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**Memorandum and  
Articles of Association  
Of  
Kirloskar Oil Engines Limited**

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**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

ROC Pune

Pune, PCNTDA Green Building, BLOCK A, 1st & 2nd Floor, Near Akurdi Railway Station, Akurdi, Maharashtra, 411044, India

Corporate Identity Number: L29100PN2009PLC133351 / L29100PN2009PLC133351

**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 OIL ENGINES LIMITED having passed Special Resolution in the Annual/Extra Ordinary General Meeting held on 11/08/2023 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 EIGHTH day of SEPTEMBER TWO THOUSAND TWENTY THREE

Mangesh Jadhav

Assistant Registrar of Companies/ Deputy Registrar of Companies/ Registrar of Companies

Registrar of Companies

ROC Pune

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

**KIRLOSKAR OIL ENGINES LIMITED**

**LAXMANRAO KIRLOSKAR ROAD, KHADKI, NA, PUNE, Maharashtra, 411003, India, NA, PUNE-411003, Maharashtra, India**





सत्यमेव जयते

# GOVERNMENT OF INDIA

## MINISTRY OF CORPORATE AFFAIRS

Registrar of companies, Pune

PCNTDA Green Building,BLOCK A, 1st & 2nd Floor Near Akurdi Railway Station,Akurdi, Pune, Maharashtra, India, 411044

Corporate Identity Number: L29100PN2009PLC133351

### 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 OIL ENGINES LIMITED having passed Special Resolution in the Annual/Extra Ordinary General Meeting held on 28-08-2020 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 Twenty fourth day of September Two thousand twenty.



CHEREDDY JAGANADH REDDY

Registrar of Companies

RoC - Pune

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

KIRLOSKAR OIL ENGINES LIMITED

LAXMANRAO KIRLOSKAR ROAD,, KHADKI,, PUNE, Maharashtra, India,  
411003





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: L29120PN2009PLC133351

### 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 OIL ENGINES 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 Thirteenth day of February Two thousand eighteen.



POPAT SHANKAR KHADE

Registrar of Companies

RoC - Pune

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

KIRLOSKAR OIL ENGINES LIMITED

LAXMANRAO KIRLOSKAR ROAD,, KHADKI,, PUNE, Maharashtra, India,  
411003



भारत सरकार-कांफ़रिट कार्य मंत्रालय  
कम्पनी रजिस्ट्रार कार्यालय, महाराष्ट्र, पूणे

नाम परिवर्तन के पश्चात नया निगमन प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : U29120PN2009PLC133351

मैसर्स KIRLOSKAR ENGINES INDIA LIMITED

के मामले में, मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स  
KIRLOSKAR ENGINES INDIA LIMITED

जो मूल रूप में दिनांक बारह जनवरी दो हजार नौ को कम्पनी अधिनियम, 1956 (1956 का 1) के अंतर्गत मैसर्स  
KIRLOSKAR ENGINES INDIA LIMITED

के रूप में निगमित की गई थी, ने कम्पनी अधिनियम, 1956 की धारा 21 की शर्तों के अनुसार विधिवत आवश्यक विनिश्चय पारित करके तथा  
लिखित रूप में यह सूचित करके की उसे भारत का अनुमोदन, कम्पनी अधिनियम, 1956 की धारा 21 के साथ पठित, भारत सरकार, कम्पनी कार्य  
विभाग, नई दिल्ली की अधिसूचना सं. सा. का. नि 507 (अ) दिनांक 24.6.1985 एस्. आर. एन. A86295938 दिनांक 02/06/2010 के द्वारा  
प्राप्त हो गया है, उक्त कम्पनी का नाम आज परिवर्तित रूप में मैसर्स  
KIRLOSKAR OIL ENGINES 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 दो जून दो हजार दस को जारी किया जाता है।

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

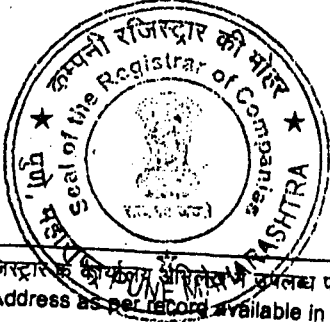
Fresh Certificate of Incorporation Consequent upon Change of Name

Corporate Identity Number : U29120PN2009PLC133351

In the matter of M/s KIRLOSKAR ENGINES INDIA LIMITED

I hereby certify that KIRLOSKAR ENGINES INDIA LIMITED which was originally incorporated on Twelfth day of  
January Two Thousand Nine under the Companies Act, 1956 (No. 1 of 1956) as KIRLOSKAR ENGINES INDIA  
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 A86295938 dated 02/06/2010 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 Pune this Second day of June Two Thousand Ten.



(VISHNU PANDURANG KATKAR)

कम्पनी रजिस्ट्रार / Registrar of Companies

महाराष्ट्र, पूणे

Maharashtra, Pune

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

KIRLOSKAR OIL ENGINES LIMITED  
LAXMANRAO KIRLOSKAR ROAD,, KHADKI.,  
PUNE - 411003,  
Maharashtra, INDIA



## व्यापार प्रारंभ करने का प्रमाण-पत्र

कम्पनी अधिनियम 1956 की धारा 149(3) के अनुसरण में

कॉर्पोरेट पहचान संख्या : U29120PN2009PLC133351

मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स  
KIRLOSKAR ENGINES INDIA LIMITED

जिसका निगमन, कम्पनी अधिनियम, 1956(1956 का 1) के अंतर्गत दिनांक बारह जनवरी दो हजार नौ को किया गया था और जिसने निर्धारित प्रपत्र में घोषणा प्रस्तुत की है या विधिवत सत्यापित किया है कि उक्त कम्पनी ने, अधिनियम की धारा 149(2) (क) से (ग) तक की शर्तों का अनुपालन कर लिया है और व्यापार करने के लिए हकदार है।

यह प्रमाण-पत्र आज दिनांक पांच फरवरी दो हजार नौ को मेरे हस्ताक्षर से पूर्ण में जारी किया जाता है।

### Certificate for Commencement of Business

Pursuant of Section 149(3) of the Companies Act, 1956

Corporate Identity Number : U29120PN2009PLC133351

I hereby certify that the KIRLOSKAR ENGINES INDIA LIMITED which was incorporated under the Companies Act, 1956(No. 1 of 1956) on the Twelfth day of January Two Thousand Nine, and which has this day filed or duly verified declaration in the prescribed form that the conditions of the Section 149(2)(a) to (c) of the said act, have been complied with and is entitled to commence business.

Given under my hand at Pune this Fifth day of February Two Thousand Nine.



(KATKAR VISHNU PANDURANG)

कम्पनी रजिस्ट्रार / Registrar of Companies

महाराष्ट्र, पुणे

Maharashtra, Pune

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

KIRLOSKAR ENGINES INDIA LIMITED  
LAXMANRAO KIRLOSKAR ROAD,, KHADKI.,  
PUNE - 411003,  
Maharashtra, INDIA



प्रारूप 1  
पंजीकरण प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : U29120PN2009PLC133351

2008 - 2009

मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स

KIRLOSKAR ENGINES INDIA LIMITED

का पंजीकरण, कम्पनी अधिनियम 1956 (1956 का 1) के अंतर्गत आज किया जाता है और यह कम्पनी लिमिटेड है।

यह निगमन-पत्र आज दिनांक बारह जनवरी दो हजार नौ को मेरे हस्ताक्षर से पूणे में जारी किया जाता है।

Form 1  
Certificate of Incorporation

Corporate Identity Number : U29120PN2009PLC133351

2008 - 2009

I hereby certify that KIRLOSKAR ENGINES INDIA LIMITED is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the company is limited.

Given under my hand at Pune this Twelfth day of January Two Thousand Nine.



(KATKAR KISHNU PANDURANG)

कम्पनी रजिस्ट्रार / Registrar of Companies

महाराष्ट्र, पूणे  
Maharashtra, Pune

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पते का पता :

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

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

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**THE COMPANIES ACT, 2013**  
**COMPANY LIMITED BY SHARES**  
**Memorandum of Association**  
**OF**  
**Kirloskar Oil Engines Limited**

- I. The name of the Company is **Kirloskar Oil Engines Limited**.
- II. The Registered Office of the Company will be situated in the State of Maharashtra within the jurisdiction of the Registrar of Companies, Pune.
- III. The Objects for which the company is established are

**(A) THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION:**

1. #“To carry on business in India & elsewhere, of researching, engineering, designing, developing, manufacturing, processing, buying, selling, trading, importing, exporting, producing, extracting, generating, assembling, hiring, bartering, distributing, testing, installing, conditioning, reconditioning, servicing, repairing, harnessing, commissioning, contracting, maintaining, converting, altering, modifying, sub-contracting, refurbishing, leasing, sub leasing, supplying, building, procuring, constructing, operating, integrating, market making, dismantling, operating, dealing or acting as a distributor, service provider, agent, broker, adatia, consignor, C&F agent, indenting agent, representative, correspondent, franchiser, stockist, transporter, collaborator, fabricating, converting, jobbing, costing, forging or otherwise dealing in all types of machineries, motors; engines of every description including heat engines, internal combustion engines operated by any type of fuel and/ or gases including steam; boilers, locomotives, road rollers, automobiles, trucks; gen-sets operated by any type of fuel; all types of pump sets and pumps for agriculture, industrial, commercial, residential, or any other usage; all types of conventional and non-conventional energy including solar energy, wind energy, fuel energy in liquid or gas forms, hydro energy, mechanical energy, thermal energy, electrical energy, any form of renewable energy, fuel cells, cogeneration of electricity, heating / cooling energy related gadgets, apparatus, components, devices, plants, systems, machinery, equipment, products, services, spares and parts, tools, gigs and fixtures, goods; all kinds and varieties of filters including air filters, water filters, oil filters, gas filters, hydraulic filters, transmission filters, filter elements, filter papers or any other products covered in the range of filters elements; construction equipment or machineries; farm equipment and its accessories; tractors, agricultural implements, tillers, harvesters, weeders and equipment for farm mechanization or agricultural purpose including spares / implements, accessories or attachments thereof including reaper, alternators, huller, threshing equipment, hand held brush cutters, chargers, operated by any type of fuel or energy including solar energy; forging, pressing, stamping and roll - forming of metal, powder metallurgy; all types of pipes and pipe fittings used in agriculture, mechanical, electrical and any other industries; equipment, machineries, components, solutions, systems and its accessories for defence and naval requirements; turnkey solutions, uninterrupted power systems, gas turbines, load convertors, invertors, transformers, converters, controllers, control panels, inverters, energy transformation products, energy storage solutions including batteries of various chemistries, insulators, motors, turbines, compressors, composters, boilers, cables, chains, anchors, belts, wires, cords, conductors, engines, dynamos, mechanical and electrical machinery plant and fittings generally, power electronics and software based applications in the field of energy engineering and power generation devices; all types of goods, services, hardware for civil, mechanical, electronic application or systems; all types of exhaust gas treatment systems; all types of lubricants, coolants and oils including oil for engines, hydraulic & transmission systems for on road and off road applications, and related components or services of products mentioned herein.”

#(Inserted vide Special resolution passed by the members of the Company in the Annual general Meeting held on 11<sup>th</sup> August 2023)

2. \*"To carry on the business, through itself or through a subsidiary; of a leasing company, hire purchase company and Finance company and to undertake and / or arrange or syndicate all types of business relating to Financing of consumers, individuals, industry or corporates, for all kinds of vehicles, aircrafts, ships, machinery, plants, two-wheelers, tractors and other farm equipment, consumer durables equipment, renewable energy equipment / infrastructure, construction equipment, housing equipment, capital equipment, office equipment, their spares and components, real estate, infrastructure work or activity, including used / refurbished products, consumable products, as also services of every kind and description, computers, storage tanks, toll roads, communication satellites, communication lines, factories, rolling stock, moveable and immoveable property, to engage in all forms of Securitisation, instalment sale and / or deferred sale relating to goods or materials, to purchase the book debts and receivables of companies and to lend or give credit against the same, to borrow, to transact business as promoters, financiers, monetary agents, to carry out the business of a company established with the object of financing industrial enterprises and to arrange or provide financial and other facilities independently or in association with any person, Government, Financial Institutions, Banks, Industrial Companies or any other agency, in the form of lending or advancing money by way of loan, working capital finance, refinance, project finance or in any other form, whether with or without security, to institutions, bodies corporate, firms, sole proprietorship, limited liability partnership, associations, societies, trusts, authorities, industrial enterprises and to arrange or provide facilities for the purposes of infrastructure development work or for providing infrastructure facilities or engaging in infrastructure activities and to raise and provide venture capital and promote or finance the promotion of joint stock companies, to invest in, to underwrite, to manage the issue of, and to trade in their shares or other securities."

