpetual or redeemable debentures or debenture-stock or any mortgage or charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

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

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

74. Debentures, debenture-stock, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Securities may be assignable free from equities

75. Any bonds, debentures, debenture-stock or other securities may be issued, subject to the provisions of the Act, at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, attending at General Meeting of the Company, appointment of Directors and otherwise. 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.

Issue at discount etc. or with special privileges

76. (a) The Company shall not after the commencement of the Act, issue any debentures carrying voting rights at any meeting of the Company whether generally or in respect of particular classes of business.

Debentures with voting rights not to be issued thereafter

(b) The Company shall have power to reissue redeemed debentures in certain cases in accordance with Section 121 of the Act.

Power to reissue redeemed debentures

(c) Payments of certain debts out of assets subject to floating-charge in priority to claims under the charge may be made in accordance with the provisions of Section 123 of the Act.

Payments of certain debts.

(d) Certain charges mentioned in Section 125 of the Act shall be void against the Liquidator or Creditors unless registered as provided in Section 125 of the Act.

Certain charges to be void

(e) The term 'charge' in the articles include mortgage.

'Charge' defined

(f) A contract with the Company to take up and pay any debentures of the Company may be enforced by a Decree for specific performance.

Contract for debentures how enforceable

77. (1) A copy of any trust deed for securing any issue of debentures shall be forwarded to the holder of any such debentures or any member of the Company at his request and within seven days of the making thereof on payment:

Right to obtain copies of and inspect Trust Deed

(a) in the case of a printed Trust Deed, of such sum as may be prescribed by the Government; and

(b) in the case of a Trust Deed which has not been printed, of such sum as may be prescribed by the Government for every one hundred words or fractional part thereof required to be copied.

(2) The Company Law Board may also, by order, direct that the copy required shall forthwith be sent to the person requiring it.

(3) The Trust Deed referred to in clause (1) shall also be open to inspection by any member or debenture holder of the Company in the same manner, to the same extent, and on payment of the same fees, as if it were the Register of Members of the Company.

78. If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors may by instrument under the Company's Seal authorise the persons in whose favour such mortgage or security is executed or any other person in trust for him to make calls on the members in respect of such uncalled capital and the provisions hereinbefore contained in regard to call shall, mutatis mutandis, apply to calls made under such authority and such authority may be made exercisable either conditionally

Mortgage of uncalled capital

or unconditionally, and either presently or contingently and either to the exclusion of the Directors' power or otherwise and shall be assignable if expressed so to be.

Indemnity may be given

79. If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

ISSUE OF CERTIFICATES OF SHARES, DEBENTURES, ETC.

Limitation of time for issue of certificates

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

Registration

81. The Company shall comply with the provisions of the Act relating to the registration of charges which expression shall include mortgages, contained in Sections 125 to 145 (inclusive) thereof and shall also comply with the provisions of Section 150 as to the Register of Members and the provisions of Section 152 as to the Register and Index of Debenture-holders.

Notice of trust

82. (a) No notice of any trust express or implied or constructive, shall be entered on the Register of Members or of Debenture-holders or be receivable by the Registrar.

Power to close Register of Members or Debenture holders

(b) The Company may, after giving not less than seven days' previous notice by advertisement in some newspaper circulating in the District in which the Registered Office of the Company is situate, close the Register of Members or the Register of Debenture-holders for any period or periods not exceeding in the aggregate forty-five days in each year, but not exceeding thirty days at anyone time.

(c) The Company may exercise the power for the Company to keep a Foreign Register of Members or Debenture-holders as provided in Section 157 of the Act and the provisions of Section 158 of the Act as to Foreign Register shall be complied with.

(d) The Company shall comply with the provisions of Section 159 of the Act regarding filing of Annual Return and the provisions of Section 161 of the Act as regards Annual Return and certificates to be annexed thereto.

Place of keeping and inspection, of registers and returns

(e) (i) The Register of Members commencing from the date of the registration of the Company, the Index of Members, the Register and Index of Debenture-holders and copies of all Annual Returns prepared under Section 159 together with the copies of certificates and documents required to be annexed thereto under Section 161 shall be kept at the Registered Office of the Company.

(ii) The registers, indices, returns and copies of certificates and other documents referred to in Sub-section (1) of Section 163 shall except when the Register of Members or Debenture-holders is closed under the provisions of the Act, be open during business hours (subject to such reasonable restrictions as the Company may impose so that not less than two hours in each day are

allowed for inspection) to the inspection of :

(a) any Member or Debenture-holder without fee; and

(b) any other person on payment of such sum as may be prescribed for each inspection.

(iii) Any such Member, Debenture-holder or other person may

(a) make extracts from any register, index or copy referred to in Sub-section (1) of Section 163 without fee or additional fee, as the case may be; or

(b) require a copy of any such register, index or copy or of any part thereof, on payment of such sum as may be prescribed by the Government.

(iv) The Company shall cause any copy required by any person under Sub - clause (b) of sub-clause (iii) of clause (e) of this article to be sent to that person within a period of ten days, exclusive of non-working days, commencing on the day next after the day on which the requirement is received by the Company.

(v) The Court/Company Law Board may also, by order, compel an immediate inspection of the document, or direct that the extract required shall forthwith be allowed to be taken by the person requiring it, or that the copy required shall forthwith be sent to the person requiring it, as the case may be.

GENERAL MEETINGS

Annual General Meeting

83. (a) The Company shall in each year hold, in addition to any other meetings, a General Meeting as its Annual General Meeting and shall specify the meeting as such in the notices calling it; and not more than 15 months shall elapse between the date of one Annual General Meeting and that of the next. Provided that the Registrar may for any special reason extend the time within which any Annual General Meeting shall be held by a period not exceeding three months.

(b) Every Annual General Meeting shall be called for at any time during business hours, on a day that is not a public holiday, and shall be held either at the Registered Office of the Company or at some other place within the city, town or village in which the Registered Office of the Company may be situate.

Power of Central Government to call General Meeting

84. (1) If default is made in holding an Annual General Meeting in accordance with Section 166 of the Act, the Central Government may, notwithstanding anything in this Act or in the Articles of the Company, on the application of any member of the Company, call or direct the calling of a General Meeting of the Company and give such ancillary or consequential directions as the Central Government thinks expedient in relation to the calling, holding and conducting of the meeting.

Explanation: The directions that may be given under the said Section may include a direction that one member of the Company so present in person or by proxy shall be deemed to constitute a meeting.

(2) A General Meeting held in pursuance of clause (1) of this article shall subject to any directions of the Central Government, be deemed to be an Annual General Meeting of the Company.

Sections 171 to 186 of the Act shall apply to meetings

85. (1) The provisions of Sections 171 to 186 of the Act shall, notwithstanding anything to the contrary in the Articles of the Company apply with respect to General Meetings of the Company.

(2) (a) Section 176 of the Act, with such adaptations and modifications, if any, as may be prescribed shall apply with respect to meetings of any class of members or any class of Debenture-holders of a Company in like manner as it applies with respect to General Meetings of the Company.

(b) Unless the articles of the Company or, a contract binding on the persons concerned otherwise provide, Sections 171 to 175 and Sections 177 to 186 of the Act with such adaptations and modifications, if any, as may be prescribed shall apply with respect to meetings of any class of Members or of Debenture-holders or any class of Debenture-holders of a Company in like manner as they apply with respect to General Meetings of the Company.

Calling of Extraordinary General Meeting

86. The Directors may call an Extraordinary General Meeting whenever they think fit.

Extraordinary General Meeting on requisition

87. The Directors of the Company shall on the requisition of such number of membersof the Company as is specified in Sub-section (4) of Section 169 of the Act forthwith proceed duly to call an Extraordinary General Meeting of the Company and in respect of any such requisition and of any meeting to be called pursuant thereto the provisions of Section 169 of the Act shall apply.

Length of notice for calling meeting

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

(2) A General Meeting may be called after giving shorter notice than that specified in Sub-clause (1) of this article if consent is accorded thereto

(i) in the case of an Annual General Meeting by all the members entitled to vote thereat; and

(ii) in the case of any other meeting, by members of the Company holding not less than 95 per cent of such part of the paid up capital of the Company as gives a right to vote at the meeting. Provided that where any members of a Company are entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others those members shall be taken into account for the purposes of this sub- clause in respect of the former resolution or resolutions and not in respect of the latter.

Contents and manner of service of notice and persons on whom it is to be served

89. (1) Every notice of a meeting of the Company shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat.

(2) Notice of every meeting of the Company shall be given

(i) to every member of the Company in any manner authorised by Sub-sections (1) to (4) of Section 53;

(ii) to the persons entitled to a share in consequence of the death or insolvency of a member, by sending it through the post in a prepaid letter addressed to them by name, or by the title or representatives of the deceased or assignees of the insolvent or by any like description at the address, if any, in India supplied for the purpose

by the persons claiming to be so entitled, or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred, and

Provided that where a notice of the meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the Registered Office of the Company under Sub-section (3) of Section 53 of the Act the statement of material facts referred to in Section 173 of the Act need not be annexed to the notice as required by that section but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

(iii) to the Auditor or Auditors for the time being of the Company in any manner authorised by Section 53 in the case of any member of the Company.

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

Explanatory Statement to be annexed to notice

90. (1) For the purposes of this article:

(a) in the case of an Annual General Meeting all business to be transacted at the meeting shall be deemed special with the exception of business relating to (i) the consideration of the accounts, balance sheet and the reports of the Board of Directors and Auditors, (ii) the declaration of a dividend, (iii) the appointment of Directors in the place of those retiring and (iv) the appointment of and the fixing of the remuneration of the Auditors, and

(b) in the case of any other meeting, all business shall be deemed special.

(2) Where any items of business to be transacted at the meeting are deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business including in particular the nature and extent of the interest, if any therein of every Director, and the Manager, if any.

Provided that where any item of special business as aforesaid to be transacted at a meeting of the Company relates to, or affects, any other company, the extent of shareholding interest in that other company of every director, and the Manager, if any, of the first-mentioned company shall also be set out in the statement if the extent of such shareholding interest is not less than twenty per cent, of the paid up share capital of that other company.

(3) Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

Special Notice

(4) Where by any provision contained in the Act, Special Notice is required of any resolution, the Company shall comply with the provisions of Section 190 of the Act, relating to resolutions requiring Special Notice.

Quorum for meeting

91. (1) Five members' personally present shall be the quorum for a meeting of the Company.

(2) If within half an hour from the time appointed for holding a meeting of the Company, a quorum is not present, the meeting, if called upon the requisition of members, shall stand dissolved.

(3) In any other case, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place, as the Board may determine.

(4) If at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for holding the meeting the members present shall be a quorum.

No business without Quorum

92. (a) No business shall be transacted at any General Meeting unless the quorum requisite be present at the commencement of the business.

Business confined to election of Chairman whilst Chair vacant

(b) No business shall be discussed or transacted at any General Meeting except the election of a Chairman whilst the Chair is vacant.

Chairman of General Meeting

(c) The Chairman of the Board of Directors or in his absence, the Vice-Chairman shall be entitled to take the Chair at every General Meeting. If either the Chairman or Vice-Chairman is not present at any meeting within 15 minutes after the time appointed for holding such meeting or is unwilling to act, the Directors present may choose a Chairman and in default of their doing so, the members present shall choose one of the Directors to be the Chairman and if no Director present be willing to act, then the members present shall choose one of their members to be the Chairman.

Chairman with consent may adjourn the meeting

(d) The Chairman with the consent of the meeting may adjourn any meeting from time to time and from place to place in the city of Pune where the Registered Office of the Company is situate.

Business at adjourned meeting

(e) Except as provided by the Act in the case of the Statutory Meeting, no business shall be transacted at any adjourned meeting other than business which might have been transacted at the meeting from which the adjournment took place.

Chairman's declaration of result of voting

(f) A declaration by the Chairman that a resolution has been carried unanimously or by a particular majority or lost or not carried by a particular majority and an entry to that effect in the books of the proceedings of the Company, shall be conclusive evidence of the fact without further proof of the number or proportion of the votes recorded in favour of or against such resolution.

Poll how taken

(g) If a poll is demanded it shall subject to the provisions of the Act, be taken in such manner and at such time and place as the Chairman of the meeting directs and either forthwith or at such time not being later than forty-eight hours from the time when the demand was made as the Chairman may direct and the result of the poll shall be deemed to be decision of the meeting on the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn.

Motion how decided in case of equality of votes

(h) In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.

Demand for poll not to prevent transaction of other business

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

94. (1) Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself but a proxy so appointed shall not have any right to speak at the meeting. Proxies

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

(2) In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy or where that is allowed one or more proxies, to attend and vote instead of himself and that a proxy need not be a member.

(3) The instrument appointing a proxy or any other document necessary to show the validity of or otherwise relating to the appointment of a proxy shall be lodged with the Company not less than forty-eight hours before the meeting in order that the appointment may be effective thereat.

(4) The instrument appointing a proxy shall

(a) be in writing and

(b) be signed by the appointer or his attorney duly authorised in writing or, if the appointer is a body corporate be under its Seal or be signed by an officer or an attorney duly authorised by it.

(5) An instrument appointing a proxy if in any of the forms set out in Schedule IX to the Act shall not be questioned on the ground that it fails to comply with any special requirements specified for such instrument by the articles.

(6) Every member entitled to vote at a meeting of the Company, or on any resolution to be moved, thereat, shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting to inspect the proxies lodged at any time during the business hours of the Company; provided not less than three days notice in writing of the intention so as to inspect, is given to the Company.

95. At any General Meeting a resolution put to the vote of meeting shall unless a poll is demanded under Section 179 of the Act be decided on a show of hands. Voting to be by show of hands in first instance

VOTES OF MEMBERS

96. Subject to the provisions of the Act upon show of hands every member entitled to vote and present in person shall have one vote and upon a poll every member entitled to vote and present in person or by proxy shall have one vote for every share held by him, PROVIDED THAT, the holders of Preference Shares shall have no right to be present or to vote either in person or by proxy at any General Meeting by virtue of or in respect of their holding of Preference Shares save to the extent and in manner provided by Section 87(2) of the Act. Votes

97. No member not personally present shall be entitled to vote on a show of hands unless such member is a body corporate present by proxy or by a representative duly authorised under Section 187 of the Act in which case such proxy or representative may vote on a show of hands as if he were a member of the Company. No voting by proxy on show of hands

Vote in respect of shares of deceased, insolvent members

98. Subject to the provisions of the Act and other provisions of the articles any person entitled under the transmission clause to transfer any shares may vote at any General Meeting in respect thereof as if he was the registered holder of such shares Provided that at least 48 hours 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 Directors of his right to transfer such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

Custody of the instrument

99. If any such instrument of appointment be confined to the object of appointing proxy or substitute for voting at meetings of the Company, it shall remain permanently or for such time as the Directors may determine in the custody of the Company. If embracing other objects a copy thereof examined with the original shall be delivered to the Company to remain in the custody of the Company.

Form of proxy

100. An instrument appointing a proxy whether for a specified meeting or otherwise may as nearly as circumstances will admit, be in either of the two forms set out in Schedule IX to the Companies Act, 1956 or in such other form as the Directors may approve.

Validity of votes given by proxy notwithstanding death of member, etc.

101. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or any power of attorney under which such proxy was signed or the transfer of the share in respect of which the vote is given: Provided that no intimation in writing of the death, revocation or transfer shall have been received at the office before the meeting.

Time of objections for vote

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

Chairman of any meeting to be the judge of any vote

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

Equal rights of shareholders

104. Any shareholder whose name is entered in the Register of Members of the Company shall enjoy the same rights and be subject to the same liabilities as all other shareholders of the same class.

Chairman's declaration of result of voting by show of hands to be conclusive

105. A declaration by the Chairman in pursuance of Section 177 of the Act that a show of hands, a resolution has or has not been carried either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

Demand for poll

106. (1) Before or on the declaration of the result of the voting on any resolution on a show of hands poll may be ordered to be taken by the Chairman of the meeting of his own motion, and

(2) shall be ordered to be taken by him on a demand made in that behalf by the person or persons specified below, that is to say:

a by any member or members present in person or by proxy and holding shares in the company

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

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

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

Time of taking poll

107. (1) A poll demanded on a question of adjournment shall be taken forthwith.

(2) A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 175 of the Act) shall be taken at such time not being later than forty-eight hours from the time when the demand was made, as the Chairman may direct.

Restrictions on exercise of voting rights of members who have not paid calls, etc.

108. No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and has exercised any right of lien.

Restrictions on exercise of voting right in other cases to be void

109. A member is not prohibited from exercising his voting right on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in article 108.

Right of a member to use his votes differently

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

Scrutineers at poll

111. (1) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him.

(2) The Chairman shall have power at any time before the result of the poll is declared to remove a scrutineer from office and to fill vacancies in the office of scrutineer arising from such removal or from any other cause.

(3) Of the two scrutineers appointed under this article, one shall always be a member (not being an officer or employee of the Company) present at the meeting provided such a member is available and willing to be appointed.

Manner of taking poll and result thereof

112. (1) Subject to the provisions of this Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken.

(2) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

Power of Court to order meeting to be called

113. (1) If for any reason it is impracticable to call a meeting of the Company other than an Annual General Meeting in any manner in which meetings of the Company may be called or to hold or conduct the meeting of the Company in the manner prescribed by this Act or the Articles, the Court may either of its own motion or on the application of any Director of the Company or of any member of the Company who would be entitled to vote at the meeting:

(a) order a meeting of the Company to be called, held and conducted in such manner as the Court thinks fit, and

(b) give such ancillary or consequential directions as the Court thinks expedient, including directions modifying or supplementing in relation to the calling, holding and conducting of the meeting, the operation of the provisions of this Act and of the Company's Articles.

Explanation: The directions that may be given under Sub-section (1) of Section 186 of the Act may include a direction that one member of the Company present in person or by proxy shall be deemed to constitute a meeting.

(2) Any meeting called, held and conducted in accordance with any such order shall, for all purposes be deemed to be a meeting of the Company duly called, held and conducted.

Representation of body corporate

114. A body corporate (whether a Company within the meaning of the Act or not) may, if it is a member or creditor of the Company including a holder of debentures may authorise such person by a resolution of its Board of Directors or other governing body as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company as provided in Section 187 of the Act.

Registration of Resolution and Agreement

115. The Company shall comply with the provisions of Section 192 of the Act relating to registration of certain resolutions and agreements.

Circulation of members' resolution

116. The Company shall comply with the provisions of Section 188 of the Act relating to circulation of members' resolutions.

Resolutions passed at adjourned meeting

117. The provisions of Section 191 of the Act shall apply to resolution passed at an adjourned meeting of the Company, or of the holders of any class of shares in a Company and of the Board of Directors of the Company and the resolution shall be deemed for all purposes to be passed on the date on which in fact it was passed and shall not be deemed to have been passed on any earlier date.

Minutes of proceedings of General Meetings and of Board and other meetings

118. (1) The Company shall cause minutes of all proceedings of every General Meeting and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered.

(2) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed:

(a) in the case of minutes of proceedings of a meeting of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.

(b) in the case of minutes of proceedings of a General Meeting by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period by a Director duly authorised by the Board for the purpose.

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

(4) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

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

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

(a) The names of the Directors present at the meeting and

(b) In the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from, or not concurring in the resolution.

(7) Nothing contained in clauses (1) to (4) of this article shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the Meeting:

(a) is or could reasonably be regarded as defamatory of any person;

(b) is irrelevant or immaterial to the proceedings, or

(c) is detrimental to the interest of the Company.

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

Presumptions to be drawn where minutes duly drawn and signed

119. Where minutes of the proceedings of any General Meeting of the Company or of any meeting of, its Board of Directors or of a Committee of the Board have been kept in accordance with the provisions of Sections 193 and 194 of the Act, then until the contrary is proved the meeting shall be deemed to have been duly called and held and all proceedings thereat to have duly taken place and in particular all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid.

Inspection of minute books of General Meetings

120. (1) The books containing the minutes of the proceedings of any General Meeting of the Company shall :

(a) be kept at the Registered Office of the Company; and

(b) be open during business hours to the inspection of any member without charge subject to such reasonable restrictions as the Company may by its Articles or in General Meeting impose so however that not less than two hours in each day are allowed for inspection.

(2) Any member shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company, with a copy of any Minutes referred to in clause (1) of this Article on payment of six annas for every one hundred words or fractional part thereof required to be copied.

Publication of reports of proceedings of General Meetings

121. No document purporting to be a report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 193 of the Act to be contained in the Minutes of the proceedings of such meeting.

Number of Directors

122. Until otherwise determined by Special Resolution the number of Directors of the Company shall not be less than 3 (three) or more than 15 (fifteen).

(Substituted vide resolution passed at the Annual General Meeting of the Members of the Company held on Tuesday, 2 September 2014)

Special Director(s)

123. (A) The Board of Directors of the Company, shall have the right, from time to time, to appoint, subject to the provisions of Articles Nos. 123 B, 124 and any other Article empowering the appointment of a Director not liable to retirement by rotation and in so far as no directors are appointed under those Articles, one-third of the total number of directors of the company, with power to remove any Directors or Director from office and on a vacancy being caused in such office from any cause, whether by resignation, death, removal or otherwise to appoint another person or persons as Director or Directors of the Company. The Directors appointed under this Article are hereinafter referred to as 'Special Directors' and the term "Special Director" means the Director or Directors for the time being in office under this Article. Such Director or Directors shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or, subject to the provisions of the Act be removed from their or his office by the Company.

Corporation Director

(B) So long as any moneys be owing by the Company to the Industrial Credit & Investment Corporation of India Ltd., the Industrial Finance Corporation of India, or a State Financial Corporation or any Financial Institution owned and controlled by the Central Government or a State Government or the Reserve Bank of India, or by two or more of them, the Directors may authorise such Corporation, Financial Institution owned and controlled by the Central Government or a State Government or the Reserve Bank of India, or by two or more of them, to appoint from time to time any person/s as Director/s of the Company and may agree that such Director/s shall not be liable to retire by rotation and need not possess any qualification shares to qualify him/ them for the office of such Director/s and that such Corporation, Financial Institution, as mentioned above may from time to time remove any such Director/s and reappoint any person/s in his/their place subject to Section 255 and other applicable provisions, if any, of the Companies Act, 1956.

Debenture Director

124. Any trust deed for securing debentures or debenture-stock may, if so arranged, provide for the appointment from time to time by the Trustees thereof or by the holders of debentures or debenture-stock of some person to be a Director of the Company and may empower such Trustees or holders of debentures or debenture-stock from time to time to remove and reappoint any Director so appointed. The Director appointed under this Article is herein referred to as the "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

Alternate Director

125. The provisions of Section 313 of the Act shall apply and the Board of Directors may appoint any Alternate Director under the circumstances and during the period and subject to the conditions therein mentioned and the appointment made thereunder shall be subject to the provisions of that Section. An Alternate Director shall not be bound to hold any qualification shares.

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126. A Director shall not be required to hold any qualification shares. (Substituted vide Special Resolution passed in the Annual General Meeting held on 22 July, 2006)

Qualification of Director

127. The remuneration of a Director for his services shall be such a sum as may be fixed by the Directors within the ceiling prescribed in the Companies Act, 1956 for each meeting attended by him, and such additional remuneration as may be fixed by the Directors in accordance with the provisions in the Companies Act, 1956, and such additional remuneration may be paid to anyone or more of their number for services rendered by him or them.

Remuneration of Directors

128. The Directors shall also be paid such sum as the Board may consider fair compensation for travelling, hotel and other expenses incurred in consequence of their attendance at Board Meetings, in addition to their fees for attending such meetings as above specified, and the Board of Directors may from time to time fix the remuneration to be paid to any members of their body constituting a Committee appointed by the Directors in terms of these Articles and may pay the same.

Expenses to Directors not a bonafide resident of Pune and to members of Committee

129. If any Directors, being willing, shall be called upon to perform extra services or to make any special exertions in going or residing out of Pune or otherwise for any of the purposes of the Company, the Company shall remunerate such Director either by a fixed sum or by a percentage of profits or otherwise as may be determined by the Directors and such remuneration may be either in addition to or in substitution for his share in the remuneration above provided.

Special Remuneration of Directors going out of Pune on Company's business or otherwise performing extra services

130. The Directors may be paid commission (if any) as the Company in General Meeting may from time to time subject to the provisions of the Act determine and such commission shall be divided among the Directors in such proportion and manner as the Directors may from time to time determine and in default of such determination within the year equally.

Commission to Directors

131. The continuing Directors may act notwithstanding any vacancy in their body, but so that if the number falls below the minimum number fixed the Directors shall not except in emergencies or for the purpose of filling up vacancies or for summoning a General Meeting of the Company, act, as long as the number is below the minimum and they may so act notwithstanding the absence of a necessary quorum under the provisions of Article 156.

Directors may act notwithstanding vacancy

132. A person shall not be capable of being appointed a Director if he has the disqualification referred to in Section 274 of the Act.

Eligibility

133. (1) The Office of a Director shall become vacant if :

Directors vacating office

(a) he fails to obtain within the time specified in sub-section (1) of Section 270, or at any time thereafter ceases to hold the share qualification, if any, required of him by these Articles;

(b) he is found to be of unsound mind by a court of competent jurisdiction;

(c) he applies to be adjudicated an insolvent;

(d) he is adjudged an insolvent;

(e) he is convicted by a court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months;

(f) if he fails to pay any call in respect of shares of the Company held by him whether alone or jointly with others within six months from the last date fixed for payment of the call unless the Central Government has by notification in Official Gazette removed the disqualification incurred by such failure;

(g) he absents himself from three consecutive meetings of the Board of Directors, or from all meetings of the Board for a continuous period of three months whichever is longer, without obtaining leave of absence from the Board;

(h) he (whether by himself or by any person for his benefit or on his account) or any firm in which he is a partner or any private company of which he is a Director accepts a loan or any guarantee or security for a loan from the Company in contravention of Section 295;

(i) he acts in contravention of Section 299;

(j) he becomes disqualified by an order of Court under Section 203;

(k) he is removed in pursuance of Section 284;

(l) having been appointed a Director by virtue of his holding any office or other employment in the Company he ceases to hold such office or other employment in the Company.

(2) Notwithstanding anything in sub-clauses (d), (e) and (i) of Clause (1) of this Article the disqualification referred to in these clauses shall not take effect:

(a) for 30 days from the date of the adjudication, sentence or order;

(b) where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence, or order until the expiry of seven days from the date on which such appeal or petition is disposed of; or,

(c) where within the seven days aforesaid any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order and the appeal or petition if allowed would result in the removal of the disqualification until such further appeal or petition is disposed of.

Directors may contract with Company

134. Subject to the restrictions imposed by these articles and by Sections 292, 293, 294, 295, 297, 300, 314, 370 and 372 of the Act, no Director or other officer or employee of the Company shall be disqualified by his office from contracting with the Company either as vendor, purchaser, agent, broker or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director, or officer or employee shall be in any way interested be avoided nor shall the Director or any officer or employee so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director or officer or employee holding that office or of the fiduciary relation thereby established but the nature of his or their interest must be disclosed by him or them in accordance with the provisions of Section 299 of the Act where that Section shall be applicable.

135. In accordance with Section 300 of the Act, no Director shall, as a Director, vote or take part in any discussion in respect of any contract or arrangement in which he is interested and if he does so vote, his vote shall be void nor shall his presence count for the purpose of forming the quorum at the time of any such discussion or vote; provided that the above prohibition or restriction shall not apply to the extent or under the circumstances mentioned in sub-section (2) of Section 300 of the Act.

Interested Director not to vote, etc.

A General Notice such as is referred to in sub-section (3) of Section 299 shall be sufficient disclosure under this article as provided in that Section.

136. A Director, officer or employee of this Company may be, or become a Director of any Company promoted by this Company or in which it may be interested as a vendor, member or otherwise and no such Director shall be accountable for any benefits received as Director or member of such Company except to the extent and under the circumstances as may be provided in the Act.

Directors may be Directors of Companies promoted by the Company

137. (a) Every Director (which term shall include a person deemed to be a Director by virtue of the Explanation to sub-section (1) of Section 303 of the Act) Managing Director, Manager or Secretary of the Company, shall, within 20 days of his appointment to or relinquishment of, any of the above offices in any other body corporate, disclose to the Company the particulars relating to the office in the other body corporate which are required to be specified under sub-section (1) of Section 303 of the Act.

Duty of Directors, etc. to make disclosure

(b) Every Director and every person deemed to be a Director of the Company by virtue of sub-section (1) of Section 307 of the Act, and the Manager of the Company shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of the said Section 307.

Duty of Directors and persons deemed to be Directors to make disclosure of share holdings

138. Subject to the provisions of Section 314 of the Act, except with the consent of the Company accorded by a Special Resolution, no Director and no partner or relative of such a Director, no firm in which such a Director or relative is a partner, no private Company of which such a Director is a Director or member and no Director, or Manager of such a private Company shall hold any office or place of profit carrying a total monthly remuneration as may be provided in Section 314 or any amendments thereto from time to time, except that of Managing Director, Manager, Legal or Technical Adviser, Banker or Trustee for the holders of Debentures of the Company.

Directors etc. not to hold office or place of profit.

139. The Board of Directors of the Company shall exercise the following powers only by means of Resolutions passed at the meetings of the Board -

Certain powers to be exercised by Board only at meeting

(a) The power to make calls on shareholders in respect of money unpaid on their shares;

(b) The power to issue Debentures;

(c) The power to borrow moneys otherwise than on Debentures; (d) The power to invest the funds of the Company;

(e) The power to make loans.

The said powers may be delegated by the Board subject to the provisions of Section 292 and only to the extent and in the manner therein provided.

Restrictions on powers of Board

140. The Board of Directors shall not except with the consent of the Company in General Meeting exercise the powers contained in Section 293 of the Act.

Appointment of Sole Selling Agents to require approval of the Company in General Meeting

141. (1) The Company shall not appoint a Sole Selling Agent for any area for a term exceeding five years at a time.

Provided that nothing in this clause shall be deemed to prohibit the reappointment or the extension of the term of office, of any Sole Selling Agent by further periods not exceeding five years on each occasion.

(2) The Board of Directors shall not appoint a Sole Selling Agent for any area except subject to the condition that the appointment shall cease to be valid if it is not approved by the Company in the General Meeting held after the date on which the appointment is made.

Loans to Directors

142. (1) Save as otherwise provided in Clause (2), the Company shall not without obtaining the previous approval of the Central Government in that behalf directly or indirectly make any loan to or give any guarantee or provide any security in connection with a loan made by any other person to or any other person by :

(a) any Director of the Company or of a Company which is its holding company or any partner or relative of any such Director;

(b) any firm in which any such Director or relative is a partner;

(c) any private company of which any such Director is a Director or member;

(d) any body corporate at a General Meeting of which not less than twenty five per cent of the total voting power may be exercised or controlled by any such Director, or by two or more such Directors together; or

(e) any body corporate, the Board of Directors, Managing Director, or Manager whereof is accustomed to act in accordance with the directions or instructions of the Board or of any Director or Directors of the Company.

(2) Clause (1) of this Article shall not apply to any loan made, guarantee given or security provided to its subsidiary.

Saving regarding book debts

(3) Section 295 of the Act shall apply to any transaction represented by a book debt which was from its inception in the nature of a loan or an advance.

Board's sanction to be required for certain contracts in which particular Directors are interested

143. A Director of the Company or his relative, a firm in which such Director or relative is a partner, any other partner in such firm or a private company of which the Director is a member or director may, subject to the provisions of Section 297 of the Act and with the consent of the Board of Directors of the Company enter into any contract with the Company

(i) for the sale, purchase and supply of any goods, materials, or services; or

(ii) for underwriting the subscription of any shares in or debentures of the Company.

Every consent of the Board required under this Article shall be accorded by a resolution passed at a meeting of the Board and not otherwise and subject to the

provisions of Section 297 of the Act, such consent shall be accorded before the contract is entered into or within three months of the date on which it was entered into.

ROTATION OF DIRECTORS

Rotation of Directors

144. Not less than two-thirds of the total number of Directors shall (a) be persons whose period of office is liable to determination by retirement of Directors by rotation and (b) save as otherwise expressly provided in the Act, be appointed by the Company in General Meeting.

Ascertainment of Directors retiring by rotation and filling up vacancies

145. (1) At every Annual General Meeting one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office.

(2) The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire, shall in default of and subject to the agreement among themselves be determined by lot.

(3) At the Annual General Meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointment of the retiring Director or other person thereto.

(4) (a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place or if that day is a public holiday till the next succeeding day which is not a public holiday, at the same time and place.

(b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting has also not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting unless

(i) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost.

(ii) the retiring Director has by notice in writing addressed to the Company, or its Board of Directors expressed his unwillingness to be so reappointed.

(iii) he is not qualified or is disqualified for appointment,

(iv) a resolution, whether special or ordinary is required for his appointment or reappointment by virtue of any provisions of the Act, or

(v) the proviso to sub-section(2) of Section 263 of the Act is applicable to the case.

(5) Where a Director is to retire at any Annual General Meeting by virtue of sub-section (2) of Section 256 of the Act, he shall be deemed for the purposes of that Section, to retire by virtue of sub-section (2) of Section 256 of the Act.

Removal of Directors

146. Subject to the provisions of Articles 123A, 124 and 125 the Company may by Ordinary Resolution remove any Director (not being a Director appointed by the Central Government in pursuance of Section 408 of the Act) in accordance with the provisions of Section 284 of the Act. A Director so removed shall not be reappointed a Director by the Board of Directors.

Right of persons other than retiring Directors to stand for Directorship

147. A person who is not a retiring Director shall subject to the provisions of the Act, be eligible for appointment to the office of Director at any General Meeting if he or some member intending to propose him has not less than fourteen days before the Meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office as the case may be along with a deposit of Rs. 500/- which shall be refunded to such person or as the case may be, to such member if the person succeeds in getting elected as a director.

The Company shall inform its members of the candidature of a person for the office of the Director or the intention of a member to propose such person as a candidate for that office by serving individual notice on the members not less than seven days before the meeting.

Provided that it shall not be necessary for the Company to serve individual notices upon the members as aforesaid if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the place where the Registered Office of the Company is located, of which one is published in English language and the other in the regional language of that place.

Consent of candidate for Directorship to be filed with the Registrar

148. (1) Every person (other than a person who has left at the office of the Company a notice under Section 257 signifying his candidature for the office of Director) proposed as candidate for the office of a Director shall sign and file with the Company his consent in writing to act as a Director, if appointed.

(2) A person other than a Director reappointed after retirement by rotation, shall not act as a Director of a Company, unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.

PROCEEDINGS OF DIRECTORS

Meeting of Directors

149. The Directors may meet together as a Board for despatch of business, from time to time and shall hold a meeting at least once in every three months and at least four such meetings shall be held in every year. They may adjourn and otherwise regulate their meetings and proceedings as they may think fit.

When meeting to be convened

150. A Director may and the Manager or Company Secretary on the requisition of a Director shall at any time summon a meeting of the Board of Directors.

Notice of Meeting to Directors

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

Questions at Board Meeting how decided

152. Questions arising at any time shall be decided by majority of votes and in case of an equality of votes, the Chairman shall have a second or casting vote.

Who to preside at meetings of the Board

153. (a) The Directors shall elect from among themselves Chairman and Vice-Chairman for such period as the resolution appointing them may specify.

(b) All meetings of the Directors shall be presided over by the Chairman. But, if at any meeting of the Directors the Chairman is not present at the time appointed for holding the same, then and in that case, the Vice-Chairman shall preside over the meetings of the Directors. If both the Chairman and Vice-Chairman be not present for presiding over the meetings of the Directors as aforesaid, the Directors shall choose one of the Directors then present to preside at the meeting.

153 (c) -

(i)	The Board shall be entitled to appoint any present or former Chairman, who has rendered significant or distinguished services to the Company or to the industry to which the Company's business relates or in the public field, as the Chairman Emeritus of the Company;	Appointment of Chairman Emeritus of the Company
(ii)	The Chairman Emeritus shall hold office until for life or for such period as may be determined by the Board of Directors;	
(iii)	The Chairman Emeritus may attend any meetings of the Board or Committees thereof; but shall not have any right to vote or shall not be deemed to be a party to any decision of the Board or any Committee thereof;	
(iv)	The Chairman Emeritus shall be entitled to receive all notices of the Board meetings or meetings of the Committees thereof, along with all other relevant documents (including the agenda, notes to agenda, etc.), simultaneous to the same being sent to the directors of the Company prior to the convening of the Board meeting or meetings of the Committees thereof;	
(v)	The Chairman Emeritus shall not be deemed to be a Director or "Officer" for any purposes of the Act or any other Statute or Rules made thereunder or these Articles of Association, including for the purpose of determining the maximum number of directors which the Company can appoint;	
(vi)	The Chairman Emeritus may provide guidance, mentorship and support to the Company and its Board of Directors, its Committees and management and generally advise the Company / Board of Directors / management of the Company, from time to time;	
(vii)	The advice provided by the Chairman Emeritus will not be binding on the Board / Board Committees of the Company;	
(viii)	Subject to the applicable statutory provisions, the Board may decide to make payments and provide amenities and facilities to the Chairman Emeritus for any services rendered by the Chairman Emeritus towards the Company; and	
(ix)	The Chairman Emeritus of the Company shall be indemnified by the Company out of the funds of the Company to pay all costs, losses and expenses which such Chairman Emeritus, acting in relation to any of the affairs of the Company, may incur or become liable to by reason of any act or deed done by him in discharge of his duties.	

(Inserted vide Special Resolution passed by the members of the Company in its Annual General Meeting held on 25 September 2024)

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154. The quorum at meetings of the Directors shall be that prescribed by Section 287 of the Act. — Quorum

155. A Meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations or articles of the Company for the time being vested in or exercisable by the Directors generally. Provided that where at any time the number of interested Directors exceeds or is equal to 2/3 rd of the total strength, the number of 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. — Quorum competent to exercise power

156. If a meeting of the Board could not be held for want of quorum, then the meeting shall stand dissolved. — Procedure where meeting adjourned for want of quorum

The provisions of Section 285 of the Act shall not be deemed to have been contravened merely by reason of the fact that a meeting of the Board which had been called in compliance with the terms of that section could not be held for want of a quorum.

157. Subject to Section 292 of the Act, the Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit, and they may from time to time revoke such delegation. Any Committee so formed shall in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Directors and subject thereto may regulate its own procedure. — Directors may appoint committee

158. No resolution shall be deemed to have been duly passed by the Board, or by a committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or to all the members of the committee, 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 at their usual address in India and has been approved by such of the Directors as are then in India or by a majority of such of them as are entitled to vote on the resolution. — Resolution by circular

159. Subject to the provisions of Sections 252, 255, and 259 of the Act, the Company in General Meeting may, by ordinary Resolution, increase or reduce the number of its Directors within the limits fixed in that behalf by the Articles. — Increase of number of Directors etc.

160. Subject to the provisions of Sections 260, 261, 262 and 284 of the Act, the Directors shall have power at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board but so that the total number of Directors shall not exceed the maximum number fixed by the Article. — Additional Directors and casual vacancies

An additional Director appointed pursuant to this Article shall hold office only up to the date of the next Annual General Meeting of the Company but shall be eligible for re-election thereat.

Any person appointed to fill a casual vacancy pursuant to this Article shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated.

Acts of Board or Committee valid notwithstanding defect of appointment

161. All acts done by any meeting of the Directors or by a Committee of Directors, or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or person acting as aforesaid, or that they or any of them were disqualified or that their or his appointment had terminated by virtue of any provision contained in the Articles or the Act, be as valid as if every such person had been duly appointed and was qualified to be a Director.

Minutes of proceedings of the Board and the Committee to be valid

162. The Directors shall cause minutes to be duly entered in a book or books provided for the purpose in accordance with the Articles and Section 193 of the Act.

Register of Directors

163. The Directors shall cause to be kept at the Registered office (a) a Register of the Directors and Managers of the Company containing the particulars required by Section 303 of the Act and (b) a Register of contracts of companies and firms in which they are interested, containing the particulars required by Section 301 of the Act and (c) a Register of Directors' shareholdings containing the particulars required by Section 307 of the Act. They shall also cause to be kept other Registers and indices as required by the Act.

Inspection of Register

164. The Company shall comply with the provisions of the said Sections 301, 303, 307, and other Sections of the Act with regard to inspection thereof and furnishing copies or extracts so far as the same shall be applicable to the Company.

POWERS OF DIRECTORS

General powers of the Company vested in Directors

165. Subject to the provisions of the Act the Management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorised to exercise and do and are not hereby or by Statute or otherwise directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and any other Act and of the Memorandum of Association and the Articles and to any regulations not being inconsistent with the Memorandum of Association and the Articles or the Act from time to time made by the Company in General Meeting. Provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. The restrictions contained in Sections 292, 293, 294, 295, 297, 299, 300, 370 and 372 shall be observed in regard to matters therein mentioned so far as the same shall be applicable to the Company.

Specific powers given to Directors

166. Without prejudice to the general powers conferred by the last preceding article and the other powers conferred by these presents and so as not in any way to limit or restrict any or all those powers, it is hereby expressly declared that subject as aforesaid, the Directors shall have the following powers :-

(1) To pay the costs, charges and expenses, preliminary and incidental to the promotion, formation, establishment and registration of the Company.

(2) To pay and charge to the capital account of the Company any interest lawfully payable there out under the provisions of Section 208 of the said Act.

(3) (a) to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit.

(b) to acquire by purchase, lease or in exchange or otherwise lands, buildings, hereditaments, machinery, rights, privileges or properties movable and immovable.

(c) to erect, construct, enlarge, improve, alter, maintain, pull down, rebuild or reconstruct any buildings factories, offices, workshops or other structures necessary or convenient for the purpose of the Company and to acquire lands for the purposes of the Company.

(d) to let, mortgage, charge, sell or otherwise dispose of, subject to the provisions of Section 293 of the Act any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, on the security of the properties mortgaged or charged in favour of the Corporation without the previous consent of the Corporation in writing.

(4) At their discretion to pay for any property rights or privileges acquired by or services rendered to the Company either wholly or partially in cash or in shares, bonds, debentures, debenture-stock or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture-stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

(5) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper, all or any part of the buildings, machinery, goods, stores, produce and other movable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.

(6) Subject to Section 292 of the Act, to open accounts with any Bank or Bankers or with any Company, firm or individual and to pay money into and draw money from any account from time to time as the Directors may think fit.

(7) To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being or in such other manner as they may think fit.

(8) To attach to any shares to be issued as the consideration or part of the consideration for any contract with or property acquired by the Company, or in payment for service rendered to the Company, such conditions subject to the provisions of the Act as to the transfer thereof as they think fit.

(9) To accept from any member on such terms and conditions as shall be agreed a surrender of his shares or stock or any part thereof subject to the provision of the Act.

(10) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration of such Trustee or Trustees.

(11) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company and also subject to the provisions of Section 293 of the Act to compound and allow time for payment or satisfaction of any debts, dues or of any claims or demands by or against the Company.

(12) To refer, subject to the provisions of Section 293 of the Act, any claims or demands by or against the Company to arbitration and observe and perform the awards.

(13) To act on behalf of the Company in all matters relating to bankrupts and insolvents.

(14) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company subject to the provisions of Section 293 of the Act.

(15) To determine from time to time who shall be entitled to sign on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents.

(16) Subject to the provisions of Section 292 and 293 of the Act, to invest and deal with any of the moneys of the Company not immediately required for the purposes thereof upon such shares, securities, or investments (not being shares in this Company) and in such manner as they may think fit, and from time to time to vary or realise such investments.

(17) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property present and future as they think fit and any such mortgage may contain a power of sale and such other powers, convenants and provisions as shall be agreed on.

(18) Subject to such sanction as may be necessary under the Act or the Articles to give to any Director, officer or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise and such interest or commission shall be treated as part of the working expenses of the Company.

(19) To provide for the welfare of employees or ex-employees of the Company and the wives, widows and families of the dependants or connections of such persons by building or contributing to the building of houses, dwellings or chawls or by grants of money, pensions, allowances, bonus or other payments or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds or

trusts and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or objects which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation or of public and general utility or otherwise.

(20) To subscribe or contribute or otherwise to assist or guarantee money to public, political and any other institutions, funds, objects or purposes which in the opinion of the Board of Directors are likely to promote the interest or the business of the Company or to further its objects and/ or to charitable and other funds not directly relating to the business of the Company or the welfare of its employees or for any exhibition.

(21) Before recommending any dividend to set aside out of the profits of the Company, such sums as they think proper for depreciation or to Depreciation Fund or Reserve Fund or Sinking or any other Special Fund to meet contingencies or to repay Redeemable Preference Shares/Debentures or/Debenture-stock or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any part of the property of the Company and for such other purposes as the Directors may, in their absolute discretion think conducive to the interests of the Company notwithstanding that the matters to which the Directors apply or upon which they may expend the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund into such Special Funds, as the Directors think fit and to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in repayment or redemption of Redeemable preference Shares, Debentures or Debenture-stock and that without being bound to keep the same separate from others bound to pay interest on the same, with power, however, to the Directors at their discretion to pay or allow to the credit of such Fund interest at such rate as the Directors may think proper.

(22) To appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and Servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit. And from time to time to provide for the management and transaction of the affairs of the Company in any special locality in India in such manner as they think fit and the provisions contained in clauses 24 and 25 of this article followed shall be without prejudice to the general powers conferred by this clause.

(23) To comply with the requirements of any local law which in their opinion, itshall in the interests of the Company be necessary or expendient to comply with.

(24) To establish any Local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of any Local Boards and to fix their remuneration and from time to time and at any time but subject to Section 292 of the Act, to delegate to any person so appointed any of the

powers, authorities and discretions for the time being vested in the Directors, other than their powers to make calls and to authorise the members for the time being of any such Local Board , 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 Directors may think fit and the Directors may at any time remove any person so appointed and may annul or vary any such delegation. Any such delegates as aforesaid, may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

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

(26) Subject to the provisions of the Act generally and from time to time and at any time to authorise, empower or delegate to (with or without powers of such delegation) any officer or officers or employee for the time being of the Company all or any of the powers, authorities and discretions for the time being vested in the Directors by these presents, subject to such restrictions and conditions, if any, as the Directors may think proper.

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

MANAGING OR WHOLE TIME DIRECTOR (S)

Appointment of Managing Director or Whole Time Director(s)

167. (A) Subject to the provisions of Sections 197A, 267, 268, 269, 309, 310, 311, 316 and 317 and other applicable provisions of the Act, the Company in General Meeting or the Directors may from time to time appoint anyone or more of their body to be a Managing Director or Managing Directors (in which expression shall be included a Joint Managing Director or a Deputy Managing Director) or Whole Time Director or Whole Time Directors of the Company for such term not exceeding five years at a time as may be thought fit to manage the business and affairs of the company and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from such office and appoint another or others in his or their place or places.

Not liable to retire

167. (B) The Managing Director or Whole Time Director, while he continues to hold that office shall not be subject to retirement by rotation but he shall,

subject to the provisions of any contract between him and the Company, be subject to the same provisions as to resignation or removal of the other Directors of the Company and he shall ipso facto immediately cease to be Managing Director or Whole Time Director if he ceases to hold the office of a Director for any cause; provided that if at any time the number of Directors (Including the Managing Director or Whole Time Director) as are not subject to retirement by rotation shall exceed one-third of the total number of the Directors for the time being, then such Managing Director or Managing Directors or Whole Time Director or Whole Time Directors as the Directors shall from time to time select shall be liable to retirement by rotation to the extent that the Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being.

A Managing Director or a Whole Time Director, who is reappointed as a Director immediately on retirement by rotation, shall continue to hold his office of Managing Director or Whole Time Director and such reappointment as such Director shall not be deemed to constitute a break in his appointment, as Managing Director or Whole Time Director.

167. (C) The remuneration of a Managing Director of Whole Time Director shall subject to the provisions of any contract between the Company and him be from time to time fixed by the Board of Directors and subject to the provisions of the Act, may be by way of fixed salary or commission on profit of the Company, or by any or all these modes and may be in addition to the remuneration for attendance at the Board Meetings and any other remuneration which may be provided under any other Articles.

Remuneration of Managing Director or Whole Time Director (s)

167. (D) The Directors may from time to time subject to the provisions of the Act entrust to or confer upon the Managing Director or Whole Time Director for time being, such of the powers exercisable by the Directors under these presents or by law, as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think fit, and they may confer such powers either collaterally with or to the exclusion of or in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

Powers and duties of Managing or Whole Time Director(s)

Without prejudice to the generality of foregoing provisions of these Articles of Association and subject to the superintendence, direction and control of the Board of Directors of the Company and subject to the provisions of the Act and subject to the restrictions imposed by the Act on exercise by the Managing Director of his powers the Managing Director shall have the general conduct and management of the whole of the business and affairs of the Company except in matters which may be specifically required to be done by the Board of Directors either by the Act or by the Articles; in particular and without in any way restricting the general powers hereinbefore conferred, the Managing Director shall subject as aforesaid, have and exercise on behalf of the company the powers conferred by the Agreement or Board Resolution appointing the Managing Director and by the Articles from time to time and by the Directors from time to time.

SEAL

The seal, its custody and use

168. The Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and the Directors shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by or under authority of the Directors or a Committee of the Directors previously given and in presence of one Director at the least, who shall sign every instrument to which the Seal is affixed and every such instrument shall be countersigned by the Company Secretary or such other officer or person as the Directors may from time to time resolve. PROVIDED THAT in the case of any certificate of title to any shares of the company, the Common Seal, shall be affixed thereto as provided hereinabove and in accordance with the Companies (Issue of Share Certificates) Rules, 1960.

Seals abroad

The Company may exercise the powers conferred by Section 50 of the Act and such powers shall accordingly be vested in the Directors.

INTEREST OUT OF CAPITAL

Payment of interest out of capital

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

DIVIDENDS

Division of profits

170. The profit of the Company subject to any special rights relating thereto created orauthorised to be created by the Memorandum and the Articles and subject to theprovisions of the Articles shall be divisible among the members in proportion tothe amount of capital paid up on the shares held by them respectively.

Dividend not to be paid except to registered shareholders

171. No dividend shall be paid by the Company in respect of any share except to the registered holder of such share or to his order or to his Banker.

Dividend to be paid within 42 days.

172. Where a dividend has been declared by the Company it shall be paid within forty- two (42) days from the date of the declaration except as provided in Section 207 of the Act.

Capital paid up in advance at interest not to earn dividend

173. Where the capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest confer a right to participate in profits.

Dividend in proportion to amount paid up

174. The Company shall pay dividends in proportion to the amount paid up or credited as paid up on each share, where a larger amount is paid up or credited as paid up on some of the shares than on others.

Company in General Meeting may declare dividend

175. The Company in General Meeting may declare a dividend to be paid to the members according to their respective rights and interests in the profits and may fix the time for payment.

Power of Directors to limit dividend

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

Dividend to be paid only out of profits

177. No dividend shall be declared or paid by the Company for any financial year except out of the profits of the Company for that year arrived at after providing

for depreciation in accordance with the provisions of Section 205 or out of undistributed profits for any previous financial year or years arrived at after providing for such depreciation in accordance with the provisions of Section 205 and remaining undistributed or out of both or out of moneys provided by the Central Government or a State Government for the payment of dividend in pursuance of a guarantee given by the Government. No dividend shall carry interest as against the Company.

178. The declaration of the Directors as to the amounts of the net profits of the Company shall be conclusive. — Declaration as to net profits

179. The Directors may, from time to time pay to the members such interim dividends as in their judgement the position of the Company justifies. The provisions of Articles 173 and 174 shall apply in regard to payment thereof. — Interim dividends

180. The Directors may retain the dividends payable upon shares in respect of which any person is, under the Transmission Clause, entitled to become a member, of which any person under that clause is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same. — Retention of dividend until completion of transfer

181. Subject to the provisions of the Act no member shall be entitled to receive payment of any interest or dividend in respect of his share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares either alone or jointly with any other person or persons and the Directors may deduct from the interest or dividend payable to any member, all sums of money so due from him to the Company. — No member to receive dividend whilst indebted to the Company and the Company's rights to reimbursement therefrom

182. Subject to the provisions contained in Section 206A of the Companies Act, 1956, transfer of share shall not pass the right to any dividend declared thereon before the registration of the transfer. — Transferred shares must be registered

183. Unless otherwise directed, any dividend may be paid by cheque or warrant sent through post to the registered address of the member or person entitled or in case of joint holders to that one of them first named in the register in respect of the joint holding. Every such 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 lost in transmission or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means. — Dividends new remitted

184. All unpaid or unclaimed dividends shall be dealt with in accordance with the provisions of Section 205A of the Act. — Unclaimed dividend

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

186. The making of a call under the preceding Article 185 shall be deemed ordinary business of an Annual General Meeting which declares a dividend. — Set off allowed

187. Subject to the provisions of Section 205 of the Act, and if and in so far as it may not be prohibited by that Section or any other provisions of the Act, any General Meeting sanctioning or declaring a dividend in terms of these Articles may direct payment of such dividend wholly or in part by the distribution of (a) partly or fully paid up shares, (b) debentures or debenture-stock, (c) any specific — Special Provision in reference to dividend

assets or property of the Company, or in anyone or more of such ways and the Directors shall give effect to such direction and where any difficulty arises in regard to the distribution they may settle the same as they think expedient and in particular may issue fractional certificates and may fix the value for the distribution of such specific assets or any part thereof and may determine that such payments shall be made to any members upon the footing of the value so fixed fractions of less value than one rupee may be disregarded in order to adjust the rights of the parties and may vest any such shares, debentures, debenturestock or specific assets in trustees upon such trusts for the person entitled to the dividends as may seem expedient to the Directors. Where requisite, the Directors shall comply with Section 75 of the Act and the Directors may appoint any person to sign any contract thereby required on behalf of the person entitled to the dividend and such appointment shall be effective.

CAPITALISATION

Capitalisation

188. Any General Meeting may resolve that any moneys, investments or other assets forming part of the undivided profits (including profits or surplus moneys arising from realisation of any capital assets of the Company), standing to the credit of the Reserve Fund or any other fund of the Company or in the hands of the Company and available for dividend or representing the premiums received on the issue of shares and standing to the credit of the share premium account be capitalized

(1) by the distribution among the holders of the shares of the Company or any of them on the footing that they become entitled thereto as capital in accordance with the respective rights and interests and in proportion to the amounts paid or credited as paid thereon of paid up shares, debentures or debenture-stock, bonds or other obligations of the Company, or

(2) by crediting shares of the Company which may have been issued and are not fully paid up, in proportion to the amounts paid or credited as paid thereon respectively with the whole or any part of the sums remaining unpaid thereon. And the Directors shall give effect to such resolution and apply such portion of the profits or Reserve Fund or any other fund as may be required for the purposes of making payment in full or part for the shares, debentures or debenture-stock, bonds or other obligations of the Company so distributed 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, 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 shareholders in full satisfaction of their interest in the said capitalised sum. For the purpose of giving effect to any such resolution, the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificate and generally may make such arrangement for the acceptance, allotment and sales of such shares, debentures, debenture-stock, bonds or other obligations and fractional certificates or otherwise as they may think fit and may make cash payments to any holders of shares on the footing of the value so fixed in order to adjust rights and may vest any shares, debentures, debenture-stock, bonds or other obligations in trustees upon such trusts for adjusting such rights as may seem expedient to the Directors. In cases where some of the shares of the Company are fully paid and others are partly paid only, such capitalisation may be effected by the

distribution of further shares in respect of the fully paid shares and by crediting the partly paid shares with the whole or part of the unpaid liability thereon so that as between the holders of the fully paid shares and the partly paid shares the sums so applied in the payment of such further shares and in the extinguishment or diminution of the liability on the partly paid shares shall be so applied pro rata in proportion to the amounts then already paid or credited as paid on the existing fully paid and partly paid shares respectively. When deemed requisite, a proper contract shall be filed in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the holders of the shares of the Company which have been issued prior to such capitalisation and such appointment shall be effective.