\*(Inserted vide Special resolution passed by the members of the Company through postal ballot on 25 January 2018)

(B) MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III (A):

3. To carry on the activity 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.
4. To act as 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.
5. To act as 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.
6. To carry on any activity 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.

7. 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, fitter 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, stain type and micronite paper type media which are used for filtration.
8. 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.
9. 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.
10. 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.
11. 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, carry out, 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 any one of the aforesaid objects as one of its objects by giving donations or otherwise in any other manner, and the Directors may at their discretion, in order to implement any of the above mentioned objects or purposes, transfer without consideration or at such fair 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.
12. To act as 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
13. To act as 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 aluminum and other metal products, machinery, tools, accessories, implements and machinery of all kinds and also to manufacture and deal in castings of all materials.

14. To act as 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.
15. To act as 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.
16. To construct, 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.
17. To acquire by concession, grant, purchase, amalgamation, barter, ,lease, license 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, trademarks 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.
18. To develop the resources of and tum 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
19. To purchase, take on lease or in exchange or otherwise acquire either absolutely or by lease, license, 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.
20. 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.
21. To let on lease or on hire-purchase system or to lend or olher1vise 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.
22. 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.
23. 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
24. 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.

25. To build, construct, alter, maintain, enlarge, pulldown, remove or replace and to work, manage and control any buildings, offices, factories, mills, shops, hotels, guest house, 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
26. 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.
27. 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.
28. To erect, construct, enlarge, alter and maintain, buildings and structures of every kind necessary or convenient for the business of the Company  
To accept or make gifts, donations, bequests, whether onerous or not, from or to any person, firm company or trust.
29. 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.
30. To apply for, purchase, or otherwise acquire and protect and renew in any part of the world any patents, patent rights, brevets d' invention, trademarks, 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.
31. 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
32. 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.
  33. 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.
  34. To amalgamate with any company or companies having objects altogether or in part similar to those of this Company.
  35. To enter into any scheme of amalgamation or arrangement for merger, demerger, hiving off or other forms of corporate restructuring with any other company, body corporate, firm or legal person or to enter into partnership or any arrangement for sharing profits, union of interest, co-operation, joint venture or reciprocal rights with any person or association of persons or companies having objects altogether or in part similar to those of the Company or with shareholders or creditors of the company and/or of any other company
  36. 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.
  37. 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.
  38. \$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 73 of the Companies Act, 2013 and directives of the Reserve Bank of India. \$(the words 'Companies Act, 1956' substituted with the words 'Companies Act, 2013', and reference of Section of the Companies Act, 1956 replaced with the reference to the corresponding Section of the Companies Act, 2013, vide Special resolution passed by the members of the Company in the Annual general Meeting held on 28 August 2020)
  39. 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.
  40. 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 license and other rights and benefits in the foregoing matters and things.
  41. To undertake and execute any trusts, the undertaking of which may seem to the Company desirable and either gratuitous or otherwise.
  42. 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

43. 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.
44. 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.
45. 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.
46. 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.
47. @To distribute any of the property of the Company amongst the members in species or kind subject to provisions of the Companies Act, 2013, in the event of winding up.  
@the words 'Companies Act, 1956' substituted with the words 'Companies Act, 2013', vide Special resolution passed by the members of the Company in the Annual general Meeting held on 28 August 2020)
48. 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.
49. 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.
50. 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.
51. 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.



52. 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, aero planes, seaplanes, airships, aircraft and hardware and wireless goods.
53. 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.
54. 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.
55. 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
56. To acquire, take up and hold shares, stocks, debentures, debenture-stocks, 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 indireclly 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
57. 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.
58. 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.
59. 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.
60. To investigate, search, survey, prospect, explore, extract, drill, dig, raise, pump, procure, excavate, produce, purify, refine, separate, treat, process, blend, store, transport, buy, soil, 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.
61. 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.

62. To carry on the business of beneficiation, purification, amalgamation, chemically treating metals, minerals, inorganic substances and to undertake alloy making, development of new combinations and put to multiple use metals and minerals.
63. To provide for consideration or otherwise labour, materials, machines for carrying on mining activity and to undertake on turnkey basis development and exploration of mines, and purification, processing, amalgamation, treatment of minerals, metals, inorganic substances.
64. To undertake on contract or otherwise conduct geological and hydrogeological prospecting and exploration, geophysical surveys, geological mapping and laboratory testing.
65. 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.
66. 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.
67. 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.
68. 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.
69. 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.
70. To manufacture, draw, purchase, sell and deal in nickel, zinc, silver, bronze, gun metal, white metal, cadmium silicon, tin aluminum, 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.
71. 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

72. 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.
73. 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, lighter man, 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 canyon 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.
74. Subject to approval of appropriate authority, required if any 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 tend 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
75. To carry on the business as manufacturers and repairers of and dealers in dynamos, motors, armatures, magnetos, batteries, conductors, insulators, transformers, converters, switchboards, cookers, glass, pottery, rubber, insulating materials and generally electrical plant appliances and supplies of every description.
76. 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.
77. To undertake the custody and warehousing of merchandise, goods and materials and to provide cold storage and other special storage facilities.
78. \*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.  
\* Approved commencement of this business activity vide Special Resolution passed in the Annual General Meeting held on 21<sup>st</sup> July 2011.
79. 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.

80. 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, thermal 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.

IV. Liability of the members is limited.

- V. The Authorised Share Capital of the Company is Rs. 54,00,00,000 (Rupees Fifty Four Crore Only) divided into 27,00,00,000 (Twenty Seven Crore) Equity Shares of Rs. 2/- each. The Company has power from time to time to increase or reduce its capital 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 other special rights, privileges, conditions or restrictions as may be determined by or in accordance with the Articles of Association of the Company and vary, modify or abrogate any such right, privilege or conditions or restrictions in such manner as may for the time being be permitted by the Articles of Association of the Company.

(Substituted vide Order of the High Court of judicature at Bombay, dated 30 April 2015, sanctioning the Composite Scheme of Arrangement and Amalgamation between Kirloskar Brothers Investments Limited and Pneumatic Holdings Limited and Kirloskar Oil Engines Limited and their respective shareholders and creditors)

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

Signature, Names, Addresses, and occupation of Subscribers	Number of Equity shares taken up by each Subscriber	Signature Names, Addresses, and occupation of Witness
<p>FOR AND ON BEHALF OF KIRLOSKAR OIL ENGINES LTD. Having its Registered Office at Laxmanrao Kirloskar Road Khadki, Pune 411 003</p> <p>Authorised by Board Resolution dated 22/10/2008 by</p> <p>S/d</p> <p>R. R. Deshpande</p> <p>S/o Ramchandra Ganesh Deshpande 704, Tulip Housing Society, Mahaganesh Colony, Paud Road, Pune - 411 038</p> <p>Occupation: Service</p>	<p>4,99,994 (Four Lacs Ninety Nine Thousand Nine Hundred Ninety Four)</p>	<p><u>Witness for All</u></p> <p>S/d</p> <p>Dinesh Pandurang Joshi S/o Pandurang D. Joshi 3/A, Aishwarya Sankul, G. A. Kulkarni Road, Kothrud, Pune 411 038</p> <p>Occupation: Company Secretary CP 2246</p>
<p>Balance C/F</p>	<p>4,99,994 (Four Lacs Ninety Nine Thousand Nine Hundred Ninety Four)</p>	

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

Signature, Names, Addresses, and occupation of Subscribers	Number of Equity shares taken up by each Subscriber	Signature Names, Addresses, and occupation of Witness
<p>Balance B/F</p> <p>S/d</p> <p>Atul C. Kirloskar</p> <p>S/o Chandrakant S. Kirloskar 'Radha', 453 Gokhale Road, Off Ganeshkhind Road, Model Colony, Pune - 411 016</p> <p>Occupation: Business</p> <p>Nominee of KIRLOSKAR OIL ENGINES LTD. Having its Registered Office at Laxmanrao Kirloskar Road Khadki, Pune 411 003</p> <p>Authorised by Board Resolution dated 22/10/2008</p> <p>Balance C/F</p>	<p>4,99,994 (Four Lacs Ninety Nine Thousand Nine Hundred Ninety Four)</p> <p>1 (One)</p> <p>4,99,995 (Four Lacs Ninety Nine Thousand Nine Hundred Ninety Five)</p>	<p><u>Witness for All</u></p> <p>S/d</p> <p>Dinesh Pandurang Joshi S/o Pandurang D. Joshi 3/A, Aishwarya Sankul, G. A. Kulkarni Road, Kothrud, Pune 411 038</p> <p>Occupation: Company Secretary CP 2246</p>

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

Signature, Names, Addresses, and occupation of Subscribers	Number of Equity shares taken up by each Subscriber	Signature Names, Addresses, and occupation of Witness
<p>Balance B/F</p> <p>S/d Mr. Gautam A. Kulkarni</p> <p>S/o Achyut Narayan Kulkarni 'Yena' 1 Adwait Nagar, Paud Road, Erandwane, Pune - 411 038</p> <p>Occupation: Business</p> <p>Nominee of KIRLOSKAR OIL ENGINES LTD. Having its Registered Office at Laxmanrao Kirloskar Road Khadki, Pune 411 003</p> <p>Authorised by Board Resolution dated 22/10/2008</p>	<p>4,99,995 (Four Lacs Ninety Nine Thousand Nine Hundred Ninety Five)</p> <p>1 (One)</p>	<p><u>Witness for All</u></p> <p>S/d</p> <p>Dinesh Pandurang Joshi S/o Pandurang D. Joshi 3/A, Aishwarya Sankul, G. A. Kulkarni Road, Kothrud, Pune 411 038</p> <p>Occupation: Company Secretary CP 2246</p>
<p>Balance C/F</p>	<p>4,99,996 (Four Lacs Ninety Nine Thousand Nine Hundred Ninety Six)</p>	

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

Signature, Names, Addresses, and occupation of Subscribers	Number of Equity shares taken up by each Subscriber	Signature Names, Addresses, and occupation of Witness
<p>Balance B/F</p> <p>S/d Mr. Sanjay C. Kirloskar</p> <p>S/o Chandrakant S. Kirloskar 33, Suyojana Co. Op. Society, Scheme No. 2, Koregaon Park, Pune - 411 001</p> <p>Occupation: Business</p> <p>Nominee of KIRLOSKAR OIL ENGINES LTD. Having its Registered Office at Laxmanrao Kirloskar Road Khadki, Pune 411 003</p> <p>Authorised by Board Resolution dated 22/10/2008</p>	<p>4,99,996 (Four Lacs Ninety Nine Thousand Nine Hundred Ninety Six)</p> <p>1 (One)</p>	<p><u>Witness for All</u></p> <p>S/d</p> <p>Dinesh Pandurang Joshi S/o Pandurang D. Joshi 3/A, Alshwarya Sankul, G. A. Kulkarni Road, Kothrud, Pune 411 038</p> <p>Occupation: Company Secretary CP 2246</p>
<p>Balance C/F</p>	<p>4,99,997 (Four Lacs Ninety Nine Thousand Nine Hundred Ninety Seven)</p>	



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

Signature, Names, Addresses, and occupation of Subscribers	Number of Equity shares taken up by each Subscriber	Signature Names, Addresses, and occupation of Witness
<p>Balance B/F</p> <p>S/d</p> <p>Mr. Rahul C. Kirloskar</p> <p>S/o Chandrakant S. Kirloskar Lakaki Compound, Model Colony, Pune - 411 016</p> <p>Occupation: Business</p> <p>Nominee of KIRLOSKAR OIL ENGINES LTD. Having its Registered Office at Laxmanrao Kirloskar Road Khadki, Pune 411 003</p> <p>Authorised by Board Resolution dated 22/10/2008</p>	<p>4,99,997 (Four Lacs Ninety Nine Thousand Nine Hundred Ninety Seven)</p> <p>1 (One)</p>	<p><u>Witness for All</u></p> <p>S/d</p> <p>Dinesh Pandurang Joshi S/o Pandurang D. Joshi 3/A, Aishwarya Sankul, G. A. Kulkarni Road, Kothrud, Pune 411 038</p> <p>Occupation: Company Secretary CP 2246</p>
<p>Balance C/F</p>	<p>4,99,998 (Four Lacs Ninety Nine Thousand Nine Hundred Ninety Eight)</p>	

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

Signature, Names, Addresses, and occupation of Subscribers	Number of Equity shares taken up by each Subscriber	Signature Names, Addresses, and occupation of Witness
<p>Balance B/F</p> <p>S/d Mr. A. N. Alawani</p> <p>S/o Narayan R. Alawani Flat No.5, Yashodeep 'C' Rambag Colony, Navi Peth, Pune 411 030</p> <p>Occupation: Business</p> <p>Nominee of KIRLOSKAR OIL ENGINES LTD. Having its Registered Office at Laxmanrao Kirloskar Road Khadki, Pune 411 003</p> <p>Authorised by Board Resolution dated 22/10/2008</p>	<p>4,99,998 (Four Lacs Ninety Nine Thousand Nine Hundred Ninety Eight)</p> <p>1 (One)</p>	<p><u>Witness for All</u></p> <p>S/d</p> <p>Dinesh Pandurang Joshi S/o Pandurang D. Joshi 3/A, Aishwarya Sankul, G. A. Kulkarni Road, Kothrud, Pune 411 038</p> <p>Occupation: Company Secretary CP 2246</p>
<p>Balance C/F</p>	<p>4,99,999 (Four Lacs Ninety Nine Thousand Nine Hundred Ninety Nine)</p>	

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

Signature, Names, Addresses, and occupation of Subscribers	Number of Equity shares taken up by each Subscriber	Signature Names, Addresses, and occupation of Witness
Balance B/F	4,99,999 (Four Lacs Ninety Nine Thousand Nine Hundred Ninety Nine)	
S/d R. R. Deshpande  S/o Ramchandra Ganesh Deshpande 704, Tulip Housing Society, Mahaganesh Colony, Paud Road, Pune - 411 038  Occupation: Service  Nominee of KIRLOSKAR OIL ENGINES LTD. Having its Registered Office at Laxmanrao Kirloskar Road Khadki, Pune 411 003  Authorised by Board Resolution dated 22/10/2008	1 (One)	<u>Witness for Ali</u>  S/d  Dinesh Pandurang Joshi S/o Pandurang D. Joshi 3/A, Aishwarya Sankul, G. A. Kulkarni Road, Kothrud, Pune 411 038  Occupation: Company Secretary CP 2246
Total	5,00,000 (Five Lacs)	

Date: 29.12.2008

Place: Pune

# Articles of Association

## OF

### Kirloskar Oil Engines Limited

#### TABLE 'A' EXCLUDED

- |   |   |
|---|---|
| <p>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.</p>   | <p>Table 'A' not to apply</p>                   |
| <p>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.</p> | <p>Company to be governed by these Articles</p> |

#### INTERPRETATION

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|--|--|
| <p>3. The marginal notes in these Articles shall not affect the construction thereof.</p> <p>In these Articles, unless there be something in the subject or context inconsistent therewith: -</p>  | <p>Marginal notes not authoritative</p>  |
| <p>(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.</p>   | <p>'The Act'</p>                         |
| <p>(2) 'Alter' and 'alteration' shall include the making of additions and omissions.</p>   | <p>'Alter'</p>                           |
| <p>(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.</p>  | <p>'Board'</p>                           |
| <p>(4) 'Body Corporate' or 'Corporation' includes a Company incorporated outside India but does not include:</p> <p style="margin-left: 20px;">(a) a corporation sole;</p> <p style="margin-left: 20px;">(b) a co-operative society registered under any law relating to co-operative societies; and</p> <p style="margin-left: 20px;">(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.</p> | <p>'Body Corporate' or 'Corporation'</p> |
| <p>(4-A) 'Book and Paper' and 'Book or Paper' include accounts, deeds, vouchers, writings and documents.</p>   | <p>'Book and/or paper'</p>               |
| <p>(5) 'A Company' shall include a Company as defined in Section 3 of the Companies Act, 1956.</p>   | <p>'A Company'</p>                       |
| <p>(5A) 'Beneficial Owner' means the Beneficial Owner as defined under the Depositories Act.</p>   | <p>'Beneficial Owner'</p>                |

'The Company'	(6) 'The Company' means Kirloskar Oil Engines Limited 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 Interim Dividend.
'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'	(11A) '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 Government 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'

(24) 'Year' means the calendar year and 'Financial Year' shall have the meaning assignment there to by section 2(17) of the Act.

'Year and Financial year'

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

## CAPITAL

- |  |     |   |
|--|-----|---|
| Capital and Shares   | 6   | <p>The Authorised Share Capital of the Company is Rs. 54,00,00,000 (Rupees Fifty Four Crores only) divided into 27,00,00,000 (Twenty Seven Crores) Equity Shares of Rs. 2/- (Rupees Two Only) each.</p> <p>(Substituted vide Order of the High Court of Judicature at Bombay, dated 30 April 2015 sanctioning the Composite Scheme of Arrangement and Amalgamation between Kirloskar Brothers Investments Limited and Pneumatic Holdings Limited and Kirloskar Oil Engines Limited and their respective shareholders and creditors.)</p>  |
| Register and index of Members and debenture-holders and Foreign Register | 7.  | <p>(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.</p> <p>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.</p>   |
| Annual Returns   | (b) | The Company shall also comply with the provisions of Section 159 and 161 of the Act as to filling Annual Returns.   |
| Shares to be under control of the Director                               | (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.   |
| Nature of Shares   | 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.  |
| Numbering 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.  |
| Certificate of shares as prima facie evidence                            | 10. | Each share in the Company other than the share(s) held in a Depository shall be distinguished by its appropriate number.  |
| Application of premium received on issue of shares                       | 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.  |
|  | 12. | <p>(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.</p> <p>(2) The share premium account may, notwithstanding anything in clause (1) of this Article be applied by the Company;</p> <p>(a) in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares;</p> <p>(b) in writing off preliminary expenses of company and in writing off the expenses of, or the commission paid or discount allowed on any</p> |

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.



Liability of joint holders of shares

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.

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.
- (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;
- (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.

Members' right to certificates

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

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, decrept, 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.

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.
- (3) The provision of this article shall mutatis mutandis apply to all the calls on debentures of the Company.

Payment in anticipation of calls may carry interest

#### FORFEITURE, SURRENDER AND LIEN

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.
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.
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.

If call or instalment not paid, notice must be given

Form of Notice

In default of payment shares to be forfeited

- Entry of forfeiture in Register of Members
- Forfeited shares to be property of the company and may be sold
- Power to annul forfeiture
- Shareholders still liable to pay money owing at the time of forfeiture and interest
- Surrender of shares
- Company's lien on Shares
- As to enforcing lien by sale
- Application of proceeds of sale
- Certificate of forfeiture
- Title of purchaser and allottee of forfeited share
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.
  39. Any share so forfeited shall be deemed to be the property of the Company and may be sold, reallocated 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.
  40. The Directors may, at any time before any shares so forfeited shall have been sold, reallocated or otherwise disposed of, annul the forfeiture thereof upon such conditions as they think fit.
  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.
  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.
  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.
  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.
  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.
  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.
  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

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|---|---|
| 48. The Company shall keep such records in respect of each transfer and transmission 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.

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|--|----------------------------------|
| 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.

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'.
- Registration of Person entitled to Shares otherwise than by Transfer (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

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| 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.<br><br>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.   |
| 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.  |
| Reduction of Capital                        | 65. 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: <ul style="list-style-type: none"> <li>(a) extinguish or reduce the liability on any of its shares in respect of share capital not paid up;</li> <li>(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</li> <li>(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;</li> </ul> <p>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.</p>  |
| Division and Sub-division                   | 66. The Company in General Meeting by a Special Resolution may alter the conditions of the Memorandum as follows, that is to say, it may: <ul style="list-style-type: none"> <li>(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</li> <li>(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;</li> </ul> |

- (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.

67. (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.

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

- (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

68. 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.

Powers to modify rights

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

69. 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:

Joint Holders

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

Company may refuse to register more than three persons

Joint and several liability

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

70. 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

71. 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

72. 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.

Securities may be assignable free from equities

73. 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.

Issue at discount etc. or with special privileges

74. 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.

75. (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
76. (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.
77. 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 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. Mortgage of uncalled capital
78. 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 Indemnity may be given

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

79. 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

80. 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

81. (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 45 days in each year, but not exceeding 30 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

- 82. (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. Annual General Meeting
- (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.
- 83. (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. Power of Central Government to call General 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.
- 84. (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. Sections 171 to 186 of the Act shall apply to meetings

(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

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

Extraordinary General Meeting on requisition

86. The Directors of the Company shall on the requisition of such number of members of 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

87. (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

88. (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.

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

Explanatory Statement to be annexed to notice

- (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.
- (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.

Special Notice

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

Quorum for meeting

- (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

91. (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  
Chairman of General Meeting

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

- (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

92. 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.

Proxies

93. (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.

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.

94. 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

95. 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

96. 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

97. 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.

Vote in respect of shares of deceased, insolvent members

- Custody of the instrument
98. 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
99. 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.
100. 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
101. 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
102. 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
103. 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
104. 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
105. (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.

106. (1) A poll demanded on a question of adjournment shall be taken forthwith. Time of taking poll
- (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.
107. 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 rights of members who have not paid calls, etc.
108. 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. Restrictions on exercise of voting right in other cases to be void
109. 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. Right of a member to use his votes differently
110. (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. Scrutineers at poll
- (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.
111. (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. Manner of taking poll and result thereof
- (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.
112. (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: Power of Court to order meeting to be called
- (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 113. 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 114. 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 115. The Company shall comply with the provisions of Section 188 of the Act relating to circulation of members' resolutions.
- Resolutions passed at adjourned meeting 116. 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 117. (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.

118. 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.

Presumptions to be drawn where minutes duly drawn and signed

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

Inspection of minute books of General Meetings

- (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.

120. 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.

Publication of reports of proceedings of General Meetings

## MANAGEMENT

121. Unless and otherwise determine by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen).\*

Number of Directors

122. The first directors of the company are

First Director(s)

- 1. Mr. Atul C. Kirloskar
- 2. Mr. Gautam A. Kulkarni
- 3. Mr. R. R. Deshpande

\* Inserted vide Special Resolution passed in the AGM on 12 August 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.

Qualification of Director

126. A Director shall not be required to hold any qualification shares.

Remuneration of Directors

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.

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

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

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

Commission to Directors

Directors may act notwithstanding vacancy

Eligibility

Directors vacating office



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 (l) 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.

Interested Director not to vote, etc.

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.

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.
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.
- (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.
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.
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 -
- (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.
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.
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
- Directors may be Directors of Companies promoted by the Company
- Duty of Directors, etc. to make disclosure
- Duty of Directors and persons deemed to be Directors to make disclosure of share holdings
- Directors etc. not to hold office or place of profit.
- Certain powers to be exercised by Board only at meeting
- Restrictions on powers of Board
- Appointment of Sole Selling Agents to require approval of the Company in General Meeting

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.
- (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.

#### Saving regarding book debts

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.

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. Ascertainment of Directors retiring by rotation and filling up vacancies
- (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.
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. Removal of Directors
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 Right of persons other than retiring Directors to stand for Directorship

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.