ACCOUNTS

Accounts

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

Books of accounts to be kept

190. The Company shall cause proper books of accounts to be kept with respect to :-

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

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

(c) the assets, credits and liabilities of the Company.

The books of account shall be kept at the Registered Office of the Company or subject to the provisions of Section 209 of the Act such other place or places as the Directors think fit and shall be open to inspection by the Directors during business hours.

Inspection by members of accounts and books of the Company.

191. The Directors shall, subject to the provisions of Section 209, from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors and no member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by law or authorised by the Directors or by the Company in General Meeting.

The books of account shall be open to inspection by any Director during business hours.

Statement of accounts and report to be furnished to General Meeting

192. (1) Once at least in every calendar year, the Directors shall lay before the Company at the Annual General Meeting held in pursuance of Section 166 of the Act:

(a) a Balance Sheet as at the end of the period specified in Section 210 of the Act, and

(b) a Profit and Loss Account for the period.

(2) The Profit and Loss Account shall relate to the period beginning with the day immediately after the period for which the account was last submitted and ending with a day which shall not precede the day of the meeting by more than six months or in case where an extension of time has been granted for holding the meeting under the second proviso to Sub-section (1) of Section 166 by more than 6 months and the extension so granted.

(3) Every Balance Sheet of the Company shall give a true and fair view of the state of affairs of the Company as at the end of the financial year and shall subject to the provisions of Section 211 of the Act, be in the form required by the Act.

(4) Every Profit and Loss Account of the Company shall give a true and fair view of the profit and loss of the Company for the financial year and shall subject to the provisions of Section 211 of the Act, comply with the requirements of the Act relating thereto.

(5) The provisions of Section 212 to 214 of the Act shall be complied with whenever the same be applicable.

(6) The authentication of the Balance Sheet and Profit and Loss Account shall be done in the manner required by Section 215 of the Act.

(7) The Profit and Loss Account shall be annexed to the Balance Sheet and the Auditors' Report (including the Auditors' special or supplementary reports, if any) shall be attached thereto.

(8) There shall be attached to every Balance Sheet laid before the Company in General Meeting a Report of the Board of Directors with respect to :

(a) the state of the Company's affairs;

(b) the amounts, if any, set aside by them purported to be set aside for any reserves in such Balance Sheet;

(c) the amount, if any, which is recommended should be paid by way of dividend;

(d) material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the report.

The Directors' Report shall comply with other requirements of Section 217 of the Act.

Balance sheet and other documents to be sent to the address of every member

193. (i) The Balance Sheet and the Profit and Loss Account shall be signed by the person or persons and in the manner laid down in Section 215 of the Act so far as applicable to the Company.

(ii) A copy of every Balance Sheet (including the Profit and Loss Account, the Auditors' report and every other document required by law to be annexed or attached, as the case may be, to the Balance Sheet) which is to be laid before a Company in General Meeting shall, not less than 21 days before the date of the meeting, be sent to every member of the Company, to every trustee for the holders of any Debentures issued by the company, whether such member or trustee is or is not entitled to have notices of General Meetings of the company sent to him, and to all persons other than such members or trustees, being persons so entitled;

PROVIDED THAT this Article shall not require a copy of the documents aforesaid to be sent:

a. to a member, or holder of Debentures of the company, who is notentitled to have notices of General Meetings of the company sent to him and of whose address the company is unaware;

b. to more than one of the jointholders of any Shares or Debentures none of whom is entitled to have such notices sent to him.

c. in the case of joint holders of any Shares or Debentures some of whom are and some of whom are not entitled to have such notices sent to them, to those who are not so entitled;

d. if the copies of the documents aforesaid are made available for inspection at the Registered Office during working hours for a period of 21 days before the date of the meeting and a statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid, as the company may deem fit, is sent to every member of the Company and to every trustee for the holders of any Debenture issued by the company not less that 21 days before the date of the meeting.

(iii) Any member or holder of Debentures of a company and any person from whom the company has accepted a sum of money by way of deposit shall, on demand, be entitled to be furnished free of cost, with a copy of the last Balance Sheet of the company and of every document required by law to be annexed or attached thereto including the Profit and Loss account and the auditors' report.

(iv) The company shall comply with all the requirements of section 219 of the Act in this behalf.

Copy of Balance Sheet, Profit & Loss Account & Auditors' Report to be filed with the Registrar of Companies.

194. After the Balance Sheet and Profit and Loss Account have been laid before the Company at the General Meeting, three copies thereof signed as may be required by the Act shall be filed with the Registrar, in accordance with the provisions of Section 220 of the Act, together with the Annual List of Members and certificates, if any, prepared in accordance with the requirements of Section 159 of the Act so far as the same be applicable to the Company.

AUDIT

Accounts to be Audited

195. Once at least in every year the accounts of the Company shall be examined, balanced and audited and the correctness of the Profit and Loss Account and Balance Sheet ascertained by one or more Auditor or Auditors.

Appointment of Auditors

196. The Company shall appoint an Auditor or Auditors at each Annual General Meeting and the provisions of Sections 224 to 230 (inclusive) of the Act with regard to the appointment, remuneration, removal, qualification, disqualification, powers and duties, audits of branch office and signature of Audit Report and reading and inspection of the Report shall apply so far as the same may be applicable to the Company. The Company shall comply with the provisions of those Sections so far as the same may be applicable to the Company. The Company and the Directors, as the case may be, may fix the remuneration of the Auditor or Auditors as the Company or the Directors, as the case may be, may think fit, subject to any provisions of the Act in that behalf and may pay the same.

Accounts when audited and approved to be conclusive except as to errors discovered within three months

197. Every account when audited and approved by a General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period the accounts shall forthwith be corrected and thenceforth shall be conclusive.

NOTICES

Notices, Service of Notice on the Company

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

The term 'Notice' in this and the following Articles shall include summons, notice, requisition order or legal process and any document in relation to winding up of the Company.

Service of Notice on the Registrar

199. A notice may be served on the Registrar by sending it to him at his office by post under a certificate of posting or by Registered Post, or by delivering it to, or leaving it for him at his office.

Service of notice on members by the Company

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

(2) Where a notice is sent by post:

(a) service thereof shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document, provided that where a member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document shall not be deemed to be effected unless it is sent in the manner intimated by the member; and

(b) unless the contrary is proved, such service shall be deemed to have been effected:

(i) in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the same is posted, and

(ii) in any other case, at the time at which the letter should be delivered in the ordinary course of post.

(3) A notice advertised in a newspaper circulating in the neighbourhood of the Registered Office of the Company shall be deemed to be duly served on the day on which the advertisement appears, on every member of the Company who has no registered address in India and has not supplied to the Company an address within India for the giving of notice to him.

(4) A notice may be served by the Company on the joint holder of a share by serving it on the joint holder named first in the Register in respect of the shares.

(5) A notice may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name or by title of representatives of the deceased or assigns, of the insolvent or by

any like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been so supplied by serving the document in any manner in which it might have been served if the death or insolvency had not occurred.

Persons entitled to notice of General Meeting

201. Subject to the provisions of the Act, notice, of every General Meeting shall be given :

(1) to every member of the Company in the manner authorised by Sub-section (1) to (4) of Section 53 of the Act,

(2) to the persons entitled to a share in consequence of the death or insolvency of a member under Section 172 (2) (ii) of the Act.

(3) to the Auditor or Auditors, in the manner authorised by Section 53 of the Act in the case of any member or members of the Company.

Notice by the Company and signatures thereto

202. Any notice to be given by the Company shall be signed by a Director the Company Secretary or by such officer as the Directors may appoint and the signatures thereto may be written, printed or lithographed.

Authentication of documents and proceedings

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

WINDING UP

Distribution of assets

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

But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions,

Distribution in specie or kind

205. Subject to the provisions of the Act:

(1) If the Company shall be wound up whether voluntarily or otherwise the Liquidators may with the sanction by a Special Resolution divide amongst the contributories in specie or kind, any part of the assets of the Company and may, with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories, or any of them as the Liquidators, with the like sanction, shall think fit.

(2) If thought expendient any such division may, subject to the provisions of the Act, be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given (subject to the provisions of the Act) preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with legal right of the contributories shall be determined on any contributory who would be prejudiced thereby shall have the right if any, and ancillary rights to dissent if such right be given by the Act.

(3) In case any shares to be divided aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares may within ten days after the passing of the resolution, by notice in writing direct the Liquidators to sell his proportion and pay him the net proceeds and the liquidators shall, if practicable act accordingly.

Rights of shareholders in case of sale

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

SECRECY CLAUSE

Secrecy Clause

207. Subject to the provisions of the Act, no member shall be entitled to visit or inspect any Works of the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's business or trading, or any other matter which is or may be in the nature of a trade secret, mystery of trade or secret process or which may relate to the conduct of the business of the Company and which, in the opinion of the Directors, will be inexpedient in the interests of the members of the Company to communicate to the public.

INDEMNITY AND RESPONSIBILITY

Directors' and others' right to indemnity

208. (a) Subject to the provisions of Section 201 of the Act, every Director of the Company, the Manager, Company Secretary and other Officer or employee of the Company shall be indemnified by the Company against and it shall be the duty of the Directors, out of the funds of the Company to pay all costs/losses and expenses (including travelling expenses) which such Director, Manager, Company Secretary and other officer or employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Director, Manager, Company Secretary, Officer or Servant or in any way in the discharge of his duties and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority between the members over all other claims.

(b) Subject as aforesaid every Director, Managing Director, Manager, Company Secretary or other Officer and employee of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 633 of this Act in which relief is given to him by the Court.

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

Not responsible for acts of others

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

No.	Name, Address and Occupations of the Subscribers	Signature of the Subscribers	Names, Address, Occupation of Witness	
1.	K. G. Khosla S/o. Late Shri. R. N. Khosla 11, Prithvi Raj Road, New Delhi 110 011 - Industrialist	Sd/-		
2.	Mrs. Kanwal Khosla W/o. Shri. K. G. Khosla 11, Prithvi Raj Road, New Delhi 110 011 - Business Executive	Sd/-		
3.	For K. G. Khosla Compressors Ltd. 1, Deshbandhu Gupta Road, New Delhi 110 055 - Industry	Sd/- K. G. Khosla Mg. Director		
4.	B. N. Kapur S/o. Late Shri. R. C. Kapur 10/9, East Patel Nagar, New Delhi - Business Executive	Sd/-	Sd/- (B. P. Chand) S/o. Late Sh. Diwan Sansar Chand C-5/197, Janak Puri, NEW DELHI Service	
5.	K. L. Mehra S/o. Shri. R. R. Mehra 130, Double Storey, New Rajinder Nagar, New Delhi - Business Executive	Sd/-		
6.	Deepak Khosla S/o. Shri. K. G. Khosla 11, Prithvi Raj Road, New Delhi 110 011 - Industrialist	Sd/-		
7.	Mrs. Deepti Khosla W/o. Mr. Deepak Khosla 11, Prithvi Raj Road, New Delhi 110 011 - Business Executive	Sd/-		

New Delhi, Dated the 27th May, 1978.

The Scheme of Amalgamation

OF

KIRLOSKAR OIL ENGINES LIMITED

WITH

PRASHANT KHOSLA PNEUMATICS LIMITED

A. In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

(i) "The Transferor Company" means Kirloskar Oil Engines Limited (KOEL), an existing Company under Section 3 of the Companies Act, 1956, having its Registered Office at Laxmanrao Kirloskar Road, Khadki, Pune 411 003, Maharashtra.

(ii) "The Transferee Company" means Prashant Khosla Pneumatics Limited (PKPL), a Company incorporated under the Companies Act 1956, having its Registered Office at Laxmanrao Kirloskar Road, Khadki, Pune 411 003, Maharashtra.

(iii) "The Act" means the Sick Industrial Companies (Special Provisions) Act, 1985.

(iv) "The BIFR" means the Board for Industrial and Financial Reconstruction constituted under Section 4 of the Act.

(v) "The Transfer Date" means April 1, 1994.

(vi) "The Effective Date" means the date on which this Scheme shall become effective, namely the date on which a certificate of incorporation is issued by the Registrar of Companies, Maharashtra, with the changed name of the Transferee Company as contemplated in clause 8 (a) of this Scheme or on which the last of the approvals hereinafter provided will have been obtained, whichever is later. However, the Effective Date for the purpose of Income Tax Act shall be April 1, 1994 and for the purpose of allotment of Transferee Company's shares, the date may be fixed by the Board of Directors of the Transferee Company.

(vii) "The Scheme" means the Scheme of Amalgamation of KOEL with PKPL as contained herein, or as sanctioned by the BIFR, with modifications, if any.

B. As on March 31, 1995, the Authorised Share Capital of the Transferor Company is Rs. 27,00,00,000 divided into 2,20,00,000 Equity Shares of Rs. 10 each and 50,00,000 Preference Shares of Rs.10 each. The issued share capital is Rs. 17,59,45,330 divided into 1,64,44,533 Equity Shares of Rs. 10 each and 11,50,000 Preference Shares of Rs. 10 each, and subscribed share capital is Rs. 13,07,93,690 divided into 1,21,24,369 Equity Shares of Rs. 10 each and 9,55,000 Preference Shares of Rs. 10 each. The paid-up share capital is Rs. 13,07,86,890 divided into 1,21,24,369 Equity Shares of Rs. 10 each (less calls in arrears Rs. 6,800) and 9,55,000 Preference Shares of Rs. 10 fully paid.

C. As on March 31, 1995, the Authorised Share Capital of the Transferee Company is Rs. 5,00,00,000 divided into 50,000 Preference Shares of Rs. 100 each and 45,00,000 Equity Shares of Rs. 10 each. The issued, subscribed and paid-up capital is Rs. 2,18,50,000 divided into 21,85,000 Equity Shares of Rs. 10 each fully paid up.

D. "The Financial Institutions and Banks" means the Industrial Credit and Investment Corporation of India Ltd. (ICICI), Unit Trust of India (UTI), General Insurance Corporation of India (GIC), Oriental Insurance Company (OIC), National Insurance Company (NIC), State Industrial and Investment Corporation of Maharashtra (SICOM) and Punjab National Bank (PNB).

THE SCHEME:

1. (a) The undertaking of the Transferor Company shall, with effect from the Transfer Date and without any further act or deed, without executing any instrument and without the payment of any stamp duty, if any, applicable under the Stamp Act of the State in which the transfer will be deemed to have taken place, be deemed to have been transferred to and vested in the Transferee Company pursuant to an order to that effect by the BIFR for all the estates and interests of the Transferor Company but subject nevertheless to all charges, if any, then affecting the same or any part thereof and as on the Transfer Date, the Transferor Company shall be deemed to have been amalgamated with the Transferee Company.

   (b) For the purpose of the Scheme, the undertaking of the Transferor Company shall include:

      (i) All assets and properties of the Transferor Company as on the Transfer Date.

      (ii) Subject to the provisions of Clause 2 hereinafter, all the liabilities of the Transferor Company as on the Transfer Date.

   (c) Without prejudice to the generality of Clause 1 (b) hereof, the undertaking of the Transferor Company shall include all rights, privileges, powers and authorities and all properties, movable or immovable, real, corporeal or incorporeal, in possession or reversion; present or contingent of whatsoever nature and wheresoever situate including in particular all debts, receivables, licenses, and liberties, patents, trade marks and import quotas held by the Transferor Company or to which the Transferor Company is entitled and subject to what is stated in Clause 11 hereinafter, all debts, liabilities and duties of the Transferor Company and all other obligations of whatsoever kind: PROVIDED ALWAYS that the Scheme shall not operate to enlarge the security for any loan; deposit or facility created by or available to the Transferor Company which shall vest in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged to create any further or additional security thereof after the amalgamation has become effective or otherwise.

2. If any suit or appeal or other proceedings of whatsoever nature (hereinafter called "the proceedings") by or against the Transferor Company be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the undertaking of the Transferor Company to the Transferee Company or of any thing contained in the 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 if this Scheme has not been made.

3. The transfer and vesting of the property and liabilities under Clause 1 hereof and the continuance of the proceedings by the Transferor Company under Clause 2 hereof, shall not affect any transactions or proceedings already concluded by the Transferor Company in the ordinary course of business on or after Transfer Date to the end and intent that the Transferee Company accepts on behalf of itself all acts, deeds and things done lawfully and executed by the Transferor Company.

4. As from the Transfer Date, the Transferor Company shall be deemed to have carried on and to be carrying on its business on behalf of and on account of and in trust for the Transferee Company until such time as the Amalgamation becomes effective in terms of the Scheme.

5. As from the Transfer Date, the Transferee Company shall carry on business of the Transferor Company until the Amalgamation becomes effective with utmost prudence and shall not without the concurrence of the Transferor Company alienate, charge or otherwise deal with the property or assets of the Transferor Company or any part thereof except in the ordinary course of business.

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

7. (a) All employees of the Transferor Company in employment of the Transferor Company on the Effective Date shall as from such date become the employees of the Transferee Company on the basis that the services have not been interrupted by the vesting of the undertaking of the Transferor Company in the Transferee Company under this Scheme as that the terms and conditions of service applicable to such employees on the Effective Date will not in any way be less favourable to them than those applicable to them immediately before the Effective Date. The Transferee Company, however, shall also have the right to exercise an option if warranted to transfer such employees (including workers), to any unit of the Transferee Company as may be deemed necessary and the employees of the Transferee Company shall desist from any strikes/disruption at the work place.

(b) It is provided that as far as the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund created or existing for the benefit of the staff, workmen and other employees of the Transferor Company are concerned, upon the Scheme becoming finally effective, the Transferee Company shall stand substituted for the Transferor Company for all the purposes whatsoever related to the administration or operation of such Schemes or Funds or in relation to the obligation to make contributions to the said Funds in accordance with provisions of such Schemes or Funds according to the terms provided in the respective Trust deeds or other documents. It is the aim and intent of the Scheme that all the rights, duties, powers, and obligations of the Transferor Company in relation to such Schemes or Funds shall become those of the Transferee Company. It is clarified that the services of the staff, workmen and other employees of the Transferor Company will be treated as having been continuous for the purpose of the aforesaid Schemes, Funds or provisions.

(c) Notwithstanding anything contained in sub-clause (a) and sub-clause (b) of this clause, the terms and conditions of services applicable to the employees of the Transferee Company as on the date prior to the Effective Date, will continue to be operative to such employees, after the Effective Date.

8. On this Scheme of Amalgamation becoming effective as provided for herein without any further act or deed and without following the procedure laid down under the Companies Act, 1956 for the purpose

(a) The name of the Transferee Company shall stand changed to 'Kirloskar Oil Engines Limited.'

(b) The Memorandum of Association of the Transferee Company shall be altered by way of substitution, in the form set out in Annexure 1 hereto.

(c) The Articles of Association of the Transferee Company shall be altered by way of substitution, in the form set out in Annexure 11 hereto.

(d) The Board of Directors of the Transferee Company shall stand dissolved and the following Directors of the Transferor Company shall be deemed to be the Directors of the Transferee Company with effect from the Effective Date of the Scheme.

Mr. Vijay Ravindra Kirloskar - Chairman
Mr. Atul Chandrakant Kirloskar - Managing Director
Mr. Mansingh Laxmidas Bhakta
Mr. Harish Bhargava - ICICI Nominee
Dr. Neelkanth Annappa Kalyani
Mr. Hemendra Mathradas Kothari
Air Marshal Yeshwant Vinayak Malse (Retd.)
Mr. Daljit Lilaram Mirchandani - Executive Director
Mr. Pratap Govindrao Pawar
Dr. Ramvilas Jagannath Rathi
Mr. K. Gopalan
Mr. Chintaman Vishwanath Tikekar
Mr. U. V. Rao

(e) The services of the Managing Director and the Executive Director of the Transferor Company, namely Mr. Atul C. Kirloskar and Mr. D. L. Mirchandani, as holding the respective positions on the Effective Date shall stand transferred to the Transferee Company without any break or interruption in service on the same terms and conditions in the Transferor Company as may be prevailing on the Effective Date.

(f) The Auditors of the Transferee Company shall cease to hold office and the Auditors of the Transferor Company namely M/s. Dalal & Shah, Chartered Accountants, East and West Insurance Building, 49/55, Bombay Samachar Marg, Fort, Bombay 400 023, shall be deemed to be the Auditors of the Transferee Company with effect from the Effective Date.

(g) The authorised share capital of the Transferee Company shall be Rs. 27,00,00,000 (Twenty Seven Crores) divided into 2,20,00,000 Equity Shares of Rs. 10 each and 50,00,000 Preference Shares of Rs. 10 each, with power to increase and reduce the capital of the Transferee Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Transferee Company and to vary, modify or abrogate any such rights, privileges or conditions in such a manner as may for the time being be provided by the Articles of Association of the Transferee Company.

9. 12,27,400 Equity Shares of Rs. 10 each fully paid-up, in the Transferee Company are held by K. G. Khosla Compressors Ltd. (KGKCL), a Company incorporated under the Companies Act, 1956 and having its Registered Office at 1, Deshbandhu Gupta Road, New Delhi 110 055, being the Holding Company of the Transferee Company. The said 12,27,400 Equity Shares shall be transferred by the said KGKCL before the date of allotment of shares by the Transferee Company pursuant to Clause 10 (iii) hereof, at an aggregate consideration of Rs. 75,00,000 to the following companies in the manner stated below

	Name of the Transferee	No. of Shares	Consideration (Rs.)
(a)	Asara Sales & Investments Private Limited Registered Office 13A, Karve Road, Kothrud, Pune 411 029.	4,92,400	30,09,150
(b)	Better Value Holdings Private Limited 13A, Karve Road, Kothrud, Pune 411 029.	3,67,500	22,45,425
(c)	Cees Investments & Consultants Private Limited 13A, Karve Road, Kothrud, Pune 411 029.	3,67,500	22,45,425

Upon such transfer, the transferee of the shares shall become the shareholders of the Transferee Company to the extent of their shareholding and the said KGKCL shall cease to be the Holding Company of the Transferee Company.

10. Without following the procedure laid down in the Sections 81, 94, 100 and all other applicable provisions of the Companies Act, 1956, upon the transfer of the undertaking of the Transferor Company pursuant to Clause 1 hereof and the amalgamation being effective in terms of the Scheme, the consideration in respect of such transfer shall, subject to the provisions of this Scheme, be settled by the Transferee Company as follows:

(i) The issued, subscribed and paid-up Share Capital of the Transferee Company shall be reduced from Rs. 2,18,50,000 divided into 21,85,000 Equity Shares of Rs. 10 each to Rs. 10,92,500 divided into 21,85,000 Equity Shares of Re. 0.50 each, such reduction being effected by cancelling the paid-up Share Capital to the extent of Rs. 9.50 per share.

(ii) Forthwith upon such reduction of the Share Capital of the Transferee Company taking effect, the aforesaid 21,85,000 Equity Shares of Re. 0.50 each will be consolidated and divided in such a manner that every 20 (twenty) such shares of Re. 0.50 each shall constitute 1 (one) Equity Share of Rs. 10 each fully paid.

(iii) The Transferee Company shall issue and allot to the Equity shareholders of the Transferor Company, Equity Shares in the Transferee Company in the proportion of 1 (one) Share of the face value of Rs. 10 each of the Transferee Company, credited as fully paid up for every 1 (one) fully paid Equity Share

KOEL PKPL

of the face value of Rs. 10, held by the Equity shareholders of the Transferor Company on such date as the Board of Directors of the Transferee Company may decide, provided that the shareholders holding Equity Shares in the Transferor Company, in respect of which any calls are in arrears, will for every 1 (one) Equity Share of the face value of Rs. 10 of the Transferor Company, be allotted 1 (one) Equity Share of the face value of Rs. 10 of the Transferee Company, credited as partly paid-up to the extent the amounts paid thereon the amounts unpaid (together with interest accrued and due) on the corresponding Equity Shares of the Transferor Company shall be treated as unpaid on the new Equity Shares of the Transferee Company.

Provided further that the amounts unpaid on the Equity Shares of the Transferor Company (together with interest accrued and due thereon) shall be treated as calls in arrears in respect of such new Equity Shares and continue to be outstanding obligations from such Equity shareholders in the Transferee Company.

(iv) As a result of the reorganisation of the share capital of the Transferee Company in the manner specified in Sub-clauses (i) and (ii) of this Clause hereinabove, if any, Equity shareholder of the Transferee Company becomes entitled to any fraction of Equity Shares of the Transferee Company, no such fractional coupon/s shall be issued in respect of or representing such Equity Shares of the Transferee Company but such fractional coupon/s shall be consolidated into Whole Equity Shares and the Board of Directors of the Transferee Company, or a Committee thereof may allot anyone or more of such consolidated Shares to any nominee(s) as the Board of Directors or the Committee may in their absolute discretion deem fit for the purpose of holding and selling of such consolidated Equity Shares. Every such sale of the consolidated Equity Shares shall be at such price or prices as may be approved by the Board of Directors or the Committee and upon receipt of the purchase price in respect of such sale (provided the Board of Directors or the Committee approved the purchaser), the Board or the Committee shall allot the Equity Shares to the approved purchaser/s. The total net sale proceeds to such consolidated Equity Shares (after defraying therefrom all costs, charges and expenses of sale) shall be distributed and divided among those Equity Shareholders of Transferee Company as would otherwise have been entitled to such fractions of the Equity Shares of the Transferor Company in proportion to their respective interest in such fractions.

(v) Equity Shares so allotted by the Transferee Company to the Equity shareholders of the Transferor Company will in all respects rank pari-passu with the existing Equity Shares of the Transferee Company for dividend, voting and other rights.

(vi) The Transferee Company shall without complying with the provisions of Sections 80, 81, 94 or any other applicable provisions of the Companies Act, 1956, issue and allot to the Preference shareholders of the Transferor Company holding 9,55,000 11 % Redeemable Cumulative Preference Shares of Rs. 10 each fully paid-up in the Transferor Company, 11 % Redeemable Cumulative Preference Shares fully paid in the proportion of 1 (one) Preference Share for every 1 (one) Preference Share held by the said shareholders of the Transferor Company. The Preference Shares so allotted shall continue to be governed by the terms and conditions on which they were issued by the Transferor Company.

(vii) The share certificates in respect of the shares held by the shareholders of the Transferor Company as on the Effective Date shall not be cancelled. The share certificates in respect of the shares held by the shareholders of the Transferee Company as on the Effective Date shall be called back for cancellation.

Such shareholders shall be issued new share certificates in the Transferee Company with the changed name i.e. Kirloskar Oil Engines Limited. Upon this, the Registers of Members of the Transferor Company and the Transferee Company shall be consolidated into a single Register.

(viii) Notwithstanding anything contained in the Guidelines on Preferential allotment of shares issued by the Securities and Exchange Board of India the Transferee Company shall issue to ICICI after the Effective Date, 4,75,000 Zero Percent Unsecured Fully Convertible Debentures of Rs. 120 each, of the Transferee Company, which will be converted within 6 months of such issue, into 4,75,000 Equity Shares of Rs. 10 each of the Transferee Company, at a premium of Rs. 110 per share, OR 4,75,000 Equity Shares of Rs. 120 each fully paid-up, in the Transferee Company.

11. Equity Shares to be allotted to the holders of the warrants issued by the Transferor Company in terms of its Special Resolutions passed at its Extra-ordinary General meetings held on June 22, 1992 and April 19, 1994, shall without passing a special resolution in terms of Section 81 (1 A) of the Companies Act, 1956 be allotted by the Transferee Company to the holders of such warrants, in terms of the said Special Resolutions, in accordance with the terms and conditions stipulated therein and in the Letter of Offer dated November 25, 1992 and also in the respective warrants issued in pursuance thereof.

12. All reserves of the Transferor Company as at Transfer Date, shall be deemed to have been transferred to the Transferee Company.

13. The reliefs/concessions/commitments/obligations and the repayment of the dues of the financial institutions by the Transferee Company shall be governed by the main rehabilitation Scheme.

14. Upon this Scheme being sanctioned as aforesaid, the Transferor Company shall stand dissolved without winding up on the Effective Date.

15. All costs, charges and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with the negotiation leading upto this Scheme or carrying out and completing the terms and provisions of this Scheme and/or incidental to the completion of the Amalgamation of the Transferor Company in pursuance of this Scheme shall be borne and paid by the Transferee Company.

16. For the purpose of giving effect to this Scheme, the Board of Directors of the Transferee Company or any Committee thereof, are authorised to give such directions as may be necessary or desirable and to settle as they may deem fit, any questions, doubts, or difficulty that may arise in connection with or in the working of the Scheme including with regard to issue and allotment of Shares under Clause 10, hereof to the members of the Transferor Company and to do all acts, deeds and things necessary for carrying into effect this Scheme.

17. This Scheme upon its sanction by the BIFR, shall have effect notwithstanding anything contained In any other law and no compliance with any law except the Foreign Exchange Regulation Act 1973 and the Urban Land (Ceiling and Regulation) Act, 1976, for the time being in force, in order to effectuate this Scheme, shall be required by the Transferor Company or the Transferee Company, except to the extent provided in the Act.

18. A copy of the order of the BIFR sanctioning the Scheme of Amalgamation shall be filed with the Registrar of Companies, Maharashtra, Bombay, within one month from the date the Order is received by the Transferee Company.

19. This Scheme shall be conditional upon the Transferor Company approving the same at its General Meeting by a special resolution pursuant to the proviso to Sub-section 3(b) of Section 18 of the Act.

The Scheme of Amalgamation

OF
KIRLOSKAR FILTERS LIMITED
WITH
KIRLOSKAR OIL ENGINES LIMITED

DEFINITIONS

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

(a) "The Transferor Company" means Kirloskar Filters Limited (KFL), a Company incorporated under, the Companies Act, 1956, having its Registered Office at 13A, Karve Road, Kothrud, Pune 411 029 in the State of Maharashtra.

(b) "The Transferee Company" means Kirloskar Oil Engines Limited (KOEL), Company incorporated under the Companies Act, 1956 having its Registered Office at Laxmanrao Kirloskar Road, Khadki, Pune 411 003, in the State of Maharashtra.

(c) "The Act" means the Companies Act, 1956.

(d) "The Appointed Date" means August 1, 1996.

(e) "The Effective Date" means the date on which certified copies of the orders of the Hon'ble High Court sanctioning the Scheme of Amalgamation are filed with the Registrar of Companies, Maharashtra, Mumbai.

(f) "The Scheme" means the Scheme of Amalgamation of KFL with KOEL, as contained herein, or as sanctioned by the Mumbai High Court, with modifications, if any.

(g) For the purpose of this Scheme, the Undertaking of the Transferor Company shall include all rights and privileges, powers and authorities, and all properties, movable and immovable, real or corporeal, incorporeal in possession or reversion, present or contingent, of whatsoever nature and wheresoever situated including in particular all licenses, permits, quotas, incentives, subsidies, approvals, rights, claims, leases, tenancy rights, and liberties, patents, trade marks, and import quotas held by the Transferor Company or to which the Transferor Company is entitled, and all debts, liabilities and duties of the Transferor Company and all other obligations of whatsoever kind including liabilities in respect of the employees of the Transferor Company agreed to be taken over by the Transferee Company, with regard to the payment of gratuity, pension, benefits, provident fund or compensation in the event of voluntary retirement or retrenchment.

SHARE CAPITAL

(A) On March 31, 1996, the Authorised Share Capital of the Transferor Company was Rs. 25,00,000/- divided into 25,000 equity shares of Rs. 100 each. The issued, subscribed and paid up share capital was Rs. 20,00,000/- divided into 20,000 equity shares of Rs. 100 each.

(B) On March, 31, 1996, the Authorised Share Capital of the Transferee Company was Rs. 27,00,00,000/- divided 2,20,00,000 Equity Shares of Rs. 10/- each and 50,00,000 Preference shares of Rs. 100/- each. The issued, subscribed and paid-up share capital of the Transferee Company was Rs. 58,42,500 divided into 5,84,250 Equity Shares of Rs. 10/- each.

In the meantime, on February 7, 1996, the Board for Industrial and Financial Reconstruction (BIFR) approved a Scheme of Amalgamation of Kirloskar Oil Engines Limited with Prashant Khosla Pneumatics Ltd. (PKPL) and the name of PKPL, which is the "Transferee Company" in this Scheme, was changed to Kirloskar Oil Engines Limited on March 1, 1996.

Pursuant to the Scheme as sanctioned by BIFR, the equity and preference shareholders of the erstwhile KOEL, were to be allotted equity/preference shares of PKPL in the ratio of 1 (one) equity/preference share of Rs. 10 each in PKPL for every 1 (one) equity/preference share of Rs. 10/- each held by them in the erstwhile KOEL.

Accordingly, the Allotment Committee of the Board of Directors of the amalgamated company KOEL, (formerly known as PKPL) in its meeting held on April 16, 1996 allotted 16,232,394 equity shares of Rs. 10/- each and 9,55,000 - 11 % Redeemable Cumulative Preference shares of Rs. 10/- each to the shareholders of the erstwhile KOEL.

Accordingly, as on April 16, 1996 the paid up share capital of the Transferee Company was Rs. 17,77,16,440 divided into 1,68,16,644 equity shares of Rs. 10/- each and 9,55,000 - 11 % Redeemable Cumulative Preference Shares of Rs. 10/- each.

However, 9,55,000 11 % Redeemable Cumulative Preference Shares of Rs. 10 each comprised in the above paid up share capital were redeemed on June 22, 1996. Accordingly, as on the date of filing of this application, the paid up share capital of the Transferee Company is Rs. 16,81,66,440 divided into 1,68,16,644 equity shares of Rs. 10/- each.

THE SCHEME

1. (a) The Undertaking of the Transferor Company and particularly the immoveable property incapable of passing by manual delivery including licences, permits, quotas, incentives, subsidies, approvals, rights, claims, leases, tenancy rights, liberties, patents, trade marks and import quotas shall under the provisions of Sections 391 and 394 of the Act and pursuant to the orders of Mumbai High Court without any further act or deed but subject to the charges affecting the same as on the Effective Date shall be transferred to and vested in the Transferee Company so as to become the Undertaking and property of the Transferee Company from the Appointed Date. Provided however that such charge shall not extend over or be deemed to be extended over any of the assets of the Transferee Company already owned and held by the Transferee Company. Provided further that the registration in the name of the Transferor Company as manufacturer under the Central Excise Act be transferred to the name of the Transferee Company with effect from the Effective Date.

   (b) With effect from the Appointed Date, all debts, liabilities, duties and obligations of the Transferor Company (hereinafter referred to as "the said liabilities") shall, pursuant to the order under Section 394 of the Companies Act, 1956 of Mumbai High Court and without further act or deed be transferred or deemed to be transferred to and vested in and assumed by the Transferee Company so as to become the debts, liabilities, duties and obligations of the Transferee Company.

   (c) Upon this Scheme becoming effective, the items appearing as Reserves and Surplus in the books of the Transferor Company as at the Appointed Date shall become the corresponding Reserves and Surplus of the Transferee Company.

2. If any suit, appeal, or other proceedings of whatever nature (hereinafter called "the proceedings") by or against the Transferor Company be pending as on the Effective Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the undertaking of the Transferor Company or of anything contained in the Scheme, but the proceedings shall be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted or enforced by or against the Transferor Company if the Scheme had not been made.

3. The Transfer of Undertaking under Clause 1 hereof and the continuance of the proceedings by or against the Transferee Company under Clause 2 hereof, shall not affect any transactions or proceedings already concluded by the Transferor Company, in the ordinary course of business on or after the Appointed Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done lawfully and executed by the Transferor Company in regard thereto as having been done or executed on behalf of the Transferee Company.

4. As from the Appointed Date, the Transferor Company shall carry on and be deemed to have carried on its business for and on behalf of and on account of and in trust for the Transferee Company until such time that the amalgamation becomes effective in terms of the scheme.

5. As from the Appointed Date, the Transferor Company shall carry on the business of the Transferor Company until the amalgamation becomes effective, with utmost prudence and shall not without concurrence of the Transferee Company alienate, charge or otherwise deal with the property or assets of the Transferor Company or any part thereof, except in the ordinary course of business.

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

7. Subject to the other provisions contained in the Scheme, all lawful 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 be in full force and effect against or in favour of the Transferee Company and may be enforced by or against the Transferee Company as fully and effectively as if instead of the Transferor Company, the Transferee Company had been a party thereto.

8. (a) All employees in the employment of the Transferor Company on the Effective Date, shall, as from the said date, become the employees of the Transferee Company on the basis that their services have not been interrupted by the vesting of the undertaking of the Transferor Company in the Transferee Company under the Scheme and on the same terms and conditions of service not less favourable than those applicable to them immediately before the Effective Date.

   (b) As far as the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund created or 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 the purposes whatsoever related to the administration or operation of such Scheme or Funds or in relation to the obligation to make contribution to the said Funds in accordance with provisions of such Scheme or Funds 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 Schemes or Funds shall become those of the Transferee Company and the services of the employees of the Transferor Company will be treated as being continuous for the purpose of aforesaid Scheme or Fund.

9. (a) Upon the Scheme becoming effective, in consideration of the transfer to and vesting of the undertaking of the Transferor Company in terms of the Scheme, the Transferee Company shall, without application being made by the shareholders of the Transferor Company issue and allot to the Equity shareholders of the Transferor Company, Equity shares in the Transferee Company in the proportion of 20 Equity Shares of the face value of Rs. 10/- each of the Transferee Company, credited as fully paid up, for every 1 (one) fully paid up Equity Share of the face value of Rs. 100/- each held by the Equity shareholders of the Transferor Company on such date, after the Effective Date, as the Board of Directors of the Transferee Company may decide. 1:20

   (b) The Equity Shares so allotted by the Transferee Company to the Equity shareholders of the Transferor Company shall be subject to the Memorandum and Articles of Association of the Transferee Company and shall in all respects including for dividend rank pari passu with the existing Equity Shares of the Transferee Company.

   (c) Every shareholder of the Transferor Company shall surrender to the Transferee Company for cancellation the relevant share certificates held in the Transferor Company and thereupon the Transferee Company shall issue the Certificate for the shares in the Transferee Company he or she may be entitled to.

   (d) If any equity shareholder of the Transferor Company becomes entitled to any fraction of Equity Share of the Transferee Company, no such fractional coupon/s shall be issued in respect of or representing such Equity Share of the Transferee Company but such fractional coupon/s shall be consolidated into

whole Equity Shares and the Board of Directors of the Transferee Company or a Committee thereof may allot anyone or more of such consolidated shares to any nominee(s) as the Board of Directors or the Committee may in its absolute discretion deem fit for the purpose of holding and selling of such consolidated equity shares. Every such sale of the consolidated Equity Shares shall be at such price or prices as may be approved by the Board of Directors or the Committee and upon receipt of the purchase price in respect of such sale (provided the Board of Directors or the Committee approved the Purchaser) the Board or the Committee shall allot the Equity Shares to the approved purchaser/s. The total net sale proceeds of such consolidated Equity Shares (after defraying therefrom all costs, charges and expenses of sale) shall be distributed and divided among those Equity shareholders of Transferee Company as would otherwise have been entitled to such fractions of the Equity Shares of the Transferor Company in proportion to their respective interest in such fractions.

10. Upon the Scheme being sanctioned by the Mumbai High Court as aforesaid, the Transferor Company shall stand dissolved without winding up as on the Effective Date.

11. Upon the Scheme becoming effective, 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.

12. On the Scheme being agreed to by the requisite majorities of the members of the Transferor Company and of the members of the Transferee Company, the Transferor Company and the Transferee Company shall with reasonable despatch, apply to the High Court of Judicature at Mumbai for obtaining sanction to this Scheme of Amalgamation under Section 391 of the Act and for an order or orders under Section 394 of the Act for carrying this Scheme into effect and for dissolution of the Transferor Company without winding up as also any order or orders as may be necessary and appropriate under the Act.

13. The Scheme is conditional upon and subject to :

    (a) The Scheme being agreed to by the respective requisite majorities of the members of both the Companies as are referred to in clause 12 hereof and the requisite order or orders referred to in clause being obtained;

    (b) Such other sanction and approvals as may be required by law in respect of the scheme being obtained;

14. This Scheme although to come into operation from the Appointed Date shall not become effective until the date on which the certified copies of the order under Section 391 and 394 of the Act shall be duly filed with the Registrars of Companies, Maharashtra State, Mumbai.

15. In the event of any of the approvals or conditions required to be obtained or fulfilled are not obtained or complied with on or before 31st December, 1997, or within such further period or periods as may be agreed upon by and between the Transferor Company and Transferee Company (through their respective Board of Directors) the Scheme shall become null and void and in that event no rights or liabilities whatsoever shall accrue to or be incurred inter se between the Transferor Company and the Transferee Company.

16. All costs, charges and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with the negotiation leading upto the Scheme or carrying out and completing the terms and provisions of the Scheme and/or incidental to the completion of the amalgamation of the Transferor Company in pursuance of the Scheme shall be borne and paid by the respective companies.

17. For the purposes of giving effect to the Scheme, the Board of Directors of the Transferee Company or any Committee thereof is authorised to give such directions as may be necessary or desirable and to settle as they may deem fit any question, doubt or difficulty that may arise in connection with or in the working of the scheme including with regard to issue and allotment of Equity Shares under Clause 9 hereof, to the members of the Transferor Company and to do all acts, deeds, and things necessary for carrying into effect the Scheme.

18. A copy of the Order of the Mumbai High Court sanctioning the Scheme shall be filed by the Transferor Company and the Transferee Company with the Registrar of Companies, Maharahstra, Mumbai, within one month from the date a certified true copy of the order is received by the Transferor Company and the Transferee Company or within such other period as may be directed by the Mumbai High Court.

The Scheme of Amalgamation

OF
SHIVAJI WORKS LIMITED
WITH
KIRLOSKAR OIL ENGINES LIMITED

DEFINITIONS

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

(a) "The Transferor Company" means Shivaji Works Limited (SWL), an Existing Company under section 3 of the Companies Act, 1956, having its Registered Office at Shivshahi, Solapur 413224, in the State of Maharashtra.

(b) "The Transferee Company" means Kirloskar Oil Engines Limited (KOEL), a Company incorporated under the Companies Act, 1956, having its Registered Office at Laxmanrao Kirloskar Road, Khadki, Pune 411 003, in the State of Maharashtra.

(c) 'The Act" means the Sick Industrial Companies (Special Provisions) Act, 1985.

(d) "The BIFR" means the Board for Industrial and Financial Reconstruction constituted under section 4 of the Act.

(e) "The Transfer Date" means April 1, 1998.

(f) "The Effective Date" means the date on which the last of the approvals hereinafter provided will have been obtained. However, for the purposes of Income Tax Act, the Effective Date shall be April 1, 1998, and for the purposes of allotment of shares of Transferee Company, the Board of Directors of the Transferee Company may fix the date.

(g) "The Scheme" means the Scheme of Amalgamation of SWL with KOEL as contained herein, or as sanctioned by the BIFR, with modifications, if any.

(h) "The Rehabilitation Scheme" means the Rehabilitation Scheme as submitted by the ICICI Ltd. in respect of the Transferor Company pursuant to the directive of BIFR.

(i) "The Financial Institutions and Banks" means the ICICI Ltd., Industrial Development Bank of India (IDBI), Unit Trust of India (UTI), Bank of Maharashtra (BOM), The United Western Bank Limited and The Shamrao Vithal Co-operative Bank Limited.

(j) For the purpose of this Scheme, the Undertaking of the Transferor Company shall include all rights and privileges, powers and authorities, and all properties, movable and immovable, real or corporeal, incorporeal in possession or reversion, present or contingent, of whatsoever nature and wheresoever situated including in particular all licenses, permits, quotas, approvals, rights, claims, leases, tenancy rights and liberties, patents, trade marks, and import quotas held by the Transferor Company or to which the Transferor Company is entitled, and all debts, liabilities and duties of the Transferor Company and all other obligations of whatsoever kinds including liabilities in respect of the employees of the Transferor Company agreed to be taken over by the Transferee Company, with regard to the payment of gratuity, pension benefits, provident fund or compensation in the event of voluntary retirement or retrenchment.

SHARE CAPITAL

A. On March 31, 1998, the Authorised Share Capital of the Transferor Company is Rs.5,00,00,000 (Rupees five crores) divided into 5,000,000 Equity Shares of Rs.10 each and Rs.50,00,000 (Rupees fifty lakhs)

divided into 5,00,000 Preference Shares of Rs.10 each. The issued capital is Rs. 3,75,84,000 (Rupees three crores seventy five lakhs eighty four thousand) divided into 37,58,400 Equity Shares of Rs.10 each and the subscribed and paid-up capital is Rs.3,67,96,100 (Rupees three crores sixty seven lakhs ninety-six thousand one hundred) divided into 36,79,610 Equity Shares of Rs.10 each.

On November 30, 1998, the subscribed and paid-up capital is Rs.3,67,96,600 (Rupees three crores sixty seven lakhs ninety-six thousand six hundred) divided into 36,79,660 Equity Shares of Rs.10 each, subsequent to the allotment of 50 Equity Shares as bonus shares, which were held in abeyance.

B. On March 31, 1998, the Authorised Share Capital of the Transferee Company is Rs.27,00,00,000 (Rupees twenty seven crores) divided into 2,20,00,000 Equity Shares of Rs.10 each and 50,00,000 Preference Shares of Rs.100 each. The issued capital is Rs.19,25,23,310 (Rupees nineteen crores twenty five lakhs twenty three thousand three hundred and ten) divided into 19,25,23,310 Equity Shares of Rs.10 each and the subscribed and paid-up capital is Rs.19,01,63,620 (Rupees nineteen crores one lakh sixty three thousand six hundred and twenty) divided into 19,016,362 Equity Shares of Rs.10 each.

THE SCHEME

1. (a) The undertaking of the Transferor Company shall, with effect from the Transfer Date and without any further act or deed, without executing any instrument and without the payment of any stamp duty, if any, applicable under the Stamp Act of the State in which the transfer will be deemed to have taken place, be deemed to have been transferred to and vested in the Transferee Company pursuant to an order to that effect by the BIFR for all the estates and interests of the Transferor Company but subject nevertheless to the charges, if any, then affecting the same or any part thereof and as on the Transfer Date, and without compliance with the provisions of section 127 of the Companies Act, 1956, the Transferor Company shall be deemed to have been amalgamated with the Transferee Company provided however that such charge shall not extend over or be deemed to be extended over any of the assets of the Transferee Company already owned and held by the Transferee Company.

   (b) For the purpose of the Scheme, the undertaking of the Transferor Company shall include:

      (i) All assets and properties of the Transferor Company as on the Transfer Date.

      (ii) Subject to the provisions of Clause 2 hereinafter, all the liabilities of the Transferor Company as on the Transfer Date.

   (c) Without prejudice to the generality of Clause 1 (b) hereof, the undertaking of the Transferor Company shall include all rights, privileges, powers and authorities and all properties, movable or immovable, real, corporeal or incorporeal, in possession or reversion; present or contingent of whatsoever nature and wheresover situate including in particular all debts, receivables, licenses and liberties, patents, trademarks and import quotas held by the Transferor Company or to which the Transferor Company is entitled hereinafter, all debts, liabilities and duties of the Transferor Company and all other obligations of whatsoever kind: PROVIDED ALWAYS that the Scheme shall not operate to enlarge the security for any loan; deposit or facility created by or available to the Transferor Company which shall vest in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged to create any further or additional security thereof after the amalgamation has become effective or otherwise.

2. If any suit, appeal, or other proceedings of whatever nature (hereinafter called the "proceedings") by or against the Transferor Company be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the Transfer of the Undertaking of the Transferor Company or of anything contained in the Scheme, but the proceedings shall be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted or enforced by or against the Transferor Company if the Scheme had not been made.

3. The transfer of Undertaking under Clause 1 hereof and the continuance of the proceedings by or against the Transferee Company under Clause 2 hereof, shall not affect any transactions or proceedings already

concluded by the Transferor Company, in the ordinary course of business on or after the Transfer Date to the end and intent that the Transferee Company accepts and adopts on behalf of itself all acts, deeds and things done lawfully and executed by the Transferor Company in regard thereto as having been done or executed on behalf of the Transferee Company.

4. As from the Transfer Date, the Transferor Company shall be deemed to have carried on and to be carrying on its business for and on behalf of and on account of and in trust for the Transferee Company until such time that the amalgamation becomes effective in terms of the Scheme.

5. As from the Transfer Date, the Transferor Company shall carry on the business of the Transferor Company until the amalgamation becomes effective, with utmost prudence and shall not without concurrence of the Transferee Company alienate, charge or otherwise deal with the property or assets of the Transferor Company or any part thereof, except in the ordinary course of business.

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

7. Subject to the other provisions contained in the Scheme, all lawful 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 be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectively as if instead of the Transferor Company, the Transferee Company had been a party thereto.

8. (a) All employees of the Transferor Company in the employment of the Transferor Company on the Effective Date, shall, as from the said date become the employees of the Transferee Company on the basis that their services have not been interrupted by the vesting of the undertaking of the Transferor Company in the Transferee Company under the Scheme and that the terms and conditions of service applicable to them immediately after the Effective Date will not be in any way less favourable to them, than those applicable to them immediately before the Effective Date.

   (b) As far as the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund created or 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 the purposes whatsoever related to the administration or operation of such Schemes or Funds or in relation to the obligation to make contributions to the said Funds in accordance with provisions of such Schemes or Funds 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 Schemes or Funds shall become those of the Transferee Company. The services of the employees of the Transferor Company will be treated as being continuous for the purposes of the aforesaid Schemes or Funds.

9. Without following the procedure laid down in sections 81, and all other applicable provisions of the Companies Act, 1956, upon the transfer of the undertaking of the "Transferor Company pursuant to Clause 1 hereof and the amalgamation being effective in terms of the Scheme, the consideration in respect of such transfer shall, subject to the provisions of this Scheme, be settled by the Transferee Company as follows:

   (i) The Transferee Company shall issue and allot to the Equity shareholders of the Transferor Company, equity shares in the Transferee Company in the proportion of 1 (one) share of the face value of Rs.10 each of the Transferee Company, credited as fully paid up for every 25 (twenty-five) fully paid up Equity Shares of the face value of Rs.10 each, held by the Equity shareholders of the Transferor Company on such date, as the Board of Directors of the Transferee Company may decide.

   (ii) As a result of the issue and allotment of the share capital of the Transferor Company in the manner specified in Sub-clause (i) to this Clause hereinabove, if any Equity shareholder of the Transferor Company becomes entitled to any fraction of Equity Shares of the Transferee Company, no such fractional coupon shall be issued in respect of or representing such Equity Shares of the Transferee

Company, but such fractional coupon shall be consolidated into whole Equity Shares and the Board of Directors of the Transferee Company, or a Committee thereof may allot anyone or more of such consolidated shares to any nominee(s) as the Board of Directors or the Committee may in their absolute discretion deem fit for the purpose of holding and selling of such consolidated Equity Shares. Every such sale of the consolidated Equity Shares shall be at such price or prices as may be approved by the Board of Directors or the Committee and upon receipt of the purchase price in respect of such sale (provided the Board of Directors or the Committee approved the purchaser), the Board of Directors or the Committee shall allot the Equity Shares to the approved purchaser/s, the total net sale proceeds of such consolidated Equity Shares (after defraying therefrom all costs, charges and expenses of sale) shall be distributed and divided among those equity shareholders of the Transferor Company as would otherwise have been entitled to such fractions of the Equity Shares of the Transferee Company in proportion to their respective interest in such fractions.

(iii) Equity Shares so allotted by the Transferee Company to the shareholders of the Transferor Company will in all respects rank pari-passu with the existing Equity Shares of the Transferee Company for dividend, voting and other rights.

(iv) Every shareholder of the Transferor Company shall surrender to the Transferee Company for cancellation, the relevant share certificate/s held in the Transferor Company and thereupon the Transferee Company shall issue the certificate/s for the shares in the Transferee Company he or she may be entitled to.

10. 9,85,624 Equity Shares of Rs.10 each, fully paid up, in the Transferor Company are held by the Transferee Company. The said 9,85,624 Equity Shares shall be transferred by the Transferee Company before the date of allotment of shares by it pursuant to Clause 9 hereof, to such party / parties as the Board of Directors of the Transferee Company may think fit.

11. Upon the Scheme becoming effective, 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.

12. All reserves of the Transferor Company as at the Transfer Date, shall be deemed to be the reserves of the Transferee Company.

13. The reliefs / concessions / commitments / obligations and the repayment of the dues of financial institutions and banks by the Transferee Company shall be governed by the Rehabilitation Scheme.

14. Upon this Scheme being sanctioned as aforesaid, the Transferor Company shall stand dissolved without winding up on the Effective Date.

15. All costs, charges and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with the negotiation leading up to this Scheme or carrying out and completing the terms and provisions of this Scheme shall be borne and paid by the Transferee Company.

16. For the purpose of giving effect to the Scheme, the Board of Directors of the Transferee Company or any Committee thereof, is authorised to give such directions as may be necessary or desirable and to settle as they may deem fit, any question, doubt or difficulty that may arise in connection with or in the working of the Scheme including with regard to issue and allotment of Equity Shares under Clause 9 hereof, to the members of the Transferor Company and to do all acts, deeds and things necessary for carrying into effect the Scheme.

17. This scheme upon its sanction by the BIFR, shall have effect notwithstanding anything contained in any other law and no compliance with any law except the Foreign Exchange Regulation Act, 1973 and the Urban land (Ceiling and Regulation) Act, 1976, for the time being in force, in order to effectuate this Scheme, shall be required by the Transferor Company or the Transferee Company, except to the extent provided in the Act.

18. A copy of the order of the BIFR sanctioning the Scheme of Amalgamation shall be filed with the Registrar of Companies, Pune, within one month from the date the Order is received by the Transferee Company.

19. This Scheme shall be conditional upon the Transferee Company approving the same at its General Meeting by a special resolution pursuant to the proviso to sub-section 3(b) of section 18 of the Act.

Scheme of Amalgamation

OF
KIRLOSKAR POWER SUPPLY COMPANY LIMITED
WITH
KIRLOSKAR OIL ENGINES LIMITED
PART - I

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, 2002.

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 Mumbai 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 "Kirloskar Oil Engines Limited" a Company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at Laxmanrao Kirloskar Road, Khadki, Pune 411003, in the State of Maharashtra.

1.8 Transferor Company

"Transferor Company" means "Kirloskar Power Supply Company Limited", a Company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at Laxmanrao Kirloskar Road, Khadki, Pune 411003, 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 Diesel Engines and Engines bearings and Valves.

2.2 Nature of Business of Transferor Company

The Transferor Company is engaged in the business of generation and distribution of electricity having signed the banking and wheeling agreement with the Government of Karnataka.

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:

		Rs.
I.	Authorised 31,000,000 Equity Shares of Rs.10/- each	310,000,000
II.	Issued, subscribed and Paid Up 30,950,000 Equity Shares of Rs 10/- each	309,500,000

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:

	Rs.
Authorised	
5,000,000 Preference Shares of Rs.10/- each	5,00,00,000
22,000,000 Equity Shares of Rs 10/- each	22,00,00,000
Issued	
19,399,706 Equity Shares of Rs.10/- each	19,39,97,060
a) Subscribed	
19,163,610 Equity Shares of Rs.10/- each	19,16,36,100
b) Paid Up	
19,163,548 Equity Shares of Rs.10/- each	19,16,35,480

PART II - THE SCHEME

4. TRANSFER OF THE UNDERTAKING OF THE TRANSFEROR COMPANY

4.1 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.