Quorum

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

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.
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.
- Acts of Board or Committee valid notwithstanding defect of appointment

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, covenants 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, it shall in the interests of the Company be necessary or expedient 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 or Whole Time Director shall be subject to the provisions of any contract between the Company and him 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

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.

The seal, its custody and  
use

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 or authorised to be created by the Memorandum and the Articles and subject to the provisions of the Articles shall be divisible among the members in proportion to the 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 30 days.

172. Where a dividend has been declared by the Company it shall be paid within thirty (30) 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.

Declaration as to net profits

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

Interim dividends

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.

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 how 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 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. Special Provision in reference to dividend

## 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

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. Accounts

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

- (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.

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. Inspection by members of accounts and books of the Company.

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

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: Statement of accounts and report to be furnished to General Meeting

(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 not entitled 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 joint holders 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 than 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.

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.

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

### AUDIT

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.

Accounts to be Audited

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.

Appointment of Auditors

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.

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

### NOTICES

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.

Notices, Service of Notice on the Company

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.

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 the Registrar

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.

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.

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.

Notice by the Company and signatures thereto

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.

Authentication of documents and proceedings

### WINDING UP

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.

Distribution of assets

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

205. Subject to the provisions of the Act:

Distribution in specie or kind

- (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 expedient any such division may, subject to the provisions of the Act, be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given (subject to the provisions of the Act) preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with 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.

### SECURITY 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.

Not responsible for acts of others

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.

\* This is new set of Articles of Association, which was adopted by passing a special resolution in the Extra Ordinary General Meeting of the members of the Company held on 30th March, 2010.

We, the several persons, whose names, addresses and descriptions are hereunder subscribed are desirous of being formed into a Company in pursuance of these Articles of Association .

Signature, Names, Addresses, and occupation of Subscribers	Signature Names, Addresses, and occupation of Witness
<p>FOR AND ON BEHALF OF KIRLOSKAR OIL ENGINES LIMITED. Having Its Registered office at Laxmanrao Kirloskar Road Khadki, Pune -411003</p> <p>Authorised by Board Resolution dated 22/10/2008 By</p> <p>S/d R.R. Deshpande S/o Ramchandra Ganesh Deshpande. 704, Tulip Housing Society, Mahaganesh Colony, Paud Road, Pune-411038 Occupation : Service</p>	<p>Witness for All S/d Dinesh Pandurang Joshi S/o Pandurang D. Joshi 3/A, Aishwarya Sankul, G.A. Kulkarni Road, Kothrud, Pune-411038 Occupation: Company Secretary CP 2246</p>

We, the several persons, whose names, addresses and descriptions are hereunder subscribed are desirous of being formed into a Company in pursuance of these Articles of Association.

Signature, Names, Addresses, and occupation of Subscribers	Signature Names, Addresses, and occupation of Witness
<p>S/d</p> <p>Atul C. Kirloskar</p> <p>S/o Chandrakant S. Kirloskar 'Radha', 453 Gokhale Road, Off Ganeshkhind Road, Model Colony, Pune- 411016</p> <p>Occupation: Business</p> <p>Nominee of KIRLOSKAR OIL ENGINES LIMITED Having its registered office at Laxmanrao Kirloskar Road, Khadki, Pune-411003</p> <p>Authorised by Board Resolution Dated 22/10/2008</p>	<p>Witness for All S/d</p> <p>Dinesh Pandurang Joshi S/o Pandurang D. Joshi 3/A, Alshwarya Sankul, G.A. Kulkarni Road, Kothrud, Pune-411038 Occupation: Company Secretary CP 2246</p>

We, the several persons, whose names, addresses and descriptions are hereunder subscribed are desirous of being formed into a Company in pursuance of these Articles of Association .

Signature, Names, Addresses, and occupation of Subscribers	Signature Names, Addresses, and occupation of Witness
<p style="text-align: center;">S/d Mr. Gautam Kulkarni S/o Achyut Narayan Kulkarni 'Yena' 1 Adwait Nagar, Paud Road, Erandwane, Pune - 411038</p> <p style="text-align: center;">Occupation: Business</p> <p style="text-align: center;">Nominee of KIRLOSKAR OIL ENGINES LIMITED Having its registered office at Laxmanrao Kirloskar Road, Khadki, Pune-411003</p> <p style="text-align: center;">Authorised by Board Resolution Dated 22/10/2008</p>	<p style="text-align: center;">Witness for All S/d Dinesh Pandurang Joshi S/o Pandurang D. Joshi 3/A, Aishwarya Sankul, G.A. Kulkarni Road, Kothrud, Pune-411038 Occupation: Company Secretary CP 2246</p>



We, the several persons, whose names, addresses and descriptions are hereunder subscribed are desirous of being formed into a Company in pursuance of these Articles of Association .

Signature, Names, Addresses, and occupation of Subscribers	Signature Names, Addresses, and occupation of Witness
<p>S/d Mr. Sanjay C. Kirloskar</p> <p>S/o Chandrakant S. Kirloskar 33, Suyojana Co. Op Society, Scheme No. 2, Koregaon Park, Pune- 411001</p> <p>Occupation: Business</p> <p>Nominee of KIRLOSKAR OIL ENGINES LIMITED Having its registered office at Laxmanrao Kirloskar Road, Khadki, Pune-411003</p> <p>Authorised by Board Resolution Dated 22/10/2008</p>	<p>Witness for All S/d Dinesh Pandurang Joshi S/o Pandurang D. Joshi 3/A, Alshwarya Sankul, G.A. Kulkarni Road, Kothrud, Pune-411038 Occupation: Company Secretary CP 2246</p>

We, the several persons, whose names, addresses and descriptions are hereunder subscribed are desirous of being formed into a Company in pursuance of these Articles of Association .

Signature, Names, Addresses, and occupation of Subscribers	Signature Names, Addresses, and occupation of Witness
<p>S/d Mr. Rahul C. Kirloskar</p> <p>S/o Chandrakant S. Kirloskar Lakaki Compound, Model Colony, Pune- 411016</p> <p>Occupation: Business</p> <p>Nominee of KIRLOSKAR OIL ENGINES LIMITED Having its registered office at Laxmanrao Kirloskar Road, Khadki, Pune-411003</p> <p>Authorised by Board Resolution Dated 22/10/2008</p>	<p>Witness for All S/d Dinesh Pandurang Joshi S/o Pandurang D. Joshi 3/A, Aishwarya Sankul, G.A. Kulkarni Road, Kothrud, Pune-411038 Occupation: Company Secretary CP 2246</p>

We, the several persons, whose names, addresses and descriptions are hereunder subscribed are desirous of being formed into a Company in pursuance of these Articles of Association.

Signature, Names, Addresses, and occupation of Subscribers	Signature Names, Addresses, and occupation of Witness
<p>S/d</p> <p>Mr. A.N. Alwani</p> <p>S/o Narayan R. Alwani Flat no. 5, Yashodeep'C' Rambag Colony, Navipeth, Pune -411030</p> <p>Occupation: Business</p> <p>Nominee of KIRLOSKAR OIL ENGINES LIMITED Having its registered office at Laxmanrao Kirloskar Road, Khadki, Pune-411003</p> <p>Authorised by Board Resolution Dated 22/10/2008</p>	<p>Witness for All</p> <p>S/d</p> <p>Dinesh Pandurang Joshi S/o Pandurang D. Joshi 3/A, Aishwarya Sankul, G.A. Kulkarni Road, Kothrud, Pune-411038 Occupation: Company Secretary CP 2246</p>

We, the several persons, whose names, addresses and descriptions are hereunder subscribed are desirous of being formed into a Company in pursuance of these Articles of Association .

Signature, Names, Addresses, and occupation of Subscribers	Signature Names, Addresses, and occupation of Witness
<p style="text-align: center;">S/d</p> <p style="text-align: center;">Mr. R.R. Deshpande</p> <p>S/o Ramchandra Ganesh Deshpande 704, Tulip Housing Society, Mahaganesh Colony, Paud Road, Pune-411038</p> <p style="text-align: center;">Occupation: Service</p> <p style="text-align: center;">Nominee of KIRLOSKAR OIL ENGINES LIMITED Having its registered office at Laxmanrao Kirloskar Road, Khadki, Pune-411003</p> <p style="text-align: center;">Authorised by Board Resolution Dated 22/10/2008</p>	<p style="text-align: center;">Witness for All S/d</p> <p style="text-align: center;">Dinesh Pandurang Joshi S/o Pandurang D. Joshi 3/A, Aishwarya Sankul, G.A. Kulkarni Road, Kothrud, Pune-411038 Occupation: Company Secretary CP 2246</p>

DATE: 29.12.2008

PLACE: PUNE

# 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 relating 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, relating 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;



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- (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 "KCEL"** 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

## KIRLOSKAR OIL ENGINES LIMITED

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, Ambao, 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 Motoda, 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



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- 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 relating 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.



# KIRLOSKAR OIL ENGINES LIMITED

- (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:



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Particulars	(Amount in Rs.)
<b>Authorised Capital</b>	
25,00,00,000 equity shares of Rs 2 Each	
<b>Total</b>	50,00,00,000
<b>Issued</b>	50,00,00,000
19,53,53,480 equity shares of Rs.2 each	
<b>Subscribed</b>	39,07,06,960
19,41,73,000 equity shares of Rs. 2 Each	
<b>Called up &amp; Paid up</b>	38,83,46,000
19,41,72,380 equity shares of Rs. 2 Each	
<b>Shares in abeyance</b>	38,83,44,760
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.)
<b>Authorised Capital</b>	
5,00,000 equity shares of Rs. 2 each	10,00,000
<b>Issued, Subscribed and Paid up Capital</b>	10,00,000
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

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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,



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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.

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- 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:



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- (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

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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





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- (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



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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



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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.

# KIRLOSKAR OIL ENGINES LIMITED

- 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 provided by the Articles of Association of the Company."



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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 hundred and 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.

# KIRLOSKAR OIL ENGINES LIMITED

- 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.



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- (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.

# KIRLOSKAR OIL ENGINES LIMITED

## 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.





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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
<b>Location:</b>	State: Maharashtra District: Ahmednagar	State: Maharashtra District: Pune
<b>Address:</b>	Plot No. A3 MIDC Industrial Estate Nagapur Taluka Ahmednagar District Ahmednagar Maharashtra State PIN: 414111	L. K Raod Khadki  Pune Maharashtra State PIN: 411003
<b>Finished Products Manufactured:</b>	Plated/ Unplated half Bearings and Bushes	Unplated half Bearings, Large half Bearings
<b>Intermediate Products Manufactured:</b>	Bronze Powder, Strips (Copper, Aluminium, Tin, White Metal)	Not Applicable
<b>Installed Capacity:</b>		
<b>a&gt; Finished Products</b>		
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>b&gt; Intermediate Products</b>		
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.17B/A, Zone B, Mancheswar Industrial, Bhubaneswar - 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



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Sr.No.	Address of the Office
8	Office No.203, lind 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.8A & 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:

- 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, 45A4/1A, 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

- Buildings
- Plant & Machinery
- Equipments
- Computers
- Electrical Installations
- Furniture & Fixtures
- Intangibles

Exceptions:

Freehold Land (including Sanad Land)

Buildings

##### II. Facility at Nashik:

- Leasehold Land

##### Description of Land

	Area (sq. mtr.)
Plot No. A - 11/1, Addl. Nashik Industrial Area, Village - Ambad, District Nashik.	40,102

- Buildings

# KIRLOSKAR OIL ENGINES LIMITED

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



Enriching Lives

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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 Ahmednagar:

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

# KIRLOSKAR OIL ENGINES LIMITED

7. Furniture & Fixtures

8. Intangibles

Exceptions:

NIL

## VIII. Investment

One equity share of Kirloskar Proprietary 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
<b>Disputed Excise duty claims</b>			
Excise	17,340	105	17,445
<b>Disputed Sales Tax Demand</b>			
Sales Tax	36,441	-	36,441
<b>Disputed Customs Duty claims</b>			
Pending custom cases	12,413	-	12,413
<b>Disputed Income-Tax Liability</b>			
Pending Departmental appeals	994,813	-	994,813
<b>Claims against Company not acknowledged as debts</b>			
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
	<b>614,826</b>	<b>18,978</b>	<b>633,804</b>
<b>Dealer Financing Contingent Liability</b>			
ACBG	4,497	-	4,497
	<b>4,497</b>	<b>-</b>	<b>4,497</b>
<b>Guarantees given on behalf of third parties</b>	<b>357</b>	<b>110,000</b>	<b>110,357</b>
<b>Guarantees given to Customers by bankers</b>	<b>1,126,953</b>	<b>8,319</b>	<b>1,135,272</b>
<b>Total Contingent Liability</b>	<b>2,807,639</b>	<b>137,402</b>	<b>2,945,041</b>



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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	9.4.2005	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		

# 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



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**List of Registered Trademarks**

Sr. No.	Trade Mark	Registration No.	From	Valid upto
28	CHOTAJAWAN	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	135631	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



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**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, SINGAPORE
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

Hon'ble High Court of Judicature at Bombay has approved the Scheme of Arrangement between Kirloskar Oil Engines Limited (Demerged Company) and Kirloskar Engines India Limited (Resulting Company) on 31 July 2009 and also an amendment to the Scheme of Arrangement on 19 March 2010.