4.2 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.

4.3 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.

5. 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.

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

The transfer and vesting of the Assets and the Liabilities under Clause 4 hereof and the continuance of the said proceedings by or against the Transferee Company under Clause 5 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.

7 CONDUCT OF BUSINESS BY TRANSFEROR COMPANY TILL EFFECTIVE DATE

7.1 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.

7.2 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.

8. ACCOUNTING TREATMENT

8.1 The debit balance in Miscellaneous Expenditure Account, Deferred Revenue Expenditure Account and in

the Profit & Loss Account of the Transferor Company as on Appointed Date, shall be transferred by the Transferee Company to the "Amalgamation Adjustment Account".

8.2 The excess of 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 11 below, shall also be transferred by the Transferee Company to the said Amalgamation Adjustment Account.

8.3 The net debit balance of the Amalgamation Adjustment Account will not be considered as goodwill and will be adjusted against the aggregate of Capital Reserve, Revaluation Reserve, Capital Redemption Reserve, Security Premium Account, Amalgamation Reserve Account and the General Reserve.

8.4 After the adjustment is made in the manner as set out above, the net balance in the reserves shall constitute the Transferee Company's free reserves available for distribution as if the same were created by the Transferee Company out of it's own earned and distributable profits and accordingly, shall form part of it's Net Worth.

8.5 Upon the Scheme coming into effect, to the extent that there are inter-company loans, bonds, debentures, advances, deposit balances or other obligations as between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of account and records of the Transferee Company for the reduction of any assets or liabilities as the case may be. In view of this it is further clarified that, there would be no accrual of interest or other charges in respect of any such inter-company loans, bonds, debentures advances, debit balances or other obligations with effect from the Transfer Date between the Transferor and Transferee Company.

9. TRANSFEROR COMPANY'S STAFF, WORKMEN AND EMPLOYEES

9.1 The Transferee Company will on such transfer take over all the staff, workmen, if any, 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.

9.2 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.

10. 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.

11. ISSUE AND ALLOTMENT OF SHARES UNDER THE SCHEME

11.1 Issue of Shares

(a) Upon the Scheme being finally effective, 15,474,897 Equity Shares of Rs 10/- each of the Transferor Company held by the Transferee Company on the Record Date shall be cancelled without any further act or deed and no shares of the Transferee Company are required to be issued in lieu thereof.

(b) 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 61 (sixty one) Equity Shares of Rs.10/- (Rupees ten only) 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.

(c) The new Equity Shares to be issued and allotted in terms hereof will be subject to the Memorandum and Articles of Association of the Transferee Company.

(d) 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.

(e) 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 numbers of shares shall be issued by the Transferee Company.

(f) 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.

(g) The New Equity shares of the Transferee Company issued in terms of clause 11.1 (b) shall subject to the execution of the listing agreement and payment of the appropriate fees, be listed on Recognised Stock Exchanges in India, where the shares of the Transferee Company are already listed.

11.2 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 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.

11.3 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.

12. 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.

PART III

13. 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.

14. 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.

15. 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 questions 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.

16. SCHEME CONDITIONAL UPON APPROVAL / SANCTIONS

The Scheme is conditional on and subject to:

16.1 The approval of the shareholders of the Transferor Company and the Transferee Company to the Scheme by the requisite majority.

16.2 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.

16.3 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.

16.4 The filing of the necessary certified copies of the said Order or Orders with the Registrar of Companies, Pune.

17. 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.

KIRLOSKAR OIL ENGINES LIMITED

SCHEME OF ARRANGEMENT

BETWEEN

KIRLOSKAR OIL ENGINES LIMITED ("DEMERGED COMPANY"),

AND

KIRLOSKAR ENGINES INDIA LIMITED ("RESULTING COMPANY")

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Under Sections 391 to 394 of the Companies Act, 1956

PREAMBLE

This Scheme of Arrangement is presented for vesting of the Engines and Auto Components Business (as defined hereinafter) of the Demerged Company having its registered office at Laxmanrao Kirloskar Road, Khadki, Pune- 411003 as a going concern in the Resulting Company, having its registered office at Laxmanrao Kirloskar Road, Khadki, Pune- 411003 pursuant to the relevant provisions of the Companies Act, 1956 ("the Act").

A. The Demerged Company is a Company presently engaged inter alia in the business of manufacture and sale of diesel engines, generating sets, bimetal bearings, bushes and bimetal strips.

B. The equity shares of the Demerged Company are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

C. The Resulting Company is a wholly owned subsidiary of the Demerged Company with the object inter alia of carrying on the Engines and Auto Components Business.

D. The present Scheme of Arrangement (hereinafter referred to as "this Scheme") is presented for a transfer on a going concern basis of the "Demerged Undertaking" (as defined hereinafter in this Scheme) into the Resulting Company, with the Demerged Company being engaged in the Wind Mill Business and as an investment company and focusing on new business opportunities along with the Remaining Business (as defined hereinafter in this Scheme) and in consideration thereof, an issue of equity shares by the Resulting Company to the members of the Demerged Company, on a proportionate basis, pursuant to Section 394 and other relevant provisions of the Act and in compliance with the norms laid down under Section 2(19AA) of the Income Tax Act, 1961. This restructuring is intended to provide greater business focus both in the Demerged Company and the Resulting Company. The Resulting Company may seek to re-structure the Auto Components Division including by way of a joint venture, technology transfer arrangement, hiving off or disposal thereof, subject to compliance with all applicable laws and regulations.

E. The Board of Directors of both the Demerged Company and the Resulting Company are of the opinion that the Demerger would result in benefit to the shareholders, creditors and employees of both the companies and will not be detrimental to the public interest.

F. The demerger of the Demerged Undertaking of the Demerged Company under this Scheme will be effective under the provisions of Sections 391 to 394 of the Companies Act, 1956 and in accordance with the provisions of Section 2 (19AA) of the Income Tax Act, 1961 such that, subject to Clause 23 of this Scheme: -

(i) all the properties of the Demerged Undertaking, being transferred by the Demerged Company, become the properties of the Resulting Company by virtue of the demerger;

(ii) all the liabilities relatable to the Demerged Undertaking, being transferred by the Demerged Company, become the liabilities of the Resulting Company by virtue of the demerger;

(iii) the properties and liabilities, if any, relatable to the Demerged Undertaking, being transferred by the Demerged Company are transferred to the Resulting Company at the values appearing in the books of account of the Demerged Company;

(iv) the Resulting Company issues shares to the shareholders of the Demerged Company in consideration of the demerger in the same proportion in which the shares are held by them in the Demerged Company subject to the terms hereof;

(v) the shareholders of the Demerged Company become the shareholders of the Resulting Company by virtue of the demerger;

(vi) the transfer and vesting of the Demerged Undertaking is on a going concern basis; and

(vii) the demerger is in accordance with the conditions, if any, notified under sub-section (5) of Section 72A of the Income Tax Act, 1961 by the Central Government in this behalf.

G. This Scheme is divided into the following parts:

Part I – which deals with the Definitions;

Part II – which deals with the transfer and vesting of the Demerged Undertaking inter alia consisting of the Engines and Auto Components Business of the Demerged Company, as a going concern, to and in the Resulting Company;

Part III – which deals with the Remaining Undertaking;

Part IV – which deals with Issue of Shares and Reorganisation of the Share Capital of the Demerged and the Resulting Company;

Part V – which deals with the Accounting Treatment; and

Part VI - which deals with the General Terms and Conditions.

PART I

1. DEFINITIONS

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

(a) **"Act"** means the Companies Act, 1956 or any statutory modification or re-enactment thereof, for the time being in force.

(aa) **"Aircraft"** means Model-Beechcraft King Air B 200 aircraft bearing manufacturer's serial number BV 1895 and registered in India with registration mark VT- LKK, together with the Airframe, two (2) Engines (installed thereon) and all installed components, accessories, equipment, including on-board service equipment, technical records and uninstalled spare parts, spare engines, auxiliary power units, life limited parts and landing gear;

(b) **"Appointed Date"** means 1st April, 2009 or such other date as may be fixed by the High Court of Judicature at Bombay.

(c) **"Auto Components Division"** means the undertaking of the Auto Components Division of the Demerged Company, situated at Pune and Ahmednagar, the particulars of which are set out in Schedule 1(c) hereto.

(ci) **"Board of Directors"** in relation to each of the Demerged Company and the Resulting Company, as the case may be, shall include a committee of directors thereof.

(cc) **"Corporate Services"** means services in relation to (i) information technology; (ii) human resources; (iii) research and development; (iv) finance, secretarial and legal; (v) utilities; and (vi) marketing.

(d) **"Court" or "High Court"** means the High Court of Judicature at Bombay and shall include the National Company Law Tribunal, if applicable.

(d1) **"Corporate Aviation Facility"** means the Aircraft, the Helicopter and the aviation related facilities allotted or to be allotted at civil airport, Lohegaon, Pune 411 032.

(e) **"Demerged Company" or "KOEL"** means Kirloskar Oil Engines Limited, a Public Limited Company, incorporated under the provisions of the Companies Act, 1956, and having its registered office at Laxmanrao Kirloskar Road, Khadki, Pune 411 003.

(f) **"Demerged Undertaking"** means the Engines Business being the facilities at Khadki, Nashik, Kagal, Rajkot and Silvassa being divisions of the Demerged Company largely comprising, inter alia of the business activities relating to the manufacture, trading and/or dealing in, engines, engine spares, pumps, generating

sets and oils used therein being carried on by the Demerged Company on a going concern basis, and the Auto Components Business being the facilities situate at Khadki and Ahmednagar being divisions of the Demerged Company, largely comprising, inter alia of the business activities relating to the manufacture, trading and dealing in bearings and bushes being carried on by the Demerged Company, on a going concern basis, including of all their assets (whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent) and all of their liabilities which relate thereto or are necessary therefore including specifically the following:

(i) The facility at Khadki situate at Laxmanrao Kirloskar Road, Khadki, Pune 411003, Maharashtra, except for all those pieces and parcels of lands, hereditaments and premises, situate, lying and being thereat together with all buildings and structures standing thereon and all of which will be subsequently leased or licensed by the Demerged Company to the Resulting Company, on and from the Appointed Date. (Khadki Facility)

(ii) The facility at Nashik situate at A-11/1, MIDC, Ambad, Nashik 422010, Maharashtra, together with all those pieces and parcels of leasehold lands, hereditaments and premises, situate, lying and being thereat together with all buildings and structures standing thereon. (Nashik Facility)

(iii) The facility at Kagal situate at Plot No.D-1, Kagal 5 Star MIDC, Village Talandage, Taluka Hatkanangale, District Kolhapur, Maharashtra together with all those pieces and parcels of licensed lands, hereditaments and premises, situate, lying and being thereat together with all buildings and structures standing thereon. (Kagal Facility)

(iv) The facility at Rajkot situate at Plot No.2315/16, 2330/31, GIDC, Lodhika Industrial Estate, Almighty Gate Road, D-4 Metoda, Rajkot 360035, Gujarat together with all those pieces and parcels of leasehold lands, hereditaments and the leased premises, situate, lying and being thereat together with all the leased buildings and structures standing thereon. (Rajkot Facility)

(v) The facility at Silvassa situate at Plot No.2, Survey No. 260/71/1, Sheetal Industrial Estate, c/o. MRC Logistics Ltd., Damani Village Road, Union Territory, Silvassa, Dadra-Nagar Haveli 396230, together with all those pieces and parcels of leasehold lands, hereditaments and premises, situate, lying and being there at together with all buildings and structures standing thereon. (Silvassa Facility)

(vi) Corporate Services offices of the Demerged Company, which render Corporate Services to the Demerged Company and which are situate at Laxmanrao Kirloskar Road, Khadki, Pune 411003, Maharashtra, except for the premises being used by the Demerged Company **(Corporate Services Facility)** which will be subsequently leased or licensed by the Demerged Company to the Resulting Company, on and from the Appointed Date.

(vii) Corporate Aviation Facility of the Demerged Company situate at Civil Airport, Lohegaon, Pune 411 032 **("Corporate Aviation Facility")** including the Aircraft and the Helicopter.

(viii) The facility at Ahmednagar situate at Plot No. A 3, MIDC Industrial Estate, Nagapur, Ahmednagar 414111, Maharashtra, together with all those pieces and parcels of leasehold lands, hereditaments and the leased premises, situate, lying and being there at, together with all buildings and structures standing thereon (Ahmednagar Facility).

(ix) The offices of the Demerged Company, whether leased or licensed, as listed in **Schedule "A"** hereto, together with all assets and equipments situate therein.

(x) The godowns / warehouses of the Demerged Company, whether leased or licensed, together with all assets and equipments, situate therein.

and shall subject to what is stated herein above in this Clause include (without limitation):

(i) all assets wherever situate, whether movable or immovable, leasehold or licensed, tangible or intangible, including all lands, plant and machinery, buildings, offices, godowns, warehouses, work-in-progress, vehicles, aircraft, helicopter, furniture and fixtures, office equipment, computer installations, electrical installations, air-conditioning plant, drawings and designs, appliances, accessories and one share of Kirloskar Proprietary Ltd., all of which are specified in **Schedule "B"**, pertaining to or relating

to the Demerged Undertaking, save and except for any exclusions thereto as also disclosed in Schedule B hereto;

(ii) all liabilities present and future (including the liabilities allocable as per Clause 4.7 of this Scheme) and the specific contingent liabilities pertaining to or relatable to the Demerged Undertaking; (as specified in **Schedule "C"** hereto)

(iii) Subject to any express third party consents which may be required, all rights and licences, all assignments and grants thereof, all permits, registrations, quota rights, import quotas, rights (including rights under any agreement, contracts, applications, letters of intent, or any other contracts), subsidies, grants, tax credits, incentives or schemes of Central/State Governments, quality certifications and approvals (both Indian and foreign), including those under customer contracts, customer purchase orders, order acceptances, and under pending customer purchase orders and/or schedules (including those which are work-in-progress) product registrations (both Indian and foreign) regulatory approvals, entitlements, industrial and other licences, municipal permissions, goodwill, approvals, consents, tenancies, if any, in relation to the office and/or residential properties for the employees, investments and/or interest (whether vested, contingent or otherwise) in projects undertaken by the Demerged Company in relation to the Demerged Undertaking, either solely or jointly with other parties, cash balances, bank balances, bank accounts, deposits, advances, recoverables, receivables, easements, advantages, financial assets, hire purchase and lease arrangements, the benefits of bank guarantees issued by Demerged Company in relation to the Demerged Undertaking, privileges, all other claims, rights and benefits (including under any powers of attorney issued by the Demerged Company in relation to the Demerged Undertaking or any powers of attorney issued in favour of the Demerged Company or from or by virtue of any proceeding before a legal, quasi-judicial authority or any other statutory authority to which the Demerged Company was a party), powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, facsimile connections and communication installations, utilities, electricity, water and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Demerged Undertaking;

(iv) employees that are determined by the Board of Directors of the Demerged Company, substantially engaged in or in relation to the Demerged Undertaking;

(v) all deposits and balances with government, semi-governmental, local and other authorities and bodies, customers and other persons, earnest moneys and/or security deposits paid or received by the Demerged Company, directly or indirectly in connection with or in relation to the Demerged Undertaking;

(vi) all books, records, files, papers, product specifications and process information, records of standard operating procedures, computer programmes along with their licences, manuals and back up copies, drawings, other manuals, data catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form, directly or indirectly in connection with or relating to the Demerged Undertaking;

(vii) all trade marks, trade names, patents and domain names, copyrights, industrial designs, trade secrets, product registrations and other intellectual property and all other interests exclusively relating to the goods or services being dealt with by the Demerged Undertaking, including those illustratively listed in **Schedule "D"**; but shall not include any assets or liabilities or intellectual property rights relating to the Remaining Business of the Demerged Company.

It is intended that the definition of Engines and Auto Components Business, under this clause would enable the transfer of all properties, assets and liabilities of the Engines and Auto Components Business to the Resulting Company pursuant to this Scheme.

(g) **"Engines and Auto Components Business"** means (i) the business of the manufacture, trading and/or dealing in engines, engine spares, pumps and generating sets and oils used therein, and (ii) the Auto Components Divisions; but which will not include the Remaining Business.

(h) **"Effective Date"** means the last day of the month in which the last of the conditions and matters referred to in Clause 23 of this Scheme occur or have been fulfilled or waived, and the order of the Bombay High Court sanctioning the Scheme is filed with the Registrar of Companies, Maharashtra, Pune, by the Demerged Company and the Resulting Company; provided that if such date is not a business day (a business day being a day on which commercial banks are open for business in Pune) then such day shall be the next succeeding business day.

(i) **"Government" or "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, instrumentality, judicial or arbitral body having jurisdiction over the territory of India.

(j) **"Helicopter"** means Model – Robinson R-44, Raveen - II helicopter bearing manufacturers serial number 11917 and registered in India, with registration mark VT - RCK, together with the engine (installed thereon) and all installed components, accessories, equipment, including on board service equipment, technical records and uninstalled spare parts, spare engines, auxiliary power units, life limited parts and landing gear.

(k) **"Record Date" or "Specified Date"** means the date to be fixed by the Board of Directors of the Demerged Company for the purpose of determining the members of the Demerged Company to whom shares of the Resulting Company will be allotted pursuant to the Scheme.

(l) **"Remaining Business" or "Remaining Undertaking"** means the business of the Demerged Company after demerger of the Demerged Undertaking and which will consist of (i) the Wind Mill Business, (ii) all other lands, assets, liabilities and investments of the Demerged Company; and (iii) cash and bank balances as appearing in the books of the Demerged Company as on March 31, 2009 which relate to the Remaining Business other than the (x) Demerged Undertaking, and (y) cash and bank balances as appearing in the books of the Demerged Company as on March 31, 2009 which relate to the Demerged Undertaking.

(m) **"Resulting Company" or "KEIL"** means Kirloskar Engines India Limited, a Company incorporated under the Act and having its registered office at Laxmanrao Kirloskar Road, Khadki, Pune 411003.

(n) **"Scheme" or "the Scheme" or "this Scheme"** means this Scheme of Arrangement in its present form or with any modification(s) made under Clause 22 of this Scheme, including those as approved, imposed or directed by the Court and accepted by the Demerged Company.

(o) **"Welfare Funds"** means the funds other than the Funds as defined in Clause 8.2 which are the non-statutory and voluntary funds established by the Demerged Company for the benefit of its employees.

(p) **"Wind Mill Business"** means the business of the Demerged Company relating to the business of generating energy through wind mills.

(q) **"Schedules"** shall mean the schedules to this Scheme.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court of Judicature at Bombay shall be effective from the Effective Date, but shall be deemed to and come into operation from the Appointed Date.

3. SHARE CAPITAL

3.1 The authorised, issued, subscribed and paid up capital of the Demerged Company as on the date of the board resolution approving the Scheme passed by the Demerged Company i.e. 28 March 2009 is as under:

Particulars	(Amount in Rs.)
Authorised Capital	
25,00,00,000 equity shares of Rs 2 Each	50,00,00,000
Total	**50,00,00,000**
Issued	
19,53,53,480 equity shares of Rs.2 each	39,07,06,960
Subscribed	
19,41,73,000 equity shares of Rs. 2 Each	38,83,46,000
Called up & Paid up	
19,41,72,380 equity shares of Rs. 2 Each	38,83,44,760
Shares in abeyance	
620 equity shares Rs. 2 each	1,240

The equity shares of the Demerged Company are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

3.2 The authorised, issued, subscribed and paid up capital of the Resulting Company as on the date of the board resolution approving the Scheme passed by the Resulting Company i.e. 28 March 2009 is as follows:

Particulars	(Amount in Rs.)
Authorised Capital	**10,00,000**
5,00,000 equity shares of Rs. 2 each	10,00,000
Issued, Subscribed and Paid up Capital	
5,00,000 equity shares of Rs. 2 each	10,00,000

The equity shares of the Resulting Company, are at present, not listed on any Stock Exchanges.

PART II – DEMERGED UNDERTAKING

4. TRANSFER OF UNDERTAKING

4.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Undertaking (including all the estate, assets, rights, claims, title, interest and authorities, including accretions and appurtenances of the Demerged Undertaking) shall, pursuant to the provisions contained in Sections 391 to 394 and all other applicable provisions of the Act, if any, and other provisions of law for the time being in force and without any further act, deed, matter or thing be and stand transferred / demerged from the Demerged Company, and be transferred to and vested in and shall be deemed to have been transferred to and vested in the Resulting Company on the Appointed Date, on a going concern basis, so as to become as and from the Appointed Date, the undertaking of the Resulting Company, in the following manner:-

the Demerged Undertaking (including the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances thereto such as dividends, or other benefits received) shall without any further act or deed, matter or thing be demerged from the Demerged Company and be and stand transferred to and vested in and shall be deemed to be transferred to and vested in the Resulting Company, such that all properties, assets, estates, rights, claims, title, interest and authorities and liabilities comprised in the Demerged Undertaking immediately before the demerger shall become properties, rights, estate, claims, title, interest, authorities and liabilities of the Resulting Company by virtue of and in the manner provided in this Scheme.

4.2 All assets or investments, right, title or interest acquired by the Demerged Company after the Appointed Date but prior to the Effective Date in relation to the Demerged Undertaking shall also 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 Resulting Company upon the coming into effect of the Scheme, pursuant to the provisions of Sections 391 to 394 of the Act and all other applicable provisions of the Act, provided that no onerous asset shall have been acquired by the Demerged Company in relation to the Demerged Undertaking after the Appointed Date, without the prior written consent of the Resulting Company.

4.3 In respect of such of the assets of the Demerged Undertaking (mentioned in Clause 4.1 and Clause 4.2 above) as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery, the same may be so delivered, paid over, or endorsed and delivered, by the Demerged Company and shall become the property of the Resulting Company as an integral part of the Demerged Undertaking transferred to it. Such delivery shall be made on a date mutually agreed upon between the Board of Directors of the Demerged Company and the Board of Directors of the Resulting Company within one hundred and eighty (180) days from the Effective Date or such longer period as the Board of Directors of each of the Demerged Company and the Resulting Company mutually agree upon in writing.

4.4 In respect of such of the assets of the Demerged Undertaking other than those referred to in Clause 4.3 above, the same shall, as more particularly provided in Clause 4.1 above, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company on the Appointed Date pursuant to the provisions of Section 394 of the Act or other provisions of law as applicable.

4.5 It is hereby clarified that the rest of the assets and liabilities (other than those forming part of the Demerged Undertaking or otherwise specified in this Scheme), if any, of the Demerged Company shall continue to vest in the Demerged Company.

4.6 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, in accordance with the provisions of relevant laws, consents, permissions, licences, certificates, authorities (including for the operation of bank accounts), including those of any relevant Governmental Authorities, powers of attorneys given by, issued to or executed in favour of the Demerged Company, and the rights and benefits under the same shall, insofar as they relate to the Demerged Undertaking and all quality certifications and approvals, trademarks, patents and domain names, copyrights, industrial designs, trade secrets, product registrations and other intellectual property (as listed in **Schedule "D"**) and all other interests relating to the goods or services being dealt with by the Demerged Undertaking, be transferred to and vested in the Resulting Company. Insofar as the various incentives, sales tax deferral benefits, subsidies including applications for subsidies, the subsidy accorded by the Directorate of Industries for the Kagal facility of the Demerged Company dated 11th September, 2008, rehabilitation schemes, grants, special status and other benefits or privileges enjoyed, granted by any Governmental Authorities, local authority or by any other person, or availed of by the Demerged Company are concerned, the same shall, without any further act or deed, in so far as they relate to the Demerged Undertaking, vest with and be available to the Resulting Company on the same terms and conditions.

4.7 It is clarified that, upon the coming into effect of the Scheme, the following liabilities and obligations of the Demerged Company as on the Appointed Date and being a part of the Demerged Undertaking shall, without any further act or deed be deemed to and shall stand transferred to the Resulting Company, and all rights, powers, duties and obligations in relation thereto shall be deemed to and stand transferred to and vested in and shall be exercised by or against the Resulting Company as if it had entered into such loans or incurred such borrowings and the Resulting Company undertakes to meet, discharge and satisfy the same:

(a) the liabilities which directly and specifically arose out of the activities or operations of the Demerged Undertaking;

(b) specific loans or borrowings raised, if any, and incurred and utilized solely for the activities or operations of the Demerged Undertaking;

(c) in cases other than those referred to in sub-clauses (a) and (b) above, if there are any other general or multipurpose borrowings and liabilities of the Demerged Company, relating to the Demerged Undertaking, they shall also stand transferred to and vested in the Resulting Company.

(d) It is hereby clarified that upon the coming into effect of this Scheme, where any regulatory approvals of any Governmental Authority are required for a transfer in pursuance of this Clause 4.7 to the Resulting Company,

the same shall be obtained by the Demerged Company and/or the Resulting Company as may be required by way of specific applications in this behalf.

4.8 Where any of the liabilities and obligations of the Demerged Company as on the Appointed Date are deemed to be transferred to the Resulting Company, but have been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company, and all loans raised and used and all liabilities and obligations incurred by the Demerged Company for the operations of the Demerged Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Resulting Company and shall become its liabilities and obligations.

4.9 Upon the coming into effect of this Scheme, insofar as the security in respect of the liabilities of the Demerged Company as on the Appointed Date is concerned, it is hereby clarified that the Demerged Company and the Resulting Company shall, subject to confirmation by the concerned creditor(s), mutually agree upon and arrange for such security as may be considered necessary to secure such liabilities, and obtain such consents under law as may be prescribed.

4.10 Upon the coming into effect of this Scheme, the borrowing limits of the Resulting Company in terms of Section 293(1)(d)of the Act shall be deemed without any further act or deed to have been enhanced to the approved limits for borrowings of the Demerged Company as on the Appointed Date, such limits being incremental to the existing limits of the Resulting Company, with effect from the Appointed Date.

4.11 The provisions of this Clause insofar as they relate to the transfer of liabilities to the Resulting Company shall operate notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security document, all of which instruments shall stand modified and/or superseded by the foregoing provisions.

5. CONSIDERATION

5.1 The arrangement between the Demerged Company and the Resulting Company is made on the basis that the Resulting Company shall, in consideration for the transfer of and vesting of the Demerged Undertaking, discharge consideration to the members whose names appear in the Register of Members on the Record Date, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognised by the Board of Directors of the Demerged Company, in proportion to their shareholding in their Demerged Company in the manner as prescribed in Clause 14.1 below.

6. CONTRACTS AND DEEDS

6.1 Upon the coming into effect of this Scheme and subject to other provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking and to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible and which are subsisting or having effect immediately on or before the Effective Date, shall continue to be in full force and effect on or against or in favour of the Resulting Company, and may be enforced by and against the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto or there under.

6.2 Without prejudice to other provisions of the Scheme and notwithstanding the fact that the vesting of the Demerged Undertaking with the Resulting Company occurs by virtue of this Scheme itself, the Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise take such actions and execute such deeds, including deeds of adherence, confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Demerged Company will, if necessary, also be a party to the above. The Resulting Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Demerged Company and to implement and carry out all formalities required on the part of the Demerged Company, to give effect to this Scheme.

6.3 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 permits, authorizations, certificates, licences, consents, registrations, approvals, authorities, powers of attorney, municipal permissions, industrial licences, insurance policies, registrations, connections for water, electricity and drainage, sanctions, obligations/ benefits arising out of bank guarantees given with respect to any appeals with the relevant authorities, privileges, easements and advantages, facilities, rights, powers and interests (whether vested or contingent) issued to or executed in favour of the Demerged Company in relation to the Demerged Undertaking, shall stand transferred to and vested in or shall be deemed to be transferred to and vested in the Resulting Company in which the Demerged Undertaking shall vest by way of the demerger hereunder, as if the same were originally given by or issued to or executed in favour of the Resulting Company and the Resulting Company shall be bound by the terms thereof, and the duties and obligations there under and the rights and benefits under the same shall be available to the Resulting Company. The Resulting Company shall make applications to and seek to obtain relevant approvals from the concerned Governmental Authorities, as may be necessary, in this behalf.

6.4 It is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking, which the Demerged Company owns or to which the Demerged Company is a party and which cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such asset or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company to which the Demerged Undertaking is being transferred in terms of this Scheme, in so far as it is permissible to do so, till such time as the transfer is effected.

6.5 On and from the Appointed Date, if any certificate for tax deducted at source or any other tax credit certificate relating to the Demerged Undertaking is received in the name of the Demerged Company, it shall be deemed to have been received by the Resulting Company which alone shall be entitled to claim credit for such tax deducted or paid.

7. TRANSFER OF LIABILITIES

7.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations of any kind, nature and description (including contingent liabilities) of the Demerged Company (as on the Appointed Date) and relating to the Demerged Undertaking shall without any further act or deed, pursuant to the provisions of Sections 391 and 394 and all other applicable provisions, if any, of the Act, be demerged from the Demerged Company and be and stand transferred to and/or deemed to be transferred to the Resulting Company to the extent that they are outstanding as on the Effective Date and on the same terms and conditions as applicable to the Demerged Company and shall become the debts, liabilities, duties and obligations of the Resulting Company, which shall meet, discharge and satisfy the same.

7.2 Where any of the debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations of the Demerged Company as on the Appointed Date deemed to be transferred to the Resulting Company have been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company.

7.3 All loans raised and used and all liabilities and obligations incurred by the Demerged Company for the operations of the Demerged Undertaking after the Appointed Date and prior to the Effective Date shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Resulting Company in which the Demerged Undertaking shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed and stand transferred to the Resulting Company and shall become the debts, liabilities, duties and obligations of the Resulting Company which shall meet, discharge and satisfy the same. Provided however that no onerous debts, liabilities, loans raised and used, liabilities and obligations incurred, dues and obligations, shall have been assumed by the Demerged Company in relation to the Demerged Undertaking after the Appointed Date, without the prior written consent of the Resulting Company.

7.4 The demerger and the transfer and vesting of the assets and liabilities comprised in the Demerged Undertaking to and in the Resulting Company under Clauses 4 and 7, as the case may be, of this Scheme shall be subject to the mortgages and charges, if any affecting the same as hereinafter provided:

(a) The existing securities, mortgages, charges, encumbrances or liens ("Encumbrances") or those, if any, created by the Demerged Company after the Appointed Date, in terms of this Scheme, over the assets comprised in the Demerged Undertaking or any part thereof, transferred to the Resulting Company by virtue of this Scheme, shall after the Effective Date continue to relate and attach to such assets or any part thereof to which they related or attached, prior to the Effective Date and as are transferred to the Resulting Company and such Encumbrances shall not relate to or attach to any of the other assets of the Resulting Company transferred to the Resulting Company or to any assets of the Demerged Company. Provided however that no Encumbrances shall have been created by the Demerged Company in relation to the Demerged Undertaking after the Appointed Date, without the prior written consent of the Resulting Company.

(b) Insofar as any Encumbrances over the assets comprised in the Demerged Undertaking are security for liabilities of the Remaining Undertaking retained with the Demerged Company, the same shall, on the Effective Date, without any further act, instrument or deed be modified to the extent that all such assets of the Demerged Undertaking shall stand released and discharged from the obligations and security relating to the same and the Encumbrances shall only extend to and continue to operate against the assets retained with the Demerged Company and shall cease to operate against any of the assets transferred to the Resulting Company in terms of this Scheme.

(c) Without prejudice to the provisions of the foregoing clauses, upon the Scheme becoming effective, the Demerged Company and the Resulting Company shall execute all instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modifications of charge with the Registrar of Companies, Maharashtra, Pune, to give formal effect to the above provisions, if required.

(d) Upon the coming into effect of this Scheme, the Resulting Company alone shall be liable to perform all obligations in respect of the liabilities, which have been transferred to it respectively in terms of the Scheme, and the Demerged Company shall not have any obligations in respect of such liabilities and the Resulting Company shall indemnify the Demerged Company in relation to any claim, at any time, against the Demerged Company in respect of the liabilities which have been transferred to the Resulting Company.

(e) It is expressly provided that, save as mentioned in Clause 7, no other term or condition of the liabilities transferred to the Resulting Company is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

(f) Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of the Clause 7 shall operate, 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 stand modified and/or superseded by the foregoing provisions.

8. STAFF, WORKMEN AND EMPLOYEES

8.1 Upon the coming into effect of this Scheme, all staff, workmen employees (as may be determined by the Board of Directors or the managing director or joint managing director of the Demerged Company), consultants and advisors whether full time or part time or on retainer of the Demerged Undertaking of the Demerged Company in service on the Effective Date shall be deemed to have become staff, workmen employees, consultants and advisors of the Resulting Company without any break in their service and subject to the provisions of this Scheme on the basis of continuity of service, and the terms and conditions of their employment with the Resulting Company shall not be less favourable than those applicable to them with reference to the Demerged Undertaking of the Demerged Company on the Effective Date, as a result of the transfer of the Demerged Undertaking.

8.2 The existing provident fund, gratuity fund and pension and/or superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by the Demerged Company for the employees of the Demerged Undertaking and the Remaining Undertaking (collectively referred to as the "Funds"), and such of the investments made by the Funds which are referable to the employees of the Demerged Undertaking and the Remaining Undertaking will be transferred to the Resulting Company and shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. The Funds shall, subject to the necessary approvals and permissions and at the discretion of the Resulting Company, either be continued as separate Funds of the Resulting Company for the benefit of the

employees of the Demerged Undertaking and the Remaining Undertaking or be transferred to and merged with other similar funds of the Resulting Company. The Welfare Funds shall also be transferred to the Resulting Company and be managed by the Resulting Company for the benefit of employees of the Demerged Company and the Resulting Company.

9. LEGAL PROCEEDINGS

9.1 Upon the coming into effect of the Scheme, all legal, taxation and any other proceedings (including arbitration) of whatsoever nature by or against the Demerged Company whether pending on the Effective Date or which may be instituted in future after the Effective Date (in respect of any matter arising before the Effective Date) and relating to the Demerged Undertaking) shall be continued and enforced by or against the Resulting Company after the Effective Date, in the manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. On and from the Appointed Date, the Resulting Company shall and may, if required, initiate any legal proceedings in relation to the Demerged Undertaking in the name of the Demerged Company.

9.2 If any proceedings are taken against the Demerged Company in respect of the matters referred to in the Sub-clause 9.1 above, it shall defend the same in accordance with the advice of the Resulting Company and at the cost and risk of the Resulting Company and the Resulting Company shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof. In respect of such defense, the Resulting Company shall extend full and timely cooperation, including providing requisite information, personnel and the like so as to enable the Demerged Company, to defend the same.

9.3 The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company referred to in Clause 9.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company.

9.4 The Resulting Company also undertakes to reimburse and indemnify the Demerged Company against (i) invocation of any bank guarantee, if any, and/or (ii) against any tax related liabilities or demands relating to the Demerged Undertaking and which relate to any act, omission or assessment prior to the Effective Date relating to the Demerged Undertaking after the Appointed Date.

9.5 The Demerged Company and the Resulting Company shall, to the extent possible, co-operate with each other in respect of any such contest, defence, litigation or settlement arising in respect of the Demerged Undertaking on or after the Appointed Date.

10. TRANSFER AT BOOK VALUES

10.1 All the assets, properties and liabilities of the Demerged Undertaking, shall subject to what is stated in this Scheme be transferred to the Resulting Company at the values appearing in the books of the Demerged Company as on the Appointed Date.

11. CONDUCT OF BUSINESS

11.1 The Demerged Company, with effect from the Appointed Date and upto and including the Effective Date:

(a) shall be deemed to have been carrying on all business and activities relating to the Demerged Undertaking and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all the estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions of the Demerged Undertaking for and on account of, and in trust for, the Resulting Company;

(b) all profits and income accruing or arising to the Demerged Company from the Demerged Undertaking and losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) relating to the Demerged Undertaking based on the audited accounts of the Demerged Company shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the Resulting Company; and

(c) any of the rights, powers, authorities, privileges attached, related or pertaining to the Demerged Undertaking exercised by the Demerged Company shall be deemed to have been exercised by the Demerged Company for and on behalf of and in trust for and as an agent of the Resulting Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Demerged Undertaking that has been undertaken or discharged by the Demerged Company shall be deemed to have been undertaken / discharged for and on behalf of and as an agent for the Resulting Company.

11.2 With effect from the Appointed Date and until the Effective Date, the Demerged Company undertakes that it will preserve and carry on the business of the Demerged Undertaking with reasonable diligence and business prudence and shall not undertake financial commitments or sell, transfer, alienate, charge, mortgage, or encumber the assets of the Demerged Undertaking or any part thereof save and except in each case:

(a) 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

(b) if the same is expressly permitted by this Scheme; or

(c) if the prior written consent of the Board of Directors of the Resulting Company has been obtained.

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

(a) all debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations as on the Appointed Date, whether or not provided in the books of the Demerged Company in respect of the Demerged Undertaking, and all debts, liabilities and loans raised and used, liabilities and obligations incurred, duties and obligations relating thereto which arise or accrue to the Demerged Company on or after the Appointed Date in accordance with this Scheme, shall be deemed to be the debts, liabilities and loans raised and used, liabilities and obligations incurred, duties and obligations of the Resulting Company to which the Demerged Undertaking is transferred.

(b) all assets and properties comprised in the Demerged Undertaking as on the Appointed Date, whether or not included in the books of the Demerged Company and all assets and properties relating thereto, which are acquired by the Demerged Company in relation to the Demerged Undertaking, on or after the Appointed Date, in accordance with this Scheme, shall be deemed to be the assets and properties of the Resulting Company to which the Demerged Undertaking is transferred.

12. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the assets, liabilities and obligations of the Demerged Undertaking under Clause 4 and Clause 7 above (and the continuance of proceedings by or against the Resulting Company under Clause 9 above) shall not affect any transaction or proceedings already concluded by the Demerged Company on or after the Appointed Date till the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by and/or on behalf of the Demerged Company in relation to the Demerged Undertaking which shall vest in the Resulting Company, in terms of this Scheme as acts, deeds and things made, done and executed by and on behalf of the Resulting Company.

PART III

REMAINING UNDERTAKING

13. Remaining Undertaking to continue with Demerged Company

13.1 The Remaining Undertaking and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company, (subject only to Clause 7 of this Scheme in relation to Encumbrances in favour of banks and financial institutions):-

(a) all legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter and in each case relating to the Remaining

Undertaking (including those relating to any property, right, power, liability, obligations or duties of the Demerged Company in respect of the Remaining Undertaking) shall be continued and enforced by or against the Demerged Company after the Effective Date. The Resulting Company shall not in any event be responsible or liable in relation to any such legal, taxation or other proceedings against the Demerged Company, which relate to the Remaining Undertaking.

(b) If proceedings are taken against the Resulting Company in respect of the matters referred to in sub-clause (a) above, the Resulting Company shall defend the same in accordance with the advice of the Demerged Company and at the cost and risk of the Demerged Company and the latter shall reimburse and indemnify the Resulting Company against all liabilities and obligations incurred by the Resulting Company in respect thereof. In respect of such defense, the Demerged Company shall extend full and timely cooperation, including providing requisite information, personnel and the like, so as to enable the Resulting Company to defend the same.

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

(a) The Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Undertaking for and on its own behalf;

(b) all profits accruing to the Demerged Company thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Undertaking shall, for all purposes, be treated as the profits or losses, as the case may be, of the Demerged Company; and

(c) All assets and properties acquired by the Demerged Company in relation to the Remaining Undertaking on and after the Appointed Date shall belong to and continue to remain vested in the Demerged Company.

PART IV – ISSUE OF SHARES AND REORGANISATION OF CAPITAL

The provisions of this Part IV shall prevail notwithstanding anything to the contrary in this Scheme.

14. ISSUE OF SHARES

14.1 Upon the coming into effect of the Scheme and in consideration of the demerger including the transfer and vesting of the Demerged Undertaking in the Resulting Company pursuant to Part II of the Scheme, the Resulting Company shall, without any further act or deed and without any further payment, issue and allot equity shares (hereinafter also referred to as the "New Resulting Company Equity Shares") at par on a proportionate basis to members of the Demerged Company whose name is recorded in the Register of Members of the Demerged Company as holding equity shares on the Specified Date in the ratio of 3 (three) equity shares in the Resulting Company, of the face value of Rs. 2/- (Rupees two only) each fully paid up for every 4 (four) equity shares of Rs. 2/- (Rupees two only) each fully paid up held by such members or his/her/its heirs/executors/administrators or successors in the Demerged Company ("Resulting Company Share Entitlement Ratio").

14.2 In case any member's holding in the Demerged Company is such that the member becomes entitled to a fraction of an equity share in the Resulting Company, the Resulting Company shall not issue fractional share certificates to such member but shall consolidate such fractions and issue consolidated equity shares to the Board of Directors of the Resulting Company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of the expenses incurred) to the members respectively entitled to the same in proportion to their fractional entitlements.

14.3 Equity shares to be issued by the Resulting Company pursuant to Clause 14.1 of this Scheme, in respect of any equity shares of the Demerged Company which are held in abeyance under the provisions of Section 206A of the Act or otherwise, shall, pending allotment or settlement of dispute by order of Court or otherwise, be held by the Resulting Company in abeyance.

14.4 The equity shares to be issued by the Resulting Company pursuant to Clause 14.1 above shall be issued in dematerialized form by the Resulting Company, unless otherwise notified in writing by the shareholders of the Demerged Company to the Resulting Company on or before such date as may be determined by the Board of Directors of the Demerged Company. In the event that such notice has not been received by the Resulting Company in respect of any of the members of the Demerged Company, the equity shares shall be issued to such members in

dematerialized form provided that the members of the Resulting Company shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event that the Resulting Company has received notice from any member that equity shares are to be issued in physical form or if any member has not provided the requisite details relating to his/her/its account with a depository participant or other confirmations as may be required or if the details furnished by any member do not permit electronic credit of the shares of the Resulting Company, then the Resulting Company shall issue equity shares in physical form to such member or members.

14.5 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of Directors of the Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer in the Demerged Company as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Resulting Company issued by the Resulting Company after the effectiveness of this Scheme.

14.6 The New Resulting Company Equity Shares issued and allotted by the Resulting Company in terms of this Scheme shall be subject to the provisions of the Memorandum and Articles of Association of the Resulting Company and shall inter-se rank pari passu in all respects.

14.7 Equity shares of the Resulting Company issued in terms of Clause 14.1 of this Scheme will be listed and/or admitted to trading on the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited, where the shares of the Demerged Company are listed and/or admitted to trading in terms of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000. The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said stock exchanges. On such formalities being fulfilled, the said stock exchanges shall list and/or admit such equity shares also for the purpose of trading.

14.7.1 The equity shares allotted pursuant to this Scheme shall remain frozen in the depositories system till listing / trading permission is given.

14.7.2 There will be no change in the shareholding pattern or control in Resulting company (Kirloskar Engines India Limited) between the record date and the listing which may affect the basis on which approval is received from the Stock Exchanges.

14.8 For the purpose of issue of equity shares to the shareholders of the Demerged Company, the Resulting Company shall, if and to the extent required, apply for and obtain the required statutory approvals from the relevant Governmental Authorities including approval of the Reserve Bank of India and other concerned regulatory authorities for the issue and allotment by the Resulting Company of such equity shares.

14.9 Unless otherwise determined by the Board of Directors of the Demerged Company and the Board of Directors of the Resulting Company, issuance of equity shares in terms of Clause 14.1 above shall be done within 45 days from the Effective Date.

14.9.1 The cost of acquisition of the shares of the Resulting Company in the hands of the shareholders of the Demerged Company shall be the amount which bears to the cost of acquisition of shares held by the shareholder in the Demerged Company in the same proportion as the net book value of the assets transferred in the demerger to the Resulting Company bears to the net worth of the Demerged Company immediately before the demerger hereunder.

14.9.2 The period for which the shares in the Demerged Company were held by the shareholders, shall be included in determining the period for which the shares in the Resulting Company have been held by the respective shareholder.

15. REORGANISATION OF SHARE CAPITAL OF THE RESULTING COMPANY

In consideration of the transfer and vesting of the Demerged Undertaking in the Resulting Company in accordance with the provisions of Part II of this Scheme and issue of shares in accordance with the Clause 14.1 above, the share capital of the Resulting Company shall be reorganised, as an integral part of this Scheme, in the manner set out below.

15.1 Upon the coming into effect of this Scheme, the authorised share capital of the Resulting Company shall stand increased and the existing capital clause contained in the Memorandum of Association of the Resulting Company shall, subject to compliance with applicable laws and the Act upon the coming into effect of this Scheme, be altered as follows:

- The authorised share capital of the Resulting Company shall be increased from Rs. 10,00,000/- (Rupees ten lacs only) divided into 5,00,000 (five lacs) equity shares of Rs. 2/- (Rupees two only) each to Rs. 40,00,00,000/- (Rupees forty crores only) by creation of 20,00,00,000 (Twenty crores) equity shares of Rs. 2/- (Rupees two only) each and Clause (V) of the Memorandum of Association of the Resulting Company shall upon coming into effect of this Scheme, be substituted by the following new clause:

  "V. The Authorised Share Capital of the Company is Rs. 40,00,00,000 (Rupees forty crores only) divided into 20,00,00,000 (Twenty crores) Equity Shares of Rs. 2/- (Rupees two only) each."

15.2 Upon this Scheme becoming effective and after the allotment of the New Resulting Company Equity Shares by the Resulting Company, the issued capital, subscribed capital, paid-up capital and shares which are in abeyance of the Resulting Company shall, stand as follows:

The issued and subscribed share capital shall be Rs. 29,12,59,500/- (Rupees twenty nine crores twelve lacs fifty-nine thousand five hundred only) divided into 14,56,29,750 (Fourteen crores fifty six lacs twenty nine thousand seven hundred and fifty only) equity shares of Rs. 2/- (Rupees two only) each; the paid up capital shall be Rs. 29,12,58,570 (Rupees twenty nine cores twelve lacs fifty eight thousand five hundred and seventy only) divided into 14,56,29,285 (Fourteen crores fifty six lacs twenty nine thousand two hundred and eighty five) equity shares of Rs. 2/- (Rupees two only) each; and 465 (four hundred and sixty five) equity shares of Rs. 2/-(Rupees two only) each, being shares in abeyance.

15.3 On allotment of shares by the Resulting Company in terms of Clause 14.1 above, the existing shareholding of the Demerged Company, of Rs 10,00,000 (Rupees ten lacs only) consisting of 5,00,000 (five lacs) equity shares of Rs.2/- (Rupees two only) each, in the Resulting Company shall be cancelled as an integral part of this Scheme in accordance with provisions of Sections 100 to 103 of the Act and the Order of the High Court sanctioning the Scheme shall be deemed to be also the Order under Section 102 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the Act will not be applicable.

15.4 The Resulting Company will not be required to add the words "And Reduced" after its name.

16. REORGANISATION OF SHARE CAPITAL OF DEMERGED COMPANY

16.1 Authorised Share Capital

Upon the coming into effect of this Scheme, the authorised share capital of the Demerged Company shall stand altered and the existing capital clause contained in the Memorandum of Association and Articles of Association of the Demerged Company shall, subject to compliance with applicable laws and the Act upon the coming into effect of this Scheme, be altered as follows:

- The authorised share capital of the Demerged Company shall be altered from 25,00,00,000 (Twenty five crores) equity shares of Rs 2/- (Rupees two only) each to 5,00,00,000 (five crores) equity shares of Rs 10 (Rupees ten) each and Clause (V) of the Memorandum of Association and Article 6 of the Articles of Association of the Demerged Company shall upon coming into effect of this Scheme, be substituted by the following new clause:

  Clause(V) of Memorandum of Association:

  " The Capital of the Company is Rs. 50,00,00,000 (Rupees fifty crores only) divided into 5,00,00,000 (Five Crores) Equity Shares of Rs. 10/- (Rupees ten Only) each with power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being be provided by the Articles of Association of the Company."

Article 6 of the Articles of Association:

"The Authorised Share Capital of the Company is Rs. 50,00,00,000(Rupees fifty crores only) divided into 5,00,00,000 (Five crores) Equity Shares of Rs. 10/- (Rupees ten only) each."

16.2 Issued, Subscribed and Paid up Share Capital

16.2.1 The Issued capital of the Demerged Company now consisting of Rs. 39,07,06,960/-(Rupees thirty nine crores seven lacs six thousand nine hundred and sixty only) divided into 19,53,53,480 (Nineteen crores fifty three lacs fifty three thousand four hundred and eighty only) equity shares of Rs.2 (Rupees two only) each, shall, upon the Scheme coming into effect, stand at Rs.9,70,86,500/- (Rupees nine crores seventy lacs eighty six thousand five hundred only) divided into 4,85,43,250(Four crores eighty five lacs forty three thousand two fifty) equity shares of Rs.2/-(Rupees two only) each by cancellation of issued Capital to the extent of Rs. 29,36,20,460/-(Rupees twenty nine crores thirty six lacs twenty thousand four hundred and sixty only) which shall be further consolidated into 97,08,650 (Ninety seven lacs eight thousand six hundred and fifty only) equity shares of Rs.10/-(Rupees ten only) each.

16.2.2 The subscribed capital of the Demerged Company now consisting of Rs.38,83,46,000/-(Rupees thirty eight crores eighty three lacs forty six thousand only) divided into 19,41,73,000 (Nineteen crores forty one lacs seventy three thousand only) equity shares of Rs.2/- (Rupees two only) each shall, upon the Scheme coming into effect, stand at Rs.9,70,86,500/-(Rupees nine crores seventy lacs eighty six thousand five hundred only) divided into 4,85,43,250 (Four crores eighty five lacs forty three thousand two hundred and fifty) equity shares of Rs.2/-(Rupees two only) each by cancellation of subscribed capital to the extent of Rs. 29,12,59,500/-(Rupees twenty nine crores twelve lacs fifty nine thousand five hundred only) which shall be further consolidated into 97,08,650 (Ninety seven lacs eight thousand six hundred and fifty) equity shares of Rs.10/-(Rupees ten only) each.

16.2.3 The called and paid up capital now consisting of Rs. 38,83,44,760/-(Rupees thirty eight crores eighty three lacs forty four thousand seven hundred and sixty only) divided into 19,41,72,380 (Nineteen crores forty one lacs seventy two thousand three hundred and eighty only) equity shares of Rs.2 (Rupees two only) each, shall, upon the Scheme coming into effect, stand at Rs.9,70,86,190/-(Rupees nine crores seventy lacs eighty six thousand one hundred and ninety only) divided into 4,85,43,095 (Four crores eighty five lacs forty three thousand ninety five) equity shares of Rs.2/-(Rupees two only) each by cancellation of called up and paid up capital to the extent of Rs. 29,12,58,570/-(Rupees twenty nine crores twelve lacs fifty eight thousand five hundred and seventy only) which shall be further consolidated into 97,08,619 (Ninety seven lacs eight thousand six hundred and nineteen only) equity shares of Rs.10/-(Rupees ten only) each.

16.2.4 620 (six hundred and twenty) equity shares of Rs. 2 (Rupees two only) each being shares in abeyance shall, upon the Scheme coming into effect, stand at 155 (One Hundred and fifty five) equity shares of Rs. 2 (Rupees two only) each by cancellation of 465 (four hundred and sixty five) equity shares of Rs. 2 (Rupees two only) each, which shall be further consolidated into 31 (Thirty one) equity shares of Rs.10/-(Rupees ten only) each.

16.3 It is clarified that, pursuant to the demerger and reorganisation of share capital as above, every shareholder of the Demerged Company holding say 20 (Twenty) equity shares of Rs. 2/- (Rupees two only) each in the Demerged Company as on the Record Date will be:

i) issued 15 (Fifteen) New Resulting Company Equity Shares in Resulting Company of Rs.2/- (Rupees two only) each credited as fully paid up; and

ii) issued 1 (one) equity share of Rs.10/- (Rupees ten only) each of Demerged Company credited as fully paid up ("Demerged Company Consolidated Shares").

16.4 In case any member's holding in the Demerged Company is such that the member becomes entitled to a fraction of an equity share in the Demerged Company in accordance with 16.2 above, the Demerged Company shall not issue fractional share certificates to such member but shall consolidate such fractions and issue consolidated equity shares to the Board of Directors of the Demerged Company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of the expenses incurred) to the members respectively entitled to the same in proportion to their fractional entitlements.

16.5 Consequent to such reduction the shares held by the shareholders shall stand cancelled as on the Record Date for the facilitation of issue of new shares by the Demerged Company (i.e. Demerged Company Consolidated Shares) and the Resulting Company (i.e. New Resulting Company Equity Shares). The Demerged Company Consolidated Shares to be issued by the Demerged Company pursuant to Clause 16.2 above shall be issued in dematerialized form by the Demerged Company, unless otherwise notified in writing by the shareholders of the Demerged Company to the Demerged Company on or before such date as may be determined by the Board of Directors of the Demerged Company. In the event that such notice has not been received by the Demerged Company in respect of any of the members of the Demerged Company, the Demerged Company Consolidated Shares shall be issued to such members in dematerialized form provided that the members of the Demerged Company shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event that the Demerged Company has received notice from any member that equity shares are to be issued in physical form or if any member has not provided the requisite details relating to his/her/its account with a depository participant or other confirmations as may be required or if the details furnished by any member do not permit electronic credit of the Demerged Company Consolidated Shares of the Demerged Company, then the Demerged Company shall issue equity shares in physical form to such member or members. Shareholders holding shares in the Demerged Company in the physical form, shall, and as may be deemed fit by the shareholder, surrender to Demerged Company his old equity share certificates in respect of the shares held by him for cancellation. Notwithstanding the aforesaid, the old equity share certificates shall stand cancelled and new share certificates shall be issued and dispatched upon the aforesaid reduction in capital taking effect.

16.6 It is expressly clarified that for the purpose of ascertaining the number of shares in Resulting Company to be issued and allotted to the shareholders of Demerged Company in the entitlement ratio specified in clause 14.1 above, the reduction of capital as per clause 16.2 above shall be ignored.

16.7 Since the proposed reduction of share capital contemplated above, neither involves the diminution in liability of unpaid share capital of the Demerged Company nor any payment is proposed to be made to any shareholder of the Demerged Company of any of its paid up share capital, the provisions of Section 101 to 103 of the Act shall not have any application and Demerged Company shall not be obliged to comply with the procedures contemplated under Sections 101 to 103 of the Act.

16.8 The Demerged Company shall subject to compliance with all applicable laws and the Act, obtain all requisite and necessary approvals from its shareholders and creditors, as required, in pursuance of this Scheme, under and pursuant to provisions of Section 391 to 394 of the Act. The Demerged Company shall not, nor shall be obliged to call for a separate meeting of its shareholders and creditors for obtaining their approval sanctioning the reduction of its paid up share capital.

16.9 The Demerged Company will not be required to add the words "And Reduced" after its name.

PART V

ACCOUNTING TREATMENT

17. Accounting by the Demerged Company and the Resulting Company in respect of assets and liabilities

17.1 Accounting treatment in the books of the Demerged Company:

(a) The assets and the liabilities of the Demerged Company being transferred to the Resulting Company shall be at values appearing in the books of accounts of the demerged Company on the Appointed Date.

(b) The difference between the value of assets and the value of liabilities transferred by the Demerged Company pursuant to the Scheme shall be first appropriated against the capital reserve arising on reduction of share capital and balance, will be appropriated against the General Reserve of the Demerged Company.