# HIGH COURT, BOMBAY

383446

IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION  
COMPANY SCHEME PETITION NO. 159 OF 2015

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO.933 OF 2014

Kirloskar Brothers Investments Limited.

....Petitioner/the Demerged Company

AND

COMPANY SCHEME PETITION NO.160 OF 2015

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO.932 OF 2014

Pneumatic Holdings Limited.

.....Petitioner/the Resulting Company.

AND

COMPANY SCHEME PETITION NO.161 OF 2015

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO.934 OF 2014

Kirloskar Oil Engines Limited.

.....Petitioner/the Transferee Company.

In the matter of the Companies Act I of 1956.

AND

In the matter of Sections 391 to 394 read with Section 100 to 105 of the Companies Act, 1956.

AND

In the matter of the Composite Scheme of Arrangement and Amalgamation between Kirloskar Brothers Investments Limited AND Pneumatic Holdings Limited AND Kirloskar Oil Engines Limited AND their respective shareholders and creditors.

Called for Hearing

Mr. Hemant Sethi i/b Hemant Sethi & Co, Advocate for the Petitioner in all the Petition.

Mr.C.J.Joy i/b Shri. A. A. Ansari for Regional Director in all the Petitions.

Mr. Chetan Agarwal Advocate for HDFC Bank in CSP No. 161 of 2015.

Mr. S. Ramakantha, Official Liquidator, present in C.S.P No. 159 of 2015.

# HIGH COURT, BOMBAY

383445

CORAM: S. J. KATHAWALLA, J

DATE : 30<sup>TH</sup> APRIL, 2015

PC:

1. Heard learned counsel for parties. None appears before the Court to oppose the Scheme and nor any party has controverted any averments made in the Petition.
2. The learned Advocate for the Petitioners states that HDFC Bank is one of the Unsecured Creditor of Kirloskar Oil Engines Limited and clarifies that rights of HDFC Bank are not affected by the proposed Scheme of Arrangement and Amalgamation.
3. The sanction of the Court is sought under Sections 391 to 394 and read with Section 100 to 105 of the Companies Act, 1956, to a Composite Scheme of Arrangement and Amalgamation between Kirloskar Brothers Investments Limited and Pneumatic Holdings Limited and Kirloskar Oil Engines Limited and their respective shareholders and creditors.
4. The learned counsel for the Petitioner Companies states that the Demerged Company/ Transferor Company is presently carrying on business of investment in shares & securities and also make strategic investments in Kirloskar Group Companies. The Resulting Company is formed recently to take over Demerged Undertaking of the Demerged Company. It is yet to commence its business operations. The Transferee Company is presently carrying on business of Manufacturing and selling of Diesel Engines, agricultural pumpsets and generating sets and parts thereof.
5. The learned counsel for the Petitioner Companies further states that the Composite Scheme of Arrangement and Amalgamation between Kirloskar Brothers Investments Limited and Pneumatic Holdings Limited and Kirloskar Oil Engines Limited and their respective shareholders and

creditors will result into following benefits namely focused management attention, resources and skill set allocation, no change in economic interest for any of the shareholder pre and post the Scheme and greater flexibility to the shareholders of KBIL.

6. The Petitioner Companies have approved the said Composite Scheme of Arrangement and Amalgamation by passing the Board Resolution which is annexed to the respective Company Scheme Petition.
7. The learned Counsel for the Petitioners states that the Petitioner Companies have complied with all the directions passed in Company Summons for Direction and that the Company Scheme Petition have been filed in consonance with the orders passed in respective Company Summons for Direction.
8. The Learned Counsel appearing on behalf of the Petitioners has stated that they have complied with all the requirements as per directions of this Court and they have filed necessary Affidavits of compliance in the Court. Moreover, Petitioner Companies undertake to comply with all statutory requirements, if any, as required under the Companies Act, 1956/2013 and the Rules made thereunder whichever is applicable. The said undertaking is accepted.
9. The Official Liquidator has filed his report on 24<sup>th</sup> April, 2015 in Company Scheme Petition No. 159 of 2015, *inter alia*, stating therein that the affairs of the Transferor Company have been conducted in a proper manner and that the Transferor Company may be ordered to be dissolved.
10. The Regional Director has filed his Affidavit on 22<sup>nd</sup> April, 2015, *inter alia*, stating therein that save and except as stated in paragraphs 6 (a) to (d) of the said Affidavit, it appears that the Scheme is not prejudicial to the

# HIGH COURT, BOMBAY

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interest of shareholders and public. In paragraphs 6 (a) to (d) of the said

Affidavit, the Regional Director has stated that :

"6. That the Deponent further submits that:-

a) The appointed date is defined in clause 3.5 of the scheme which states that "Appointed date" shall be the effective date. This is a scheme of demerger by which demerged undertaking is proposed to be transferred to the Resulting Company. It is therefore necessary to ascertain the nature of assets/liabilities and quantum of the amount thereto to be transferred as on specific date is required. Therefore, the company was directed to clarify in this regard. The advocate for the petitioner companies vide its letter dated 08/04/2015 has clarified that there is no objection for considering 01/04/2015 as Appointed Date. It is therefore suggested that petitioner companies shall make suitable correction in the scheme annexed to the company scheme petitions.

b) As per clause 13.6 of the scheme the excess arising out of the scheme will be transferred to general reserve account and deficit will be debited to good will account of resulting company. In this regard, it is submitted that the excess or deficit if any remaining after recording the entries provided in clause 13.1 to 13.5 of the scheme including the reserve so transferred and adjusted by the Demerged Company shall be credited by the FHL to its capital reserve account or debited to goodwill account as the case maybe.

c) Clause 10 of the scheme provides for transferring part of the authorized capital amounting to Rs 8 crores from the authorized capital of demerged company by reducing 80,00,000 shares of Rs 10/- each and thereby the reorganized capital of the demerged company on such reorganization would be Rs 6 crores.

As per clause 10.2 of the scheme the authorized capital of the resulting company shall be increased to Rs 10 crores from the existing capital of Rs 2 crores. Such transfer of part of the authorized capital from demerged company to resulting company is against the provisions of the Companies Act, and shall not be allowed to. In this regard it is submitted that if at all on amalgamation of residual portion of demerged company/transferor company merging with Transferee Company, then the existing authorized capital of the demerged company can be merged with Transferee Company. In view of the above, the entire clause 10 of the scheme be deleted from the scheme and further submitted that the resulting company has to increase its authorized capital suitably to enable the

resulting company to issue the new shares to the shareholders of demerge company as contemplated in clause 11.1 of the scheme.

- d) In view of the foregoing clause 28.1 of the scheme if so desired by the petitioner company can be modified by merging the authorized capital of demerged/transferor company with transferee company thereby the existing authorized capital of transferee Company can be increased to Rs 40 crores to Rs 54 crores and accordingly the petitioner company make suitable corrections in clause no 28 of the scheme.

11. As far as observations made in paragraph 6(a) of the affidavit of Regional Director is concerned, the Petitioner Companies through its counsel states that in view of the objection raised by the Regional Director, Western Region, Mumbai Clause 3.5 of the Scheme is required to be amended. Hence, learned Counsel for the Petitioner Companies seeks leave to amend clause 3.5 of the scheme by substituting the words "the Effective Date" with "1<sup>st</sup> April, 2015".

12. In so far as observations made in paragraph 6(b) of the Affidavit of Regional Director is concerned, the Petitioner Companies through its Learned Counsel undertakes that the excess or deficit, if any remaining after recording the entries provided in clause 13.1 to 13.5 of the scheme including the reserve so transferred and adjusted by the Demerged Company shall be credited by the PHL to its Capital Reserve Account or debited to Goodwill account as the case maybe.

13. In so far as observations made in paragraph 6(c) of the Affidavit of Regional Director is concerned, the Petitioner Companies seeks leave to delete clause 10 of the Scheme. The Petitioner Companies through its Counsel further undertakes that the Resulting Company will increase its

Authorised Share Capital suitably to enable it to issue new shares to the shareholders of the Demerged Company.

14. So far as the objection of the Regional Director, Western Region, Mumbai, as stated in paragraph 6(d) of his Affidavit is concerned, the Petitioner Companies through its Counsel submits that in view of the objection raised by the Regional Director, Western Region, Mumbai Clause 28.1, 28.2 and 28.3 of the Scheme is required to be suitably amended. The Counsel for the Petitioner Companies seeks leave to amend clause 28.1, 28.2 and 28.3 of the Scheme in the following manner :-

I. "Clause 28.1 be deleted and substituted by *"Upon the Scheme becoming effective the Authorised Share Capital of the Transferee Company shall automatically stand increased without any further act on the part of the Transferee Company including payment of stamp duty and registration fees payable to the Registrar of Companies, by clubbing the Authorised Share Capital of the Transferor Company which is Rs. 14,00,00,000 (Rupees Fourteen Crores only) divided into 1,40,00,000 Equity shares of Rs. 10/- each."*

II. In Clauses 28.2 the figure "Rs 46,00,00,000 (Rupees Forty Six Crores only) be deleted and substituted with "Rs 54,00,00,000 (Rupees Fifty Four Crores only) and figure "23,00,00,000" (Twenty Three Crores) be deleted and substituted with "27,00,00,000" (Twenty Seven Crores).

III. In Clauses 28.3 the figure "Rs 46,00,00,000 (Rupees Forty Six Crores only) and figure "23,00,00,000" (Twenty Three Crores) as



# HIGH COURT, BOMBAY

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appearing in *Clause V of the Memorandum of Association and Article 6 of the Articles of Association* be deleted and substituted with figure "Rs 54,00,00,000 (Rupees Fifty Four Crores only) and figure "27,00,00,000" (Twenty Seven Crores ).

15. The Learned Counsel for Regional Director on instructions of Mr. M. Chandanamuthu, Joint Director, Legal in the Office of the Regional Director, Ministry of Corporate Affairs, Western Region, Mumbai, states that they are satisfied with the undertakings given by the Petitioner Company. The said undertakings given by the Petitioner Companies are accepted.

16. The Learned Counsel for Regional Director on instructions of Mr. M. Chandanamuthu, Joint Director, Legal in the Office of the Regional Director, Ministry of Corporate Affairs, Western Region, Mumbai, states that they agree with the amendments sought by the Petitioner Companies as mentioned in paragraphs 11, 13 and 14 hereinabove, in view thereof leave to amend the Scheme including all consequential amendments are granted. Amendments to be carried out within four weeks from the date of the order.

17. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.

18. Since all the requisite statutory compliances have been fulfilled, the Company Scheme Petition No.159 of 2015 filed by the Demerged Company/the Transferor Company is made absolute in terms of prayer clauses (a) to (c) and Company Scheme Petition No.160 of 2015 filed by

# HIGH COURT, BOMBAY

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the Resulting Company is made absolute in terms of prayer clauses (a) to (e) and Company Scheme Petition No.161 of 2015 filed by the Transferee Company is made absolute in term of prayer clauses (a) and (b).