17.2 In the Books of the Resulting Company

(a) Upon coming into effect of this Scheme and upon the arrangement becoming operative, the Resulting Company shall record the assets and liabilities comprised in the Demerged Undertaking transferred to and vested in it pursuant to this Scheme, at the same value appearing in the books of the Demerged Company on the Appointed Date.

(b) The Resulting Company shall credit its Share Capital Account in its books of account with the aggregate face value of the New Resulting Company Equity Shares issued to the shareholders of the Demerged Company pursuant to this Scheme.

(c) The excess or deficit, if any, remaining after recording the aforesaid entries shall be credited by the Resulting Company to its general reserve account or debited to goodwill, as the case may be. General reserve created, if any, shall be treated, for all purposes, as free reserve.

17.3 The Demerged Company and Resulting Company shall account assets and liabilities, if there is any difference of opinion, in consultation with its auditor in such a manner to fully comply with provisions of Sec 2(19AA) of The Income Tax Act, 1961.

PART VI – GENERAL TERMS AND CONDITIONS

18. CHANGE IN NAMES

18.1 Upon the Scheme becoming effective, without any further act or deed, the Resulting Company shall be renamed as - Kirloskar Oil Engines Limited, while the Demerged Company shall be renamed as Kirloskar Enterprises Limited or such other name as may be approved by the Registrar of Companies, Maharashtra, Pune. The Demerged Company shall also comply with the requirement of change in name in the Share Certificates of the Demerged Company held in physical form.

19. DIVIDENDS

(a) The Demerged Company and the Resulting Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period after the Appointed Date and prior to the Effective Date, provided that the shareholders of the Demerged Company shall not be entitled to dividend, if any, declared and paid by the Resulting Company to its shareholders for the accounting period prior to the Appointed Date.

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

(c) It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Demerged Company and/or the Resulting Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Demerged Company and the Resulting Company and subject to the approval of the shareholders of the Demerged Company and the Resulting Company.

20. APPROVALS

The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government or any State Government and all other Governmental Authorities concerned as may be necessary under any law for such consents, approvals and sanctions which the Resulting Company may require to own the Demerged Undertaking and carry on the business of the Demerged Undertaking.

21. FILING OF APPLICATIONS

The Demerged Company and the Resulting Company shall, with all reasonable dispatch, make and file all necessary applications and petitions before the High Court for the sanction of the Scheme of Arrangement under sections 391 to 394 of the Act and each of them shall apply for all necessary approvals as may be required under law.

22. MODIFICATION OF SCHEME

(a) The Demerged Company and the Resulting Company by their respective Boards of Directors or any Director authorized in that behalf (hereinafter referred to as the "Delegate") may assent to, or make from time to time, any modifications or amendments or additions to this Scheme which the High Court or any Governmental Authorities under law may deem fit to approve of or impose and which the Demerged Company and the Resulting Company may in their discretion accept such modifications or amendments or additions as the Demerged Company and the Resulting Company or 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 for carrying out this Scheme, and the Demerged Company and the Resulting Company by their respective Boards of Directors or Delegate are hereby authorized to do, perform 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 under law) for bringing this Scheme into effect, The Board of the Demerged Company or the authorized Delegate shall fix the Record Date for purposes of allotment of shares hereunder in compliance with applicable law. In the event that any conditions may be imposed by the High Court or any Governmental Authorities, which the Demerged Company or the Resulting Company finds unacceptable for any reason, then the Demerged Company and the Resulting Company shall be at liberty to withdraw the Scheme. The aforesaid powers of the Demerged Company and the Resulting Company may be exercised by the Delegate of the respective Companies.

(b) For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Delegates of the Demerged Company and the Resulting Company (acting jointly) may give such directions as they may consider necessary to settle any question or difficulty arising under this Scheme or in regard thereto and of the meaning or interpretation 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, depositors or debenture holders of the respective Companies), or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those conditions to the extent permissible under law.

23. SCHEME CONDITIONAL UPON

23.1 This Scheme is conditional upon and subject to:

(a) this Scheme being agreed to by the respective requisite majorities of the various classes of members and creditors (as applicable) of the Demerged Company and the Resulting Company as required under the Act and the requisite orders of the High Court referred to in Clause 21 being obtained;

(b) The requisite sanctions and approvals including but not limited to in-principle approvals and sanctions of any Governmental Authority, as may be required by law in respect of this Scheme being obtained;

(c) The requisite below mentioned sanctions, waivers and/or approvals being obtained from the below mentioned Governmental Authorities and other third parties:-

(i) Directorate of Industries – for Kagal sales tax incentive

(ii) secured creditors as listed in **Schedule "E"**;

(iv) the Reserve Bank of India, according its approval for the transfer / assignment of any external commercial borrowing loans of the Demerged Company and/or for the cancellation, transfer and/or issuance of shares of the Demerged Company and/or the Resulting Company, as required.

(d) such other sanctions and approvals as the Directors of the Demerged Company and/or the Resulting Company, deem necessary in respect of this Scheme, being obtained;

(e) such other terms and conditions as stipulated in this Scheme;

(f) The certified copies of the orders of the High Court sanctioning this Scheme being filed with the Registrar of Companies, Maharashtra, Pune.

23.2 In the event of this Scheme failing to take effect within 12 months of first filing in the High Court or such later date as may be agreed by the respective Boards of Directors of the Demerged Company and the Resulting Company, this Scheme shall stand revoked, cancelled and be of no effect and become null and void and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person. In such a case, each Company shall bear its own costs, charges and expenses or shall bear costs, charges and expenses as may be mutually agreed.

24. EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the said sanctions and approvals referred to in the preceding clauses, including in Clause 23, not being obtained and/or the Scheme not being sanctioned by the Bombay High Court and/or the Order not being passed within such period or periods as may be agreed upon between the Demerged Company and the Resulting Company by their Board of Directors (and which the Boards of Directors are hereby empowered and authorised to agree to and extend the Scheme from time to time without any limitation), this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act, or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

25. INDEMNITY

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

26. COSTS, CHARGES, ETC.

All costs, charges, levies and expenses (including stamp duty), if any (save as expressly otherwise agreed) of the Demerged Company and the Resulting Company, arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by the Resulting Company.

27. TAXES AND CREDITS

27.1 It is clarified that all taxes payable by the Demerged Company, relating to the Demerged Undertaking, from the Appointed Date onwards including all or any refunds and claims shall, for all purposes, be treated as the tax liabilities or refunds and claims of the Resulting Company. Accordingly, upon the Scheme becoming effective, the Resulting Company is subject to compliance with applicable laws and regulations permitted to revise its sales tax returns, excise and modvat/cenvat returns, other tax returns, and to claim refunds/credits, pursuant to the provisions of this Scheme. Upon the Scheme becoming effective, the Demerged Company is also subject to compliance with applicable laws and regulations permitted to revise its income tax returns and to claim refunds, advance tax and withholding tax credits, etc., pursuant to the provisions of this Scheme.

27.2 In accordance with the modvat/cenvat Rules framed under the Central Excise Act, 1944, as are prevalent on the Effective Date, the unutilized credits relating to excise duties paid on inputs/capital goods lying to the account of the Demerged Company in relation to the Demerged Undertaking shall subject to compliance with applicable laws and regulations be permitted to be transferred to the credit of the Resulting Company, as if all such unutilized credits were lying to the account of the Resulting Company. The Resulting Company shall accordingly subject to compliance with applicable laws and regulations be entitled to set off all such unutilized credits against the excise duty payable by it.

27.3 Credit for the advance income tax paid by the Demerged Company after the Appointed Date to the tax authorities shall be transferred to the Resulting Company.

27.4 Credit for the fringe benefit tax paid in advance by the Demerged Company after the Appointed Date shall be transferred to the Resulting Company.

KIRLOSKAR OIL ENGINES LIMITED

SCHEME OF ARRANGEMENT BETWEEN

KIRLOSKAR OIL ENGINES LIMITED (DEMERGED COMPANY)

&

KIRLOSKAR ENGINES INDIA LIMITED ("RESULTING COMPANY")

SCHEDULE Clause - 1(c): PARTICULARS OF BEARINGS BUSINESS UNDERTAKING

Description	Bearings Business Undertaking - Ahmednagar	Bearings Business Undertaking - Pune
Location:	State: Maharashtra District: Ahmednagar	State: Maharashtra District: Pune
Address:	Plot No. A3 MIDC Industrial Estate Nagapur Taluka Ahmednagar District Ahmednagar Maharashtra State PIN: 414111	L. K Raod Khadki Pune Maharashtra State PIN: 411003
Finished Products Manufactured:	Plated/ Unplated half Bearings and Bushes	Unplated half Bearings, Large half Bearings
Intermediate Products Manufactured:	Bronze Powder, Strips (Copper, Alumnium, Tin, White Metal)	Not Applicable
Installed Capacity: **a> Finished Products**		
Unplated Bearings	Not Applicable	3,36,00,000 units p.a.
Plated Bearings	96,00,000 units p.a.	Not Applicable
Half Bearings	1,68,00,000 units p.a.	Not Applicable
Bushes	1,98,00,000 units p.a.	Not Applicable
b> Intermediate Products		
Bronze Powder	1,680 tonnes p.a.	Not Applicable
Copper Strips	9,60,000 Mtrs. p.a.	Not Applicable
Aluminium Strips	12,00,000 Mtrs p.a.	Not Applicable
White Metal Strips	5,40,000 Mtrs p.a.	Not Applicable

SCHEDULE A: PARTICULARS OF OFFICES

Sr.No.	Address of the Office
1	Ground floor 'D' BLOCK, PRUTHVI COMPLEX, Jatin-Amrut Housing Society, Jodhpur Char Rasta, Ahmedabad - 380015
2	No.15, St. Mark Road, Shrilakshmi Complex, 3rd Floor, Bangalore - 560 001
3	No.178/A, Zone B, Mancheswar Industrial, Bhubaneshwar - 751010
4	Nelson Towers, 1st Floor, 2nd Wing No.51, Nelson Manickam Road, Aminjikarai, Chennai - 600 029
5	39-2694,"Anugraha", Panthiyil Lane, Warriam Road, Cochin -16
6	29, G.N.B. Road, Panbazar, 1st Floor, above avery India Ltd., Guwahati -781001
7	7-20, NDR Godown Complex, Goods Shed Road, Moosapet, Hyderabad - 500 018

Sr.No.	Address of the Office
8	Office No.203, IInd Floor, Gold Star Complex, 576, M.G. Road, Indore - 452001
9	21, Sudershanpura Industrial Area, Bais Godam, Jaipur - 302006
10	84/54, Flat No.26, Singh Engg. Works Compound, Jarib Chauki, G.T. Road, Kanpur - 208 003
11	Poonam Bldg., Flat No.8 A & 8B, 8th Floor, 5/2 Russel Street, Kolkatta - 700 071
12	498/143 KA, New Faizabad Road, Neat IT College Crossing, Lucknow - 226 020
13	Plot No.12, Sherpur Khurd, N.P.C. Tempo Union Street, Near: Arun Gas Godown, Ludhiana - 141003
15	G-Enclave, Choube Compound, 1st Floor, Bombay Paint House Building, Western Kutchery Road, Meerut - 50 001
16	UCO Bank Building, Parliament Street, New Delhi -110001
17	59/13, Giridhari Lal Jain Building, New Rohtak Road (Near Liberty Cinema), New Delhi - 110 005
18	Meena Plaza, South Museum Road, Budh Marg, Patna - 800 001
19	C/o. Shriram Logistics Services, 4P, 4th Floor, Shri Gopal Complex, Kutchery Road, Ranchi - 834 001

Schedule - B

I. Facility at Khadki:

1. Freehold Land (including Sanad Land)

Description of Land	Area (sq. mtr.)
Survey No. 11/ B (Part), Mauje Bopodi, Pune	403
Survey No 45A1/7B, 45A1 & 45D/7B, 45A1/5, 45A1/6, 45A/4/1A, 45D - Bopodi/ Khadki, Dist. Pune	23,731
Survey No 45A1/2, 45A1/3,45A 1/9A, 45C,45A1/3(Part) - Bopodi/ Khadki, Dist. Pune	8,893
Survey No. 12A/1 (Part); 12A/2B; 12A/3 (Part); 12A/4 + 5; 13/1 + 2/A; 13/1+2B; 13/3 + 4/2; 13/4/1; 14A-1A/1A; 14A-1A/1B; 14A-2; 14A-1A/3; 14A-1B; 14B; 14A-1A/2; 14C; 14D; 15B; 15C; 17A-1/2; 44/1 + 2A; 44/1 + 2&3B; 9(Part); 45A-1/8B/2; 45A-1/9B; 45A-1/1; 9(Part); 45A-1/8A + 8B/1; 45A-1/7A	243,910

2. Buildings
3. Plant & Machinery
4. Equipments
5. Computers
6. Electrical Installations
7. Furniture & Fixtures
8. Intangibles

Exceptions:

Freehold Land (including Sanad Land)

Buildings

II. Facility at Nashik:

1. Leasehold Land

Description of Land	Area (sq. mtr.)
Plot No. A - 11/1, Addl. Nashik Industrial Area, Village - Ambad, District Nashik.	40,102

2. Buildings

3. Plant & Machinery
4. Equipments
5. Computers
6. Electrical Installations
7. Furniture & Fixtures
8. Intangibles

Exceptions:

NIL

III. Facility at Kagal:

1. Leasehold Land

Description of Land	Area (sq. mtr.)
Plot no. D-1, Kagal, Hatkanangale, Five Star, Industrial Area, Village Talandge, Tal- Hatkanangale, Dist Kolhapur	650,900

2. Buildings
3. Plant & Machinery
4. Equipments
5. Computers
6. Electrical Installations
7. Furniture & Fixtures
8. Intangibles

Exceptions:

NIL

IV. Facility at Rajkot:

1. Rented Facility located at:
   Plot No.2315/16, 2330/31, GIDC, Lodhika Industrial Estate, Almighty Gate Road, D-4 Metoda, Rajkot 360035, Gujarat
2. Plant & Machinery
3. Equipments
4. Computers
5. Electrical Installations
6. Furniture & Fixtures
7. Intangibles

Exceptions:

NIL

V. Facility at Silvassa:

1. Rented Facility located at:
   Plot No.2, Survey No. 260/71/1, Sheetal Industrial Estate, c/o. MRC Logistics Ltd., Damani Village Road, Union Territory, Silvassa, Dadra-Nagar Haveli 396230
2. Plant & Machinery
3. Equipments

4. Computers
5. Electrical Installations
6. Furniture & Fixtures
7. Intangibles

Exceptions:

NIL

VI. Corporate Services Offices:

1. a. Freehold Land at Kothrud

Description of Land	Area (sq. mtr.)
Survey No.13A&13B+C+D. Survey No. 156A. Survey No.156B. Survey No.12/5. Survey No.12/2. From S no.156A-Out of Area4700Sq.mtrs-Area of 1543.5 Sqmtrs acquired by govt. From Sno.156B- Out of Area 53100Sq mtrs-Area 576Sq mtrs acquired by govt	44,081

b. Freehold Land at Bhare

Description of Land	Area (sq. mtr.)
Gat No. 406 (Old Survey No. 47), Bhare, Taluka Mulshi, District Pune	6,070

2. a. Buildings at Kothrud
   b. Flats at Pune, Mumbai, Delhi, Bangalore, Jaipur
   c. Buildings at Bharey
3. Plant & Machinery
4. Equipments
5. Computers
6. Electrical Installations
7. Furniture & Fixtures
8. Intangibles

Exceptions:

Freehold Land at Kothrud

Buildings at Kothrud

Flats at Pune, Mumbai, Delhi, Bangalore, Jaipur

VII. Facility at Ahamednagar:

1. Leasehold Land

Description of Land	Area (sq. mtr.)
Plot no. A3, MIDC Industrial Estate , Nagapur, Ahmednagar - 414111.	86,408

2. Buildings
3. Plant & Machinery
4. Equipments
5. Computers
6. Electrical Installations

7. Furniture & Fixtures
8. Intangibles

Exceptions:

NIL

VIII. Investment

One equity share of Kirloskar Proprietory Ltd

Schedule - C

Contingent Liability Statement as on 31st Oct 2008

Particulars	Resulting Co Rs. in Thousand	Demerged Co Rs. in Thousand	Total Rs. in Thousand
Disputed Excise duty claims			
Excise	17,340	105	17,445
Disputed Sales Tax Demand			
Sales Tax	36,441	-	36,441
Disputed Customs Duty claims			
Pending custom cases	12,413	-	12,413
Disputed Income-Tax Liability			
Pending Departmental appeals	994,813	-	994,813
Claims against Company not acknowledged as debts			
Secretarial & Legal	530,506	17,163	547,669
Product Liability-LE	2,663	-	2,663
Product Liability-ME	27,861	-	27,861
Product Liability-SE	6,641	-	6,641
Octroi	38,004	-	38,004
Claims not acknowledged as debts (LE)	1,963	-	1,963
Employees pending court cases - Nagar	5,896		5,896
Pending court cases - KOEL Employees	1,292		1,292
Employees' Retrenchment Compensation-Caterers	-	1,815	1,815
	614,826	**18,978**	**633,804**
Dealer Financing Contingent Liability			
ACBG	4,497	-	4,497
	4,497	**-**	**4,497**
Guarantees given on behalf of third parties	**357**	**110,000**	**110,357**
Guarantees given to Customers by bankers	1,126,953	8,319	1,135,272
Total Contingent Liability	**2,807,639**	**137,402**	**2,945,041**

Schedule - D

List of Patents								
Sr. no	**Patent no**	**Name**	**No of application**	**Date of application**	**Business Unit**	**status**	**Renewal**	**valid till**
1		Three Stage Biomethanation of Lipid rich feeds	2133/mum/2008	10/07/2008	Green Technology - Engines	Provisional Application filed on 07/10/2008		
2		Three Stage Biomethanation of Protein rich feeds	2134/MUM/2008	10/07/2008	Green Technology - Engines	Provisional Application filed on 07/10/2008		
3		Pretreatment of Agricultural residues as feeds to produce Biogas	2135/MUM/2008	10/07/2008	Green Technology - Engines	Provisional specification Application filed on 07/10/2008		
4		Process for Continuous Production of Biogas from Biomass	2136/ MUM/2008	10/06/2008	Green Technology - Engines	Provisional Application filed on 06/10/2008		
5		Selective Filtration Process for Biogas Production	2137/MUM/2008	10/06/2008	Green Technology - Engines	Provisional Application filed on 06/10/2008		
6	195946	Crankcase for an engine		20.9.2002	SE	Registered and renewed upto 2008		19.9.2022
7	196521	Air Filter for Diesel Engines	630/Bom/99	8.9.1999	ME	Registered	8.9.2006	8.9.2019
8		Non Automotive engines	253/mum/2006	23.2.2006	SE	Complete specification to be filed.		
9		Diesel Engines with improved emission characteristics	247/Mum/2005	4.3.2005	SE	Awaiting Examination report		
10		Equipment used in internal combustion engines	1399/Mum/2005	9.11.2005	SE	Advertised on 24.8.2007, instructions given for filing request for examination.		
11		Diesel Engines with improved emission characteristics	404/mum/2005	1.4.2005	SE	Awaiting Examination report		
12		Diesel Engines with improved emission characteristics	405/MUM/2005	1.4.2005	SE	Advertised on 29.6.2007, instructions given for filing request for examination.		
13		Protecting cases or housing for an electrical device	1331/MUM/2005	24.10.2005	SE	Advertised on 22.6.2007, instructions given for filing request for examination.		
14		Non Automotive engines	456/MUM/2007	9.3.2007	SE	Complete specification to be filed on 9.3.2008		

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Enriching Lives

KIRLOSKAR OIL ENGINES LIMITED

Schedule - D

List of Designs

Sr. No.	Name	Registration No.	Date of Registration
1	OIL ENGINE	195015	26.03.2004
2	BEARING COVER	189762	19.08.2002
3	DM-12	182734	
4	Gear for pump	182735	
5	Twin Speed arrangement	Not received	
6	Bearing cover	Not received	
7	Slow Speed Engine Crank Case	Not received	
8	DIESEL ENGINE	Not received	

Schedule - D

List of Registered Trademarks

Sr. No.	Trade Mark	Registration No.	From	Valid upto
1	Enriching Lives	1172709	07.02.2003	06.02.2013
2	GREEN	984006	16.01.2001	15.01.2011
3	KIRLOSKAR GREEN WITH CHILLY	984009	16.01.2001	15.01.2011
4	GREEN WITH CHILLY DEVICE	984007	16.01.2001	15.01.2011
5	6SL90887	1035635	09.08.2001	08.08.2011
6	DAF8	1090748	28.03.2002	27.03.2012
7	Mahabali (in Marathi)	986684	30.01.2001	29.01.2011
8	KIRLOSKAR GREEN WITH DEVICE	984008	16.01.2001	15.01.2011
9	HA694	1033439	01.08.2001	31.07.2011
10	HA494	1033440	01.08.2001	31.07.2011
11	DM17	1090731	28.03.2002	27.03.2012
12	DA20	1090735	28.03.2002	27.03.2012
13	KS-10	1114291	26.06.2002	25.06.2012
14	2R1040	1033448	01.08.2001	31.07.2011
15	6R1080	1033452	01.08.2001	31.07.2011
16	4R1040	1033430	01.08.2001	31.07.2011
17	1R1600	1033446	01.08.2001	31.07.2011
18	HA394	1033431	01.08.2001	31.07.2011
19	HA294	1033432	01.08.2001	31.07.2011
20	3R1040	1033441	01.08.2001	31.07.2011
21	3R860	1033449	01.08.2001	31.07.2011
22	DM8.5	1090734	28.03.2002	27.03.2012
23	DD12	1090751	28.03.2002	27.03.2012
24	EK PECHAN SADIYON PURANI	1172710	07.02.2003	06.02.2013
25	KS-10FE	1114290	26.06.2002	25.06.2012
26	6SL9088TA-II	1035627	09.08.2001	08.08.2011
27	DAF10	1090753	28.03.2002	27.03.2012

List of Registered Trademarks

Sr. No.	Trade Mark	Registration No.	From	Valid upto
28	CHOTA JAWAN	1090758	28.03.2002	27.03.2012
29	TAF2 SRI	1090740	28.03.2002	27.03.2012
30	TAF2 SRIII	1090739	28.03.2002	27.03.2012
31	JAV1	1090747	28.03.2002	27.03.2012
32	ANTAR	1172708	07.02.2003	06.02.2013
33	HA694T	1035631	09.08.2001	08.08.2011
34	TAF2 SRII	1090741	28.03.2002	27.03.2012
35	TAF1	1090732	28.03.2002	27.03.2012
36	OPRM	1327428	22.12.2004	21.12.2014
37	OPRM	1327432	22.12.2004	21.12.2014
38	OPRM	1327433	22.12.2004	21.12.2014
39	OPRM	1327434	22.12.2004	21.12.2014
40	VAJRA	1090754	28.03.2002	27.03.2012
41	6SL8800TA	1033442	01.08.2001	31.07.2011
42	2R860	10334450	01.08.2001	31.07.2011
43	OPRM	1327427	22.12.2004	21.12.2014
44	3R1040E	135630	09.08.2001	08.08.2011
45	RB66T	135633	09.08.2001	08.08.2011
46	RB44T	1035632	09.08.2001	08.08.2011
47	4R1040T	1035656	09.08.2001	08.08.2011
48	RB66TA	1035634	09.08.2001	08.08.2011
49	6R1080TA	1035636	09.08.2001	08.08.2011
50	6R1080T	1035628	09.08.2001	08.08.2011
51	4R1040TA	1035637	09.08.2001	08.08.2011
52	HA494T	1035638	09.08.2001	08.08.2011

Schedule - D

List of Trade Mark under process

Sr. No.	Trade Mark	Application no
1	K-Oil (English)	1091469
2	K-Oil (Hindi)	1091470
3	DM20	1090730
4	DM26	1090729
5	TASRII	1090728
6	AA35	1090727
7	AK50	1090726
8	TA1	1090725
9	DM 10	1090736

KIRLOSKAR OIL ENGINES LIMITED

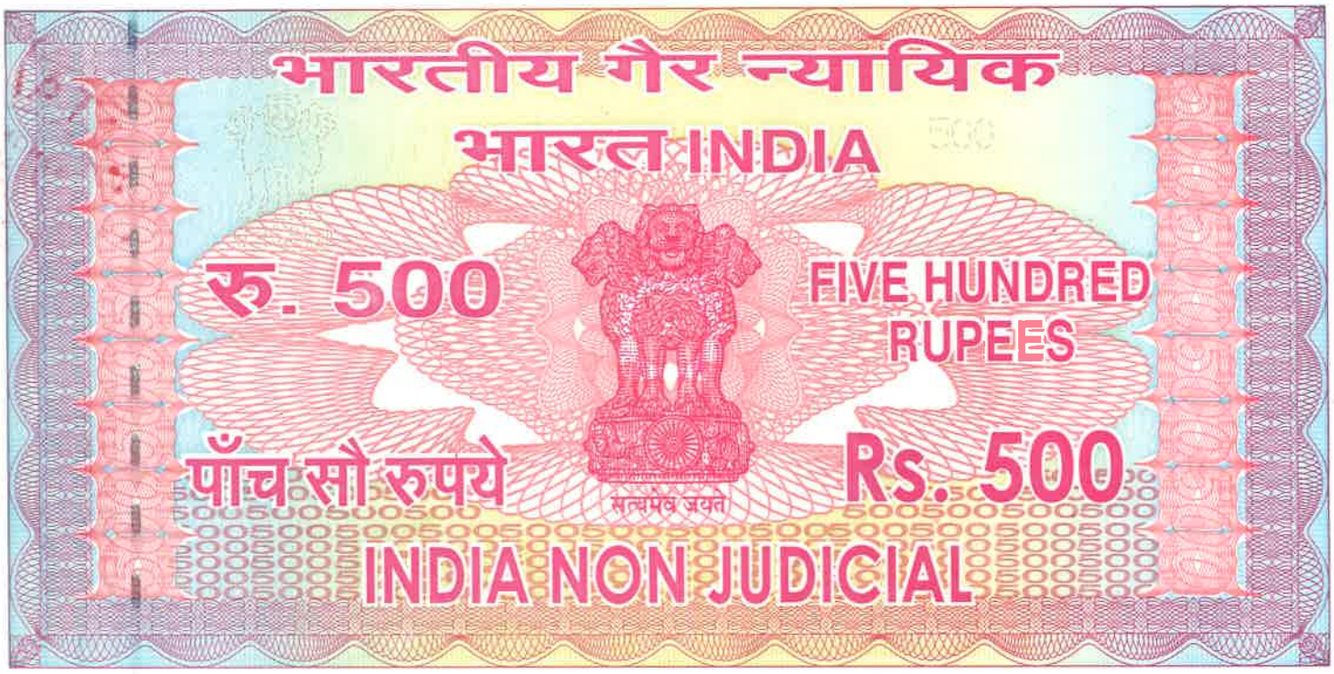
List of Trade Mark under process

Sr. No.	Trade Mark	Application no
10	TV1	1090745
11	SV1	1090744
12	AK65	1090743
13	CUB	1090738
14	DM8	1090737
15	DA16	1090752
16	DA10	1090750
17	RR50	1090749
18	AV1	1090746
19	WATERPACK	1090757
20	AK35	1090756
21	DM12	1090755
22	DA10	1090753
23	KS-8	1114292
24	KS-12 FE	1114295
25	KS-12	1114288
26	KS-6	1114293
27	KS-10 HERO	1114289
28	KS-14	1114294
29	Mascot (Pictures in series)	1226396
30	DS Technology	NR
31	3R980	NR
32	4R1190	1033451
33	6SL1500TA-I	NR
34	RB44	NR
35	RB33	NR
36	RB22	NR
37	RB30	NR
38	RV3	NR
39	RV2	NR
40	3R1040E	NR
41	3R1040D	NR
42	RB44T	1035632

Schedule - E

List of Secured Creditors

Sr. No	Name of the secured creditor
1	Term Loan from HDFC Bank Ltd
2	Foreign Currency Term Loan from HSBC Bank plc London
3	Foreign Currency Term Loan from BNP PARIBUS, SINAPORE
4	Foreign Currency Term Loan from ICICI Bank Limited, Hongkong
5	State Bank of India - Working Capital Loan
6	Bank of Maharashtra - Working Capital Loan
7	ICICI Bank Limited - Working Capital Loan
8	HSBC - Working Capital Loan
9	HDFC Bank Limited- Working Capital Loan



महाराष्ट्र MAHARASHTRA ◑ 2022 ◑ BP 320494

अनु. क्र. 2477 दि. 29 JUL 2022 मु.शु.रक्कम 500/-

दस्ताचा प्रकार. Agreement

दस्त नोंदणी करणार आहेत का ? होय / नाही.....