19. The Petitioner Companies are directed to lodge a copy of this order and the amended Scheme duly authenticated by the Company Registrar, High Court, Bombay, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of the order.

20. Petitioner is directed to file a copy of this order along with a copy of the amended Scheme with the concerned Registrar of Companies, electronically, along with E-Form INC-28, in addition to physical copy, as per the relevant provisions of the Companies Act 1956 / 2013, whichever is applicable.

21. The Petitioners in all the Company Scheme Petitions to pay costs of Rs.10,000/- each to the Regional Director, Western Region, Mumbai. The Petitioners in the Company Scheme Petition Nos. 159 of 2015 to pay costs of Rs.10,000/- to the Official Liquidator, High Court, Bombay. Costs to be paid within four weeks from today.

22. Filing and issuance of the drawn up order is dispensed with.

# HIGH COURT, BOMBAY

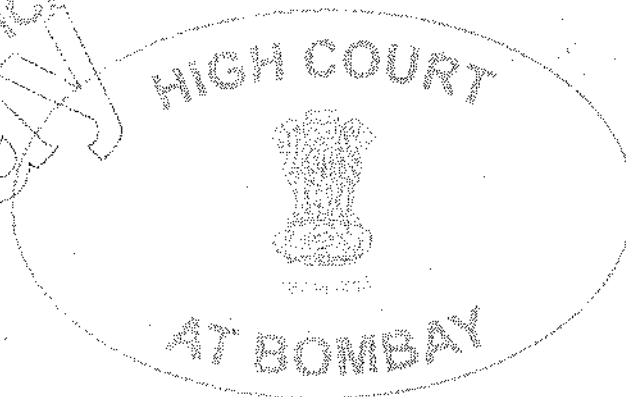
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23. All concerned regulatory authorities to act on a copy of this order along with the amended Scheme and Form of Minutes duly authenticated by the Company Registrar, High Court (O. S.), Bombay.

(S. J. KATHAWALLA, J.)

TRUE COPY

*P. V. Khol*  
22/05/2015  
for Section Officer  
High Court, Appellate Side  
Bombay



TRUE-COPY

*K. K. Trivedi*  
(K. K. TRIVEDI)  
COMPANY REGISTRAR  
HIGH COURT (O.S.)  
BOMBAY

**COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION  
BETWEEN  
KIRLOSKAR BROTHERS INVESTMENTS LIMITED  
AND  
PNEUMATIC HOLDINGS LIMITED  
AND  
KIRLOSKAR OIL ENGINES LIMITED  
AND  
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

This Composite Scheme of Arrangement and Amalgamation is presented under Section 391 to Section 394 read with Section 100 to 105 of the Companies Act, 1956, and other applicable provisions of the Companies Act, 1956, and the Companies Act, 2013, if any for:

- (a) Demerger of "Undertaking consisting mainly of travel services business done by Kirloskar Brothers Investments Limited in its own name and Silk Business and Compression Systems and Transmission Products Business done through its subsidiaries" into Pneumatic Holdings Limited.
- (b) Amalgamation of Residual Undertaking of Kirloskar Brothers Investments Limited with Kirloskar Oil Engines Limited.

This Scheme is divided into the following parts –

Part	Particulars
I	Background, Rationale, Definitions and Share Capital.
II	Demerger of "Undertaking consisting mainly of travel services business done by Kirloskar Brothers Investments Limited in its own name and Silk Business and Compression Systems and Transmission Products Business done through its subsidiaries" into Pneumatic Holdings Limited.
III	Amalgamation of Residual Undertaking of Kirloskar Brothers Investments Limited with Kirloskar Oil Engines Limited.
IV	General Terms and Conditions

**PART I**

**BACKGROUND, RATIONALE, DEFINITIONS AND SHARE CAPITAL**

**1. BACKGROUND**

Kirloskar Brothers Investments Limited was incorporated on 16<sup>th</sup> April, 2009, under the Companies Act, 1956, in the State of Maharashtra. The Corporate Identity Number (CIN) of Kirloskar Brothers Investments Limited is L65999PN2009PLC133794. The registered office of Kirloskar Brothers

Investments Limited is situated at 13/A, Karve Road, Kothrud, Pune 411 038. The main object of the company is to make strategic investments in Kirloskar Group Companies.

**Pneumatic Holdings Limited** was incorporated on 16<sup>th</sup> September 2014, under the Companies Act, 2013, in the State of Maharashtra. The Corporate Identity Number (CIN) of Pneumatic Holdings Limited is U65993PL2014PLC152566. The registered office of Pneumatic Holdings Limited is situated at Survey No. 13, 156, Kothrud, Pune 411 029. The main object of the Company is to make strategic investments in the Kirloskar Group Companies and travel services.

**Kirloskar Oil Engines Limited** was incorporated on 12<sup>th</sup> January, 2009, under the Companies Act, 1956, in the State of Maharashtra. The Corporate Identity Number (CIN) of Kirloskar Oil Engines Limited is L29120PN2009PLC133351. The registered office of Kirloskar Oil Engines Limited is situated at Laxmanrao Kirloskar Road, Khadki, Pune 411 003. Kirloskar Oil Engines Limited is in the business of manufacturing and selling of diesel engines, agricultural pumpsets and generating sets.

## **2. RATIONALE OF THE SCHEME**

It is proposed to demerge the Travel Services Undertaking alongwith various investments of Kirloskar Brothers Investments Limited ("KBIL") into Pneumatic Holdings Limited ("PHL") and merge the residual KBIL with Kirloskar Oil Engines Limited ("KOEL") by this Scheme, as a result of which the shareholders of KBIL shall directly hold shares in PHL and KOEL and the following benefits shall, inter-alia, accrue to the shareholders and stakeholders of KBIL -

2.1 As KBIL has several commercial activities/businesses (held through its various investments) which are distinct and diverse from each other, the demerger will ensure focused management attention and resources and skill set allocation.

2.2 Pursuant to the Scheme, all the shareholders of KBIL will get shares in PHL and KOEL and there would be no change in economic interest for any of the shareholder of KBIL pre and post Scheme.

2.3 The Scheme will provide greater flexibility to the shareholders of KBIL.

## **3. DEFINITIONS**

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

3.1 "Act" or "The Act" means the Companies Act, 1956 and rules made thereunder and any corresponding provisions of the Companies Act, 2013,

(as notified from time to time) and shall include any other statutory modifications or re-enactments thereof for the time being in force.

**3.2 "KBIL" or "The Demerged Company" or "The Transferor Company"** means Kirloskar Brothers Investments Limited, a company incorporated under the Companies Act, 1956, and having its registered office at 13/A, Karve Road, Kothrud, Pune 411 038.

**3.3 "PHL" or "The Resulting Company"** means Pneumatic Holdings Limited, a company incorporated under the Companies Act, 2013, as a 100% subsidiary of KBIL, and having its registered office at Survey No. 13, 156, Kothrud, Pune 411 029.

**3.4 "KOEL" or "The Transferee Company"** means Kirloskar Oil Engines Limited, a company incorporated under the Companies Act, 1956, and having its registered office at Laxmanrao Kirloskar Road, Khadki, Pune 411 003.

**3.5 "Appointed Date"** shall be 1<sup>st</sup> April, 2015.

**3.6 "Effective Date"** shall be the last date on which certified/authenticated copies of the order of jurisdictional court sanctioning this Scheme are filed with the Registrar of Companies, Pune, Maharashtra.

**3.7 "High Court"** shall mean the High Court of Judicature at Bombay. In the event of the National Company Law Tribunal (hereinafter referred to as "**the Tribunal**") is constituted by the Central Government by a Notification in the Official Gazette and the proceedings initiated under Sections 391-394 of the Companies Act, 1956, relating to this Scheme are transferred to the Tribunal, the words "High Court" shall deem to mean and include the Tribunal, as the context may require.

**3.8 "Scheme" or "the Scheme" or "this Scheme"** means this Composite Scheme of Arrangement and Amalgamation in its present form as submitted to the Hon'ble High Court or this Scheme with such modification(s), if any, including those as approved, imposed or directed by the Hon'ble High Court and accepted by the Parties hereto.

**3.9 "Demerged Undertaking"** means "Undertaking consisting mainly of travel services business done by KBIL in its own name, Silk Business and Compression Systems and Transmission Products Business done through its subsidiaries" and shall include (without limitation):

**3.9.1** All assets including properties of and required for travel services business and investments in businesses done through KBIL and its subsidiaries except KOEL, wherever situated, whether movable or immovable, tangible or intangible, in possession or reversion,

Substituted  
vide order  
dated 30<sup>th</sup>  
April, 2015

including investments held by the Demerged Company in Kirloskar Pneumatic Company Limited, Nashik Silk Industries Limited, Kirloskar Kenya Limited, Kirloskar Industries Limited and Kirloskar Investments & Finance Limited, receivables and security receipts, all cash and bank balances (including cash and bank balances deposited with any banks or entities), money at call and short notice, loans, advances, contingent rights or benefits, reserves, provisions, funds, benefits of all agreements, bonds, debentures, debenture stock, units or pass through certificates, offices including marketing offices and liaison offices, branches, work-in-progress, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), vehicles, furniture, fixtures, share of any joint assets, and other facilities in connection with or relating to the travel services and other businesses and other assets (hereinafter referred to as "**the said Assets**");

**3.9.2** All the debts, liabilities, contingent liabilities, duties, obligations and guarantees of the Demerged Undertaking as on the Appointed Date (hereinafter referred to as "**the said Liabilities**");


**3.9.3** Without prejudice to the generality of sub-clauses 3.9.1 and 3.9.2 above, the Demerged Undertaking, shall also include the Reserve of Demerged Company namely Reserve Fund created in terms of Section 45IC of the Reserve Bank of India Act, 1934, movable and immovable properties if any and other rights arising out of vehicle lease agreements, including leave and license agreements, powers, authorities, allotments, approvals and consents, registrations, contracts, engagements, agreements, arrangements, titles, interest, benefits, tenancy rights, authorizations, quota rights, trademarks, patents, earnest money and /or security deposits, telephones, telex, facsimile and other communication facilities and equipment, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals and all books of accounts, documents, records and all other assets relating to the Demerged Undertaking as identified and approved by the Board on the Appointed Date except those related to the remaining businesses of KBIL;

**3.9.4** Employees, if any, engaged by KBIL with respect to Demerged Undertaking; and

3.9.5 For the purpose of this Scheme, it is clarified that liabilities pertaining to the Demerged Undertaking shall include:

- i. Liabilities which directly and specifically arise out of the activities or operations of the Demerged Undertaking;
- ii. Liabilities both present and contingent;
- iii. Specific loans and borrowings raised, if any, incurred and utilized solely for the activities or operations of the Demerged Undertaking;
- iv. Liabilities other than those referred to in (i) or (ii) or (iii) above, i.e. the amounts of general or multi-purpose borrowings of KBIL allocated to the Demerged Undertaking in proportion as identified by the management on the Appointed Date, however, the same without detriment to the security for such borrowings to the lenders as it existed before the Scheme coming into effect.

Any question that may arise as to whether a specific asset or liability pertains or does not pertain to the Demerged Undertaking or whether it arises out of the activities or operations of the Demerged Undertaking or not will be decided by mutual agreement between the Board of Directors of KBIL and PHL.



3.10 "Remaining Business" or "Residual Undertaking" means all the remaining undertaking, businesses, activities, operations, assets (primarily consisting of investments in KOEL and liabilities of KBIL, other than those comprised in the Demerged Undertaking as defined in Clause 3.9 hereof, and shall include (without limitation):

3.10.1 All the assets and properties (whether movable or immovable, tangible or intangible) of the Residual Undertaking as on the Appointed Date (hereinafter referred to as 'the said Assets');

3.10.2 All debts, liabilities, duties and obligations of the Residual Undertaking, as on the Appointed Date (hereinafter referred to as 'the said Liabilities'); and

3.10.3 Without prejudice to the generality of sub-clause 3.10.1 and 3.10.2 above the Residual Undertaking shall include all the assets including claims, powers, authorities, allotments, approvals, consents, registrations, contracts, enactments, arrangements, rights, titles, interest, benefits, advantages, lease-hold rights and systems of any kind whatsoever, trademarks, patents and other industrial and intellectual properties, including any applications filed by KBIL for securing of any intellectual property rights, any additions thereto or alterations thereof,



whether in India or abroad, rights and benefits of all agreements and other interests including rights and benefits under various schemes of different taxation laws as may belong to or be available to the Residual Undertaking, rights and powers of every kind, nature and description of whatsoever probabilities, liberties, easements, advantages, and approval of, whatsoever nature and wherever situated, belonging to or in ownership, power or possession or control or entitlement of the Residual Undertaking, if any.

**3.11 "Record Date" or "Specified Date"** means the date to be fixed by the Board of Directors of the KBIL for the purpose of determining the members of KBIL to whom shares of the PHL and KOEL will be allotted pursuant to the Scheme.

#### **4 SHARE CAPITAL**

**4.1** The share capital of KBIL as on the latest balance sheet date i.e. 31<sup>st</sup> March, 2014, is as follows:

Particulars	Amt In Rs.
<b>Authorized :</b>	
140,00,000 Equity Shares of Rs.10/- each	14,00,00,000
<b>Total</b>	<b>14,00,00,000</b>
<b>Issued, Subscribed and Paid –Up:</b>	
52,88,718 Equity Shares of Rs.10/- each	5,28,87,180
<b>Total</b>	<b>5,28,87,180</b>

There is no change in share capital of KBIL till date. The equity shares of KBIL are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").

**4.2** The Share Capital of PHL as on the date of incorporation i.e.16 September 2014 is as under:

Particulars	Amt in Rs.
<b>Authorised Share Capital</b>	
20,00,000 Equity Shares of Rs.10/- each	2,00,00,000
<b>TOTAL</b>	<b>2,00,00,000</b>
<b>Issued, Subscribed and Paid up:</b>	
20,00,000 Equity Shares of Rs.10/- each	2,00,00,000
<b>TOTAL</b>	<b>2,00,00,000</b>

The entire share capital of PHL is held by KBIL and its nominees and hence PHL is wholly owned subsidiary of KBIL.

- 4.3 The Share Capital of KOEL as on the latest Balance Sheet date i.e. 31<sup>st</sup> March, 2014, is as under:

Particulars	Amt In Rs
<b>Authorized :</b>	
20,00,00,000 Equity Shares of Rs. 2/- each	40,00,00,000
<b>Total</b>	<b>40,00,00,000</b>
<b>Issued and Subscribed:</b>	
14,46,14,326 Equity Shares of Rs. 2/- each	28,92,28,652
<b>Subscribed and Fully Paid-Up:</b>	
14,46,13,861 Equity Shares of Rs.2/- each	28,92,27,722
<b>Share Capital Suspense Account</b>	
465 Equity Shares of Rs.2/- each	930
<b>Total</b>	<b>28,92,28,652</b>

There is no change in share capital of KOEL till date. KBIL holds 8,03,88,514 Equity Shares in KOEL. The equity shares of KOEL are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").

## PART II

DEMERGER OF "UNDERTAKING CONSISTING MAINLY OF TRAVEL SERVICES BUSINESS DONE BY KIRLOSKAR BROTHERS INVESTMENTS LIMITED IN ITS OWN NAME AND SILK BUSINESS AND COMPRESSION SYSTEMS AND TRANSMISSION PRODUCTS BUSINESS DONE THROUGH ITS SUBSIDIARIES," INTO PNEUMATIC HOLDINGS LIMITED

### 5 TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING.

- 5.1 Upon the Scheme becoming effective, pursuant to the provisions of Sections 391-394 and other relevant provisions of the Act and the Scheme, the whole of the Demerged Undertaking as on the Appointed Date shall be demerged from KBIL and be transferred to and shall vest in or be deemed to have been transferred to and vested in PHL as a going concern without any further act, instrument or deed (save as provided in Clause 5.2 below) so as to become as and from the Appointed Date, the assets and liabilities of PHL in accordance with Section 2 (19AA) of the Income Tax Act, 1961.
- 5.2 The transfer of movable assets of the Demerged Undertaking shall be effected as follows:

5.2.1 All movable assets including cash and bank balance to the extent remaining after adjusting balance transferrable to KOEL for expenses, cheques, bills of exchange, promissory notes and other negotiable instruments, documents of title to goods or properties, of KBIL pertaining or relatable to the Demerged Undertaking capable of passing by manual delivery or by endorsement and delivery shall be so delivered or endorsed and delivered, as the case may be, to PHL. Such delivery, transfer and endorsement shall be made on a date mutually agreed upon between the Board of Directors of KBIL and the Board of Directors of PHL.

5.2.2 In respect of movable assets other than those specified in 5.2.1 above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi Government, local and other authorities and bodies, customers and other persons, the following modus operandi shall to the extent possible, be followed, that is to say KBIL and PHL shall jointly or severally, as may be decided by them, give notice in such form as they may deem fit and proper, that pursuant to the Hon'ble High Court having sanctioned, inter alia, this Scheme, the said debts, loans, advances or deposits pertaining to the Demerged Undertaking be paid and/or made good to or be held on account of KBIL as the person entitled thereto to the end and intent that the right of KBIL to recover or realize the same stands transferred and assigned to PHL and that appropriate entry shall be made in the books of account of KBIL and PHL to record the aforesaid change.

5.3 Upon the Scheme becoming effective, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of the Demerged Undertaking shall also under the provisions of Section 391 read with Section 394 of the Act, without any further act or deed, be transferred to or be deemed to be transferred to PHL so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of PHL and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Sub-clause.

5.4 The transfer and vesting of the Demerged Undertaking as aforesaid shall be subject to the existing and other security interests, charges, mortgages, if any, subsisting over or in respect of the property and assets or any part thereof relating to the Demerged Undertaking. Provided however, any reference (in any security document or arrangement to which KBIL is a party) to the properties and assets of the Demerged Undertaking as the case may be, offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to those of the Demerged Undertaking which are vested in PHL, by virtue of the aforesaid clauses to the end and intent that such security interests, charges and mortgages shall not extend or be deemed to extend to any of the other assets of PHL unless specifically agreed to by PHL with such secured creditors. Provided also that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Demerged Undertaking and PHL shall not be obliged to create any further or additional security after this Scheme becomes operative.



In so far as any properties and assets comprised in the Demerged Undertaking are offered as security for any liabilities relating to the Remaining Business then to that extent such security shall, without any further act, instrument or deed, be modified to extend to and operate only against the properties and assets relating to the Remaining Business and the properties and assets of the Demerged Undertaking shall stand released and discharged from such security subject to the confirmation from the lenders.

5.6 In so far as any properties and assets relating to the Remaining Business are offered as security for any liabilities forming part of the Demerged Undertaking then to that extent such security shall, without any further act, instrument or deed, be modified to extend to and operate only against the properties and assets relating to the Demerged Undertaking and the properties and assets relating to the Remaining Business shall stand released and discharged from such security.

## **6 CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS**

Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments entered into by KBIL, if any, of whatsoever nature and relating only to the Demerged Undertaking subsisting or being in force on the Effective Date, shall be in full force and effect against or in favour of PHL, as the case may be, and may be enforced by or against PHL as fully and effectually as if, instead of KBIL, PHL, had been a party thereto from inception. PHL shall enter into and/or issue and/or execute deeds, writings or

confirmations or enter into any arrangements, confirmations or novations, in order to give formal effect to the provisions of this Scheme. PHL shall be deemed to be authorised to execute any deeds, writings or confirmations on behalf of KBIL and to implement or carry out all formalities required on the part of KBIL to give effect to the provisions of this Part II of the Scheme.

## **7 LEGAL PROCEEDINGS**

- 7.1 All legal proceedings of whatsoever nature by or against KBIL pending and/or arising upon the Scheme becoming effective relating only to the Demerged Undertaking of KBIL, as and from the Effective Date, shall be continued and enforced by or against PHL in the manner and to the same extent as would or might have been continued and enforced by or against KBIL.
- 7.2 Upon the Scheme becoming effective, if any proceedings are taken against KBIL or its successor in respect of the matters referred to in sub-clause 7.1 above, it shall defend the same at the cost of PHL and PHL shall reimburse and indemnify KBIL or its successor against all liabilities and obligations incurred by KBIL or its successor in respect thereof. PHL undertakes to have all legal or other proceedings initiated by or against KBIL referred to in sub-clause 7.1 above, transferred into its name and to have the same continued, prosecuted and enforced by or against PHL to the exclusion of KBIL or its successor.

## **8 EMPLOYEES:**

- 8.1 On the Scheme becoming effective, all employees relatable to the Demerged Undertaking and in direct service of the Demerged Company specifically on the Effective Date shall be deemed to have become employees of PHL without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with PHL shall not be less favorable than those applicable to them with reference to KBIL immediately preceding the transfer.
- 8.2 As far as the Provident Fund, Gratuity Fund, Superannuation Fund or any other special fund created or existing for the benefit of such permanent employees of the Demerged Undertaking are concerned, on and from the Effective Date, PHL shall stand substituted for KBIL for all the purposes whatsoever related to administration or operation of such Funds in accordance with provisions of such Funds according to the terms provided in the respective trust deeds or other documents. It is clarified that the services of such permanent employees of the Demerged Undertaking will be treated

as having been continuous and not interrupted for the purposes of such Funds.

## 9 BOARD OF DIRECTORS

All the Directors of KBIL shall be the Directors of PHL.

## ~~10 ALTERATION OF AUTHORIZED CAPITAL OF THE DEMERGED COMPANY AND RESULTING COMPANY~~

Deleted  
vide order  
dated 30<sup>th</sup>  
April, 2015

### 10.1—

- i. ~~Upon the Scheme becoming effective, out of the Authorised Capital of KBIL of Rs. 14,00,00,000 (Fourteen Crores only) divided into 1,40,00,000 shares of Rs. 10 Each, Authorised Capital of Rs. 8,00,00,000 (Eight Crores only) divided into 80,00,000 shares of Rs. 10 Each will be transferred to PHL, which is in excess of needs of KBIL as the same is being merged with KOEL as provided for in Part III of this scheme.~~
- ii. ~~The Authorised Share Capital of KBIL shall be reorganized and shall be Rs. 6,00,00,000/- (Rupees Six Crores only) divided into 60,00,000 equity shares of Rs. 10/- each and the Subscribed, Issued and Paid up capital shall continue to comprise of 52,88,718 equity shares of Rs. 10/- each aggregating to Rs. 5,28,87,180 (Rupees Five Crores Twenty Eight Lakhs Eighty Seven Thousand One Hundred Eighty Only).~~
- iii. ~~The following clause in the Memorandum of Association of KBIL shall stand amended to read as under:~~

#### ~~Clause V (a) of the Memorandum of Association~~

~~"The Authorised Share Capital of the Company is Rs. 6,00,00,000 (Rupees Six Crores only) divided into 60,00,000 Equity Shares of Rs. 10/- 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 other special rights, privileges, conditions or restrictions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such right, privilege or conditions or restrictions in such manner as may for the time being be permitted by the Articles of Association of the Company."~~

- iv. ~~The following Article in the Articles of Association of KBIL shall stand amended to read as under:~~

#### ~~Article 7 of the Articles of Association~~

~~"The Authorised Share Capital of the Company is Rs. 6,00,00,000 (Rupees Six Crores only) divided into 60,00,000 Equity Shares of Rs. 10/- each with power to increase, consolidate, sub-divide, cancel and/or reduce the capital~~