मिळकतीचे वर्णन.....

मुद्रांक विकत घेणाऱ्याचे नाव..... KIRLOSKAR INDUSTRIES LIMITED

पत्ता..... 801, 8th Floor, Cello Platina F. C. Road, PUNE - 411 005.

दुसऱ्या पक्षकाराचे नाव..... Aditi Chirmule

हस्ते व्यक्तीचे नांव व पत्ता..... Sanjay Oulvi - Pune

मुद्रांक विकत घेणाऱ्याची सही

सह दुय्यम निबंधक हवेली नं. २
दस्त क्र. २४७७/२०२२
पुणे ४११००१

पुणे
27 JUL 2022
प्रथम मुद्रांक लिपीक
कार्यालय पुणे करिता.
ज्या कारणासाठी ज्यांनी मुद्रांक खरेदी केला त्या कारणासाठी मुद्रांक खरेदी केल्यापासून ६ महिन्यात वापरणे बंधनकारक आहे

This Stamp Paper forms an integral part of the Agreement executed by and between Kirloskar Industries Limited and Ms. Aditi Chirmule, Executive Director of the Company, at Pune.

NOTARY
ASHOK M. GALANDE
PUNE DISTRICT
MAHARASHTRA
Regd. 7375
Exp. on 17/12/23
GOVERNMENT OF INDIA

KIRLOSKAR INDUSTRIES LTD.
PUNE-05

Executive Director's Agreement

Re-appointment from 25 January 2022 to 24 January 2027

THIS AGREEMENT MADE AT PUNE THIS ON 9 DAY OF AUGUST TWO THOUSAND AND TWENTY-TWO

BETWEEN

KIRLOSKAR INDUSTRIES LIMITED

A Company registered under the Companies Act, 1956 and having its Registered Office at Office No. 801, 8th Floor, Cello Platina, Fergusson College Road, Shivajinagar, Pune 411005, in the State of Maharashtra (hereinafter called "the Company") of the first part.

AND

MS. ADITI CHIRMULE (HOLDING DIN 01138984)

aged about 55 years, Indian habitant, presently residing at 4, Prestige Garnet, 20, Ashok Nagar, Range Hills Road, Shivajinagar, Pune 411 007, in the State of Maharashtra (hereinafter called "the Executive Director") of the other part.

(Each of the parties mentioned above are hereinafter collectively referred to as the "Parties" and individually as a "Party")

AND WHEREAS subject to such other approvals as may be necessary, the Board of Directors, pursuant to the powers conferred upon it under the provisions of the Companies Act, 2013, and Articles 167(A), 167(B), 167(C) and 167(D) in the Articles of Association of the Company, has by the resolution passed at its meeting held on 30 October 2021, referred to in paragraph hereinabove, re-appointed Ms. Aditi Chirmule as the Executive Director of the Company, for a period of 5 (five) years with effect from 25 January 2022, subject to the approval of the members in the ensuing Annual General Meeting.

AND WHEREAS accordingly, the Members in the Annual General Meeting held on 9 August 2022 approved the re-appointment of Ms. Aditi Chirmule as the Executive Director of the Company for a period of 5 years with effect from 25 January 2022.

NOW THEREFORE IT IS HEREBY AGREED BY AND BETWEEN the Parties hereto as follows:

1. The Company hereby re-appoints Ms. Aditi Chirmule as the Executive Director and Ms. Aditi Chirmule agrees to act as the Executive Director of the Company for a term of five years on and from 25 January 2022.

   Ms. Aditi Chirmule was serving the Company as its Executive Director and that her re-appointment as the Executive Director will be treated as continuation of service. Her leave accumulated and not availed of, during her tenure as the Executive Director will be continued to be accumulated till the end of the tenure of such directorship. Similarly Gratuity payable at the end of the tenure shall be paid to her, also for the years of her serving the Company as the Executive Director. Such encashment of un-availed leave balance and Gratuity shall be payable based on salary last drawn as the Executive Director.

2. Subject to the superintendence, control and direction of the Board of Directors of the Company, the Executive Director shall exercise and perform such powers and duties as the Board of Directors of the Company (hereafter called "the Board") may from time to time determine.

3. The Executive Director shall hold the said office subject as hereinafter provided for a period of five years commencing on and from 25 January 2022.

NOTARY GOVERNMENT OF INDIA ASHOK M. GALANDE PUNE DISTRICT MAHARASHTRA R. NO. 7375 C. exp. dt 17/12/23

KIRLOSKAR INDUSTRIES LTD. PUNE-05

4. The Executive Director shall, unless prevented by ill-health or disability throughout the said term, devote adequate time, attention and ability to the business of the Company and in all respects conform to and comply with the directions given and Regulations made by the Board and she shall well and faithfully serve the Company and use her best endeavors to promote the interest of the Company.

5. Remuneration and Sitting Fee: The Executive Director shall be paid remuneration, the particulars of which are given in the **Annexure**. The Board of Directors thereof have liberty 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 Ms. Aditi Chirmule. However, she will not be paid any sitting fee for attending the meeting of the Board of Driectors and Committee thereof, from the date of her appointment.

6. The Headquarter of the Executive Director shall be Pune in the State of Maharashtra.

7. Subject to the provisions of the Act, the Executive Director shall not, while she continues to hold office of the Executive Director, be subject to retirement by rotation of Directors and she shall not be reckoned as a Director for the purpose of determining the rotation or retirement of Director or fixing the number of Directors to retire, but she shall ipso facto and immediately cease to be the Executive Director if she ceases to hold office of Director for any cause.

8. The Executive Director shall not during the continuance of her employment or at any time thereafter divulge or disclose to any person whomsoever or make any use whatever for her own or for whatever purpose, of any confidential information or knowledge obtained by her during her employment as to the business or affairs of the Company or as to any trade secrets or secret processes of the Company and the Executive Director shall during the continuance of her employment hereunder also use her best endeavors to prevent any other person from doing so.

IN WITENESS WHEREOF the Parties hereto have signed this Agreement on the date hereinabove mentioned.

Kirloskar Industries Limited

KIRLOSKAR INDUSTRIES LTD. PUNE-05

Atul Kirloskar
Chairman

Signed and delivered by

KIRLOSKAR INDUSTRIES LTD. PUNE-05

Aditi Chirmule
Executive Director
DIN 01138984

NOTARIAL NOTARIAL NOTARIAL NOTARIAL NOTARIAL

NOTARY ASHOK M. GALANDE PUNE DISTRICT MAHARASHTRA R. NO. 7375 C. exp. dt 17/12/23 GOVERNMENT OF INDIA

ATTESTED BY
ASHOK MARUTRAO GALANDE
NOTARY
GOVT. OF INDIA

NOTED AND REGISTERED
AT SR. NO. 1915/2022
DATE 09 AUG 2022

Annexure:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 200 and other applicable provisions, if any, of the Companies Act, 2013, (the Act), read with Schedule V to the Act and the Rules thereunder, (including any statutory modifications or re-enactment thereof for the time being in force) , Articles 167(A), 167(B) and 167(C) of the Articles of Association of the Company and subject to such other approvals as may be necessary and pursuant to the recommendation of the Nomination and Remuneration Committee, (the Committee) and approval of the Board, consent of the members be and is hereby accorded for the re-appointment of Ms. Aditi Chirmule (holding DIN 01138984) as the Executive Director of the Company, for a further period of 5 (five) years commencing from 25 January 2022.

RESOLVED FURTHER THAT on the recommendation of the Committee, the remuneration payable to Ms. Aditi Chirmule, Executive Director of the Company , as detailed below, be and is hereby approved, for the period effective from 25 January 2022 to 24 January 2025, as set out in the Agreement to be entered into between the Company and Ms. Aditi Chirmule, Executive Director, notwithstanding that such remuneration may exceed the limit specified under Section 197 of the Act read with Schedule V to the Act:

A. BASIC SALARY:

Basic Salary shall be ₹ 4,70,000 (Rupees Four Lakhs Seventy Thousand only) per month with an annual increment of ₹ 35,000 per month (Rupees Thirty Five Thousand only), with effect from 25 January every year.

B. Remuneration by way of variable incentives as may be decided by the Board, based on the performance evaluation carries out by the Board.

C. PERQUISITES:

In addition to the aforesaid salary, Ms. Aditi Chirmule as the Executive Director shall be entitled to the following perquisites:

1. Reimbursement of all medical expenses incurred for self and family.

2. Leave travel assistance for self and family, once in a year, not exceeding half a month's salary.

3. Provision of car.

4. Telephone at residence and a mobile phone. Personal long-distance calls shall be billed by the Company to the Executive Director.

5. Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the Rules of the Company.

6. Gratuity at the rate not exceeding 30 days' salary for each completed year of service, as per the Rules of the Company.

7. Leave at the rate of 30 days per calendar year of service. Leave calculation for a part of the calendar year at the date of appointment as the Executive Director or on ceasing to be Executive Director shall be made on a pro-rata basis at the rate of two and a half days' leave for every month of service. Leave accumulated and not availed of, may be encashed at the end of tenure as per the Rules of the Company.

8. Other allowances / benefits, perquisites as per the Rules applicable to the employees of the Company and / or which may become applicable in the future and / or any other allowance, perquisites as the Board may decide from time to time.

NOTARY ASHOK M. GALANDE PUNE DISTRICT MAHARASHTRA R. NO. 7375 C. exp. dt 17/12/23 GOVERNMENT OF INDIA

KIRLOSKAR INDUSTRIES LTD. PUNE-05

"Family" for the above purpose means spouse, dependent children and dependent parents of the Executive Director.

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

D. COMMISSION:

Commission as may be decided by the Board of Directors based on the net profits of the Company each year.

E. So long as she functions as the Executive Director, she shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

RESOLVED FURTHER THAT Ms. Aditi Chirmule, Executive Director of the Company, shall not be liable to retire by rotation.

RESOLVED FURTHER THAT Ms. Aditi Chirmule, Executive Director of the Company, shall be eligible to receive stock options / Stock Appreciation Rights of the Company, as decided by the Board or its Committee from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to revise the remuneration payable to Ms. Aditi Chirmule as the Executive Director of the Company, from time to time, during the tenure of her re-appointment, without further approval of the members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration.

RESOLVED FURTHER THAT the Company do enter into an Agreement with Ms. Aditi Chirmule as the Executive Director which be signed by any Director of the Company, on behalf of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this Resolution."

KIRLOSKAR INDUSTRIES LTD. PUNE-05

NOTARY ASHOK M. GALANDE PUNE DISTRICT MAHARASHTRA R. NO. 7375 C. exp. dt 17/12/23 GOVERNMENT



महाराष्ट्र MAHARASHTRA ◑ 2025 ◑ DW 725303

अनु.क्र. 6607 दि. 5 AUG 2025 मु.शु.रक्कम 500/-

दस्ताचा प्रकार Agreement

दस्त नोंदणी करणार आहेत का ? होय/नाही.

मिळकतीचे वर्णन

मुद्रांक विकत घेणाऱ्याचे नांव Kirloskar Industries Ltd Kothrud Pune

पत्ता Level-14, OneAvante, Karvepal.

दुसऱ्या पक्षकाराचे नांव Ms. Aditi Chirmule

हस्ते व्यक्तीचे नांव व पत्ता Kailas Dalvi Sane.

मुद्रांक विकत घेणाऱ्याची सही

स्मे. एस. जी. बनकर
परवाना क्र. २२०१०१९३
५१९ नवी पेठ, गाडवे चौक, पुणे-३०

सह दुय्यम कोषागार अधिकारी पुणे

25 JUL 2025

प्रथम मुद्रांक लिपीक कोषागार पुणे करिता

This Stamp paper forms an integral part of Amendment Agreement executed between Kirloskar Industries Limited and Ms. Aditi Chirmule dated 13 August 2025.

KIRLOSKAR INDUSTRIES LIMITED PUNE-38

मुद्रांक खरेदी केल्यापासून ६ महिन्यात वापरले नसल्यास बंदलनास पात्र

सदर कारणासाठी त्यांनी मुद्रांक खरेदी केला त्यांनी त्याच कारणासाठी

AMENDMENT IN THE EXECUTIVE DIRECTOR'S AGREEMENT

THIS AMENDMENT IN THE EXECUTIVE DIRECTOR'S AGREEMENT IS MADE AT PUNE THIS THIRTEENTH DAY OF AUGUST TWO THOUSAND TWENTY-FIVE

BETWEEN

KIRLOSKAR INDUSTRIES LIMITED

A Company registered under the Companies Act, 1956 and having its Registered Office at Office One Avante, Level 14, Karve Road, Kothrud, Pune 411 038, in the State of Maharashtra (hereinafter called "the Company") of the first part.

AND

MS. ADITI CHIRMULE (HOLDING DIN 01138984)

aged about 59 years, Indian habitant, presently residing at 4, Prestige Garnet, 20, Ashok Nagar, Range Hills Road, Shivajinagar, Pune 411 007, in the State of Maharashtra (hereinafter called "the Executive Director") of the other part.

(Each of the parties mentioned above are hereinafter collectively referred to as the "Parties" and individually as a "Party")

Now therefore it is hereby agreed by and between the Parties hereto as follows:

Kirloskar Industries Limited (the Company) and Ms. Aditi Chirmule (the Executive Director) executed the Executive Director's Agreement on 9 August 2022, setting out the terms and conditions of her re-appointment as Executive Director of the Company for a period of 5 years with effect from 25 January 2022, and the remuneration payable to her for a period of 3 years i.e., with effect from 25 January 2022 to 23 January 2025 (hereinafter 'the said Agreement').

Further, the said Agreement was amended on 14 August 2024.

The members of the Company, at the Annual General Meeting held on 13 August 2025, have approved the remuneration payable to Ms. Aditi Chirmule as the Executive Director of the Company for the period from 25 January 2025 to 24 January 2027.

Accordingly, the Parties to the said Agreements hereby effecting a further amendment, the details of which are set out in the **Annexure** attached hereto.

Both Parties hereby agree to and accept the aforesaid amendment, which shall be **deemed effective from 25 January 2025**.

For Kirloskar Industries Limited

Atul Kirloskar
Chairman
Date: 13.08.2025

Aditi Chirmule
Executive Director

KIRLOSKAR INDUSTRIES LIMITED
PUNE-38

Annexure

"RESOLVED THAT further to the approval by the members for the appointment and remuneration payable to Ms. Aditi Chirmule (holding DIN 01138984), Executive Director of the Company, at the Company's 28th Annual General Meeting held on 9 August 2022, pursuant to the provisions of Sections 196, 197, 198, 200 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), read with Schedule V of the Act and the Rules made thereunder, (including any statutory modifications or re-enactment thereof for the time being in force), Articles 167(A), 167(B) and 167(C) of the Articles of Association of the Company, and pursuant to the recommendation of Nomination and Remuneration Committee (the Committee) and approval of the Board, the consent of the members be and is hereby accorded for the remuneration payable to Ms. Aditi Chirmule, Executive Director of the Company, as detailed below, for a period effective from 25 January 2025 till 24 January 2027, as set out in the 'Amendment Agreement along with Annexure' to be entered into between the Company and Ms. Aditi Chirmule, Executive Director, notwithstanding that such remuneration may exceed the limit specified under Section 197 and Schedule V of the Act, as recommended by the Nomination and Remuneration Committee:

A. BASIC SALARY:

Basic Salary shall be ₹ 4,70,000 (Rupees Four Lakhs Seventy Thousand Only) per month with effect from 25 January 2022, with an annual increment of ₹ 35,000 per month (Rupees Thirty-Five Thousand Only), with effect from 25 January every year.

AA. Special allowance: 15% of Basic Salary.

B. Remuneration by way of variable incentives, as may be decided by the Board, based on the performance evaluation carried out by the Board.

C. PERQUISITES:

In addition to the aforesaid salary, Ms. Aditi Chirmule as the Executive Director, shall be entitled to the following perquisites:

1. Reimbursement of all medical expenses incurred for self and family.

2. Leave travel assistance for self and family, once in a year, not exceeding half a month's salary.

3. Provision of a car.

4. Telephone at residence and a mobile phone. Personal long-distance calls shall be billed by the Company to the Executive Director.

5. Contribution to Provident Fund, Superannuation Fund, or Annuity Fund as per the Rules of the Company.

6. Gratuity at the rate not exceeding 30 days' salary for each completed year of service, as per the Rules of the Company.

7. Leave at the rate of 30 days per calendar year of service. Leave calculation for a part of the calendar year at the date of appointment as the Executive Director or on ceasing to be Executive Director shall be made on a pro-rata basis at the rate of two and a half days' leave for every month of service. Leave accumulated and not availed of, may be encashed at the end of tenure as per the Rules of the Company.

8. Other allowances / benefits, perquisites as per the Rules applicable to the employees of the Company and / or which may become applicable in the future and / or any other allowance, perquisites as the Board may decide from time to time.

   "Family" for the above purpose means spouse, dependent children and dependent parents of the Executive Director.

KIRLOSKAR INDUSTRIES LIMITED PUNE-38

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

D. COMMISSION:

Commission as may be decided by the Board of Directors based on the net profits of the Company each year.

E. So long as she functions as the Executive Director, she shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

RESOLVED FURTHER THAT Ms. Aditi Chirmule, Executive Director of the Company, shall not be liable to retire by rotation.

RESOLVED FURTHER THAT Ms. Aditi Chirmule, Executive Director of the Company, shall be eligible to receive stock options / Stock Appreciation Rights of the Company, as decided by the Board or its Committee from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorised to revise the remuneration payable to Ms. Aditi Chirmule as the Executive Director of the Company, from time to time, during the tenure of her re-appointment, without further approval of the members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration, as recommended by the Nomination and Remuneration Committee.

RESOLVED FURTHER THAT the Company do enter into the Amendment Agreement along with Annexure with Ms. Aditi Chirmule as the Executive Director, which be signed by any of the Directors on behalf of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this Resolution."





महाराष्ट्र MAHARASHTRA ◑ 2025 ◑ DW 725302

5 AUG 2025

अनुक्रमांक 6606 दि. ..... ₹.मु.रक्कम 500/-

दस्ताचा प्रकार Agreement

दस्त नोंदणी करणार आहेत का ? होय/नाही.

मिळकतीचे वर्णन

मुद्रांक विकत घेणाऱ्याचे नांव Kirloskar Industries Ltd.

पत्ता Level-14, 1. Avante. Karve Rd. Kothrud. Pune

दुसऱ्या पक्षकाराचे नांव Mr. George Verghese

हस्ते व्यक्तीचे नांव व पत्ता Kailas Dalvi.. Same.

मुद्रांक विकत घेणाऱ्याची सही

एस. एस. जी. अनकार
परवाना क्र. २२०१०१४८
१२९ नवी पेठ, गंजवे चौक, पुणे-३०

वरिष्ठ कोषागार अधिकारी पुणे

25 JUL 2025

प्रथम मुद्रांक लिपीक कोषागार पुणे करिता

या कारणासाठी ज्यांनी मुद्रांक खरेदी केला त्यांनी त्याच कारणासाठी मुद्रांक खरेदी केल्यापासून ६ महिन्यात वापरणे बंधनकारक आहे.

This Stamp paper forms an integral part of Agreement executed between Kirloskar Industries Limited and Mr. George Verghese dated 13 August 2025.

KIRLOSKAR INDUSTRIES LIMITED PUNE-38

MANAGING DIRECTOR'S AGREEMENT

Appointment from 20 May 2025 to 19 May 2030

THIS AGREEMENT MADE AT PUNE THIS THIRTEENTH DAY OF AUGUST TWO THOUSAND TWENTY-FIVE

BETWEEN

KIRLOSKAR INDUSTRIES LIMITED

A Company registered under the Companies Act, 1956 and having its Registered Office at Office One Avante, Level 14, Karve Road, Kothrud, Pune 411 038, in the State of Maharashtra (hereinafter called "the Company") of the first part.

AND

MR. GEORGE VERGHESE (HOLDING DIN 11068946)

aged about 44 years, Indian habitant, presently residing at Flat No. C, 702, Montvert Pristine Apartments, Behind Khadki Railway Station, Pune 411 013 (hereinafter called "the Managing Director") of the other part.

(Each of the parties mentioned above are hereinafter collectively referred to as the "Parties" and individually as a "Party")

Now therefore it is hereby agreed by and between the Parties hereto as follows:

AND WHEREAS subject to such other approvals as may be necessary, the Board of Directors, pursuant to the powers conferred upon it under the provisions of the Companies Act, 2013, and Articles 167(A), 167(B), 167(C) and 167(D) in the Articles of Association of the Company, has by the resolution passed at its meeting held on 20 May 2025, referred to in paragraph hereinabove, appointed Mr. George Verghese as the Managing Director of the Company, for a period of 5 (five) years with effect from 20 May 2025, subject to the approval of the members in the ensuing Annual General Meeting.

AND WHEREAS, accordingly, the members in the Annual General Meeting held on 13 August 2025, have approved the appointment of Mr. George Verghese as the Managing Director of the Company for a period of 5 years with effect from 20 May 2025 and remuneration payable to him for a period of 3 years with effect from 20 May 2025 to 19 May 2028.

NOW THEREFORE IT IS HEREBY AGREED BY AND BETWEEN the Parties hereto as follows:

1. The Company hereby appoints Mr. George Verghese as the Managing Director and Mr. George Verghese agrees to act as the Managing Director of the Company for a term of five years on and from 20 May 2025.

2. Subject to the superintendence, control and direction of the Board of Directors of the Company, the Managing Director shall exercise and perform such powers and duties as the Board of Directors of the Company (hereinafter called "the Board") may from time to time determine.

3. The Managing Director shall hold the said office subject as hereinafter provided for a period of five years commencing on and from 20 May 2025.

4. The Managing Director shall, unless prevented by ill health or disability throughout the said term, devote adequate time, attention and abilities to the business of the Company, and in all respects conform to and comply with the directions given and Regulations made by the Board and he shall well and faithfully serve the Company and use his best endeavours to promote the interests of the Company.

5. Remuneration and Sitting Fee: The Managing Director shall be paid remuneration, the particulars of which are given in the **Annexure**. The Board of Directors thereof has the liberty to alter and vary the said terms of appointment and remuneration, subject to the limits specified in Schedule V to the

KIRLOSKAR INDUSTRIES LIMITED PUNE-38

Companies Act, 2013 or any amendments thereto, as may be agreed to between the Board of Directors and Mr. George Verghese. However, he will not be paid any sitting fee for attending the meeting of the Board of Directors and the Committee thereof, from the date of his appointment.

6. The Headquarter of the Managing Director shall be Pune in the State of Maharashtra.

7. The Managing Director shall not during the continuance of his employment or at any time thereafter divulge or disclose to any person whomsoever or make any use whatever for his own or for whatever purpose, of any confidential information or knowledge obtained by him during his employment as to the business or affairs of the Company or as to any trade secrets or secret processes of the Company and the Managing Director shall during the continuance of his employment hereunder also use his best endeavours to prevent any other person from doing so.

IN WITENESS WHEREOF the Parties hereto have signed this Agreement on the date hereinabove mentioned.

For Kirloskar Industries Limited

Atul Kirloskar
Chairman

KIRLOSKAR INDUSTRIES LIMITED
PUNE-38

Signed and delivered by

George Verghese
Managing Director

Annexure

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 200 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), read with Schedule V to the Act and the Rules thereof, (including any statutory modifications or re-enactment thereof for the time being in force), read with Articles 167(A), 167(B) and 167(C) of the Articles of Association of the Company and subject to such other approvals, as may be necessary and pursuant to the recommendation of Nomination and Remuneration Committee (the Committee) and approval of the Board, the consent of the members be and is hereby accorded for the appointment of Mr. George Verghese (holding DIN 11068946), as the Managing Director of the Company, liable to retire by rotation, for a period of 5 (five) years commencing from 20 May 2025.

RESOLVED FURTHER THAT on the recommendation of the Committee, the remuneration payable to Mr. George Verghese, Managing Director of the Company, as detailed below, be and is hereby approved, for the period effective from 20 May 2025 to 19 May 2028, as set out in the Agreement to be entered into between the Company and Mr. George Verghese, Managing Director, notwithstanding that such remuneration may exceed the limit specified under Section 197 of the Act, read with Schedule V to the Act:

A. BASIC SALARY:

Basic Salary shall be ₹ 2,56,000 (Rupees Two Lakhs Fifty-Six Thousand only) per month with effect from 20 May 2025 to 19 May 2028.

B. Remuneration by way of variable incentive as may be decided by the Board based on the performance evaluation carried out by the Board.

C. Special Allowance shall be ₹ 5,23,400 (Rupees Five Lakhs Twenty-Three Thousand Four Hundred
only) per month.

D. PERQUISITES:

In addition to the aforesaid salary, Mr. George Verghese as the Managing Director, shall be entitled to the following perquisites:

1. House Rent Allowance not exceeding ₹ 1,05,000 (Rupees One Lakh Five Thousand only) per month.

2. Reimbursement of all medical expenses incurred for self and family.

3. Leave travel assistance for self and family not exceeding ₹ 10,000 (Rupees Ten Thousand only) per month.

4. Personal accident insurance, premium whereof does not exceed ₹ 25,000 (Rupees Twenty-Five Thousand only) per annum.

5. A car with a driver.

6. Telephone, fax and other communication facilities at residence.

7. Fees of clubs subject to a maximum of two clubs, which will include admission fees but will not include life membership fees.

8. Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the Rules of the Company.

9. Gratuity at the rate not exceeding 30 days' salary for each completed year of service as per the Rules of the Company.

10. 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.

KIRLOSKAR INDUSTRIES LIMITED PUNE-38

11. Other allowances / benefits, perquisites as per the Rules applicable to the employees of the Company and / or which may become applicable in the future and / or any other allowance, perquisites as the Board may decide from time to time.

    "Family" for the above purpose means spouse, dependent children and dependent parents of the Managing Director.

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

E. COMMISSION:

Commission as may be decided by the Board of Directors based on the net profits of the Company each year.

F. So long as he functions as the Managing Director, he shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

RESOLVED FURTHER THAT Mr. George Verghese, Managing Director of the Company, shall be eligible to receive stock options / Stock Appreciation Rights of the Company as decided by the Board or its Committee, from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company. be and are hereby authorised to revise the remuneration payable to Mr. George Verghese as the Managing Director of the Company, from time to time, during the period of the term, as stated above, of the present term of his appointment, without further approval of the members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration.

RESOLVED FURTHER THAT the terms of remuneration as set out shall be deemed to form part hereof and in the event of any inadequacy of profits or absence of profits in any financial year during the tenure of the said Managing Director, the aforesaid remuneration comprising salary, perquisites and benefits approved herein be continued to be paid as minimum remuneration to the Managing Director, subject to such other approvals as may be necessary.

RESOLVED FURTHER THAT the Company do enter into an Agreement along with Annexure with Mr. George Verghese as the Managing Director of the Company, which be signed by any Director of the Company, on behalf of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this Resolution."

KIRLOSKAR INDUSTRIES LIMITED PUNE-38