~~of the Company and to issue any of these shares in the capital, original or increased, with or subject to any rights or conditions as regards dividend, repayment of capital or otherwise in accordance with the Company's regulations and the provisions of the said Act. The Company shall have power to convert fully paid-up shares into stock and to reconvert stock into shares. The Company shall have power to issue equity shares with differential rights as to dividend, voting or otherwise, in accordance with such rules and subject to such conditions as may be prescribed, from time to time, by the Government of India. The share(s) in the capital of the Company, for the time being, whether original or increased, may be divided into several classes, with any preferential, qualified or other special rights, privileges, conditions or restrictions attached thereto, whether in regards to dividend, voting, return of capital or otherwise. The Company shall have power to issue redeemable preference shares, if and whenever the capital of the Company is divided into shares of different classes, rights of any class may, subject to the provisions of Sections 106 and 107 of the said Act and whether or not the Company is being wound up, be varied, modified, affected, extended, abrogated or surrendered with the consent in writing of the holders of three-fourth of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class."~~



~~10.2—~~

- ~~i. Upon the Scheme becoming effective and after transfer of Authorised Capital of the Demerged Company to the Resulting Company as aforesaid in Clause 10.1 of this Scheme, the Authorised Share Capital of the Resulting Company shall automatically stand increased without any further act on the part of the Resulting Company including payment of stamp duty and registration fees payable to the Registrar of Companies, by clubbing the Authorised Share Capital of the Demerged Company as transferred, which is Rs. 8,00,00,000 (Rupees Eight Crores only) divided into 80,00,000 Equity shares of Rs. 10/- each.~~
- ~~ii. Consequent to the transfer of the Authorised Share Capital of the Demerged Company to the Resulting Company, the Authorised Share Capital of the Resulting Company shall be increased to Rs. 10,00,00,000 (Rupees Ten Crores only) which shall be divided into 1,00,00,000 Equity Shares of Rs. 10/- each.~~

~~iii. The resolution approving the Scheme shall be deemed to be the approval of increase in the Authorised Share Capital of the Resulting Company under Section 61 and other applicable provisions of the Companies Act, 2013. The Clauses/Articles in the Memorandum and/or Articles of the Resulting Company shall stand amended.~~

~~10.3 Pursuant to this Scheme, the Demerged Company and Resulting Company shall file the requisite forms with the Registrar of Companies for alteration of its authorised share capital.~~

## **11 ISSUE OF SHARES:**

11.1 Upon transfer of the Demerged Undertaking into PHL and the arrangement becoming effective in terms of the Scheme, PHL shall without any further application, issue and allot to the shareholders of KBIL, 1 (One) Equity Share of Rs.10/- (Rupees Ten) each credited as fully paid-up in the capital of PHL to the Equity Shareholders of KBIL whose names appear in the register of members of KBIL on the Record Date to be fixed by the Board of Directors of KBIL for every 1 (One) Equity Share of Rs. 10/- each fully paid up held by said Equity Shareholders in KBIL or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title, as the case may be.

11.2 Equity shares to be issued by PHL pursuant to Clause 11.1 of this Scheme, in respect of any equity shares of the Demerged Company held in abeyance, if any, 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 PHL in abeyance.

11.3 The shares issued by PHL to the members of KBIL pursuant to Clause 11.1 above shall be issued in dematerialised form, unless otherwise notified in writing by the shareholders of KBIL to PHL on or before such date as may be determined by the Board of Directors of KBIL thereof. In the event such notice has not been received by PHL in respect of any of the members of KBIL, the equity shares shall be issued to such members in dematerialised form provided that the members of KBIL 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 PHL has received notice from any of the members of KBIL that equity shares are to be issued in physical form or if any member of KBIL 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 of KBIL do not permit electronic credit of the





- shares of PHL, then PHL shall issue equity shares in physical form to such member(s) of KBIL.
- 11.4** In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of KBIL, the Board of Directors of KBIL shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer in KBIL 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 PHL issued by PHL after the effectiveness of this Scheme.
- 11.5** The New Equity Shares of PHL issued and allotted by PHL in terms of this Scheme shall be subject to the provisions of the Memorandum and Articles of Association of PHL and shall rank paripassu in all respects with the existing Equity Shares of PHL, with all rights thereto and shall be entitled to full dividend, if any, which may be declared by PHL after the Effective Date of the Scheme.
- 11.6** The issue and allotment of New Equity Shares in PHL to the shareholders of KBIL as provided in the Scheme as an integral part thereof, shall be deemed to have been carried out as if the procedure laid down under Section 62(1)(c) of the Companies Act, 2013 and any other applicable provisions of the Act.
- 11.7** Equity Shares of PHL issued in terms of Clause 11.1 of this Scheme will be listed and/or admitted to trading on BSE and NSE, where the shares of KBIL are listed and / or admitted to trading in terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. PHL 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.
- 11.8** The Equity Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till listing / trading permission is given.
- 11.9** There will be no change in the shareholding pattern or control in PHL between the record date and the listing which may affect the basis on which approval is received from the Stock Exchanges.



## **12 REDUCTION OF THE EXISTING EQUITY SHARE CAPITAL OF PHL**

- 12.1. Upon the Scheme becoming effective and upon the issue of shares by PHL in accordance with Clause 11 above, the existing capital of Rs. 2,00,00,000 (Two Crores only) divided into 20,00,000 Equity Shares of Rs.10/- each of PHL held by KBIL and its nominees as on the Record Date shall, without any application or deed, stand reduced and cancelled without any payment.
- 12.2. The amount of equity share capital of PHL so reduced pursuant to clause 12.1 above shall be credited to Capital Reserve Account in the books of PHL.
- 12.3. The cancellation of the existing equity shares of Rs.10/- each amounting to Rs. 2,00,00,000 (Two Crores Only) of PHL as mentioned in Clause 12.1 above shall be effected as an integral part of this Scheme without having to follow the process under Sections 100 to 103 of the Act separately and the Order of the Hon'ble 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 hence the provisions of Section 101 of the Act will not be applicable. Further, PHL shall not be required to add the words "and reduced" as a suffix to its name consequent upon such reduction.

## **13 ACCOUNTING TREATMENT**

- 13.1. KBIL shall, upon coming into effect of the Scheme and on account of the demerger of the Demerged Undertaking into PHL, reduce book value of assets and liabilities as on the close of business of the day immediately preceding the Appointed Date pertaining to the Demerged Undertaking and reduce Reserve Fund created under Section 45IC of Reserve Bank of India Act, 1934.
- 13.2. The difference between the value of assets, liabilities and reserve mentioned in Clause 13.1 above shall be first adjusted against the balance in General Reserve Account of KBIL and balance, if any, after adjustment, will be further adjusted against the balance in Profit & Loss Account of KBIL. The balance of General Reserve Account and Profit & Loss Account as the case may be shall stand reduced to that extent.
- 13.3. Investments of KBIL in share capital of PHL shall stand cancelled on effective date and the same shall be adjusted to balance in the General Reserve Account or Profit & Loss Account of KBIL.
- 13.4. PHL shall upon the demerger becoming effective record all the assets, liabilities and reserve mentioned in Clause 13.1 above relating to the

Demerged Undertaking vested in it pursuant to this Scheme at the values as appearing in the books of KBIL at the close of business of the day immediately preceding the Appointed Date.

- 13.5. PHL shall credit its Share Capital Account with the aggregate face value of the Equity Shares issued to the shareholders of KBIL pursuant to Clause 11 of the Scheme.
- 13.6. The excess or deficit, if any, remaining after recording the aforesaid entries shall be credited by the PHL 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 including distribution of dividend as free reserve.
- 13.7. In case of any difference in the accounting policies of KBIL and PHL, the impact of the same will be quantified and adjusted in the Revenue Reserve(s) if any or Profit and Loss Account of PHL to ensure that the Financial Statements of PHL reflect the financial position on the basis of consistent accounting policy.
- 13.8. Notwithstanding the above, the Board of Directors of the KBIL and PHL, in consultation with respective statutory auditors, is authorised to (a) account any of these or other balances or items in any manner whatsoever, as may be deemed fit or (b) to make such adjustments as may be necessitated including reclassification of assets.

#### **14 CONDUCT OF BUSINESS OF DEMERGED UNDERTAKING BY KBIL TILL EFFECTIVE DATE**

With effect from the date of approval of the Scheme by the Board and upto and including the Effective Date:

- 14.1. KBIL shall carry on its business and activities relating to the Demerged Undertaking and undertakes to hold the assets with utmost prudence until the Effective Date.
- 14.2. As and from the date of acceptance of this Scheme by the Board of Directors of KBIL and till the Effective Date, KBIL shall not alienate, charge, mortgage, encumber or otherwise deal with the assets of the Demerged Undertaking or any part thereof without the prior written concurrence of the Board of Directors of PHL except in the normal course of business.
- 14.3. KBIL shall be entitled, pending the sanction of the Scheme, to apply to the Central / State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which PHL may require pursuant to this Scheme.

## **15 SAVING OF CONCLUDED TRANSACTIONS & PROCEEDINGS**

The transfer of and vesting of the Demerged Undertaking as per this Scheme and the continuance of proceedings by or against PHL shall not affect any transaction or proceedings already concluded by KBIL in respect of the Demerged Undertaking on or after the date of approval of the Scheme by the Board till the Effective Date, to the end and intent that PHL accepts and adopts all acts, deeds and things done and executed by KBIL in respect thereto as done and executed on behalf of itself.

## **16 TAXES AND DUTIES**

16.1 All indirect taxes paid by KBIL which is relating to demerged undertaking shall for all the purposes be treated as the taxes, liabilities or refunds and claims for Demerged Undertaking and PHL shall take the credit for all taxes, liabilities or refunds and claims.

16.2 The Resulting Company shall be entitled to file / revise its service tax returns, value added tax returns, central sales tax returns, tax deducted at source certificates, tax deducted at source returns and other statutory returns and filings, if required under the Tax Laws, and shall have the right to claim or adjust refunds, advance tax credits, tax deducted at source / foreign taxes withheld/ paid, input tax credits etc. if any, as may be required consequent to implementation of this Scheme.

## **17 INCOME TAX COMPLIANCE**

The Scheme is drawn in compliance with Section 2(19AA) of the Income Tax Act, 1961 pertaining to demerger and always should be read as in compliance of the said Section.

### **PART III**

## **AMALGAMATION OF RESIDUAL UNDERTAKING OF KIRLOSKAR BROTHERS INVESTMENTS LIMITED WITH KIRLOSKAR OIL ENGINES LIMITED**

### **18 TRANSFER OF RESIDUAL UNDERTAKING:**

The Residual Undertaking of the Transferor Company shall be transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company in the following manner:

18.1 Upon the Scheme becoming effective (after Part - II of the Scheme has taken effect), the whole of the Residual Undertaking of the Transferor Company comprising of all properties and assets (whether movable or immovable, tangible or intangible) of whatsoever nature and wheresoever situated, shall, under the provisions of Section 391 read with Section 394 and all other applicable provisions, if any, of the Act, without any further



act or deed (save as provided in clauses 18.2 and 18.3 below), be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become as from the Appointed Date the undertaking and assets of the Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Company therein.

**18.2** All the movable assets including cash and bank balance, of the Residual Undertaking, capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to the Transferee Company. Such delivery shall be made on a date mutually agreed upon between the Board of Directors of the Transferor Company and the Board of Directors of the Transferee Company within reasonable time from the Effective Date.

**18.3** In respect of movables other than those specified in sub-clause 18.2 above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons in India and beyond India, the following modus operandi for intimating to third parties shall to the extent possible be followed:

**18.3.1** The Transferee Company shall give notice in such form as it may deem fit and proper, to each person, debtor or depositor as the case may be, that pursuant to the Hon'ble High Court having sanctioned the Scheme between the Transferor Company and the Transferee Company, the said debt, loan, advance or deposit be paid or made good or held on account of the Transferee Company as the person entitled thereto to the end and intent that the right of the Transferor Company to recover or realize the same stands extinguished and that appropriate entry should be passed in its books to record the aforesaid change.

**18.3.2** The Transferor Company shall also give notice in such form as they may deem fit and proper to each person, debtor or depositor that pursuant to the Hon'ble High Court having sanctioned this Scheme, the said debt, loan, advance or deposit be paid or made good or held on account of the Transferee Company and that the right of the Transferor Company to recover or realise the same stands extinguished.



18.4 Upon the Scheme becoming effective, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of the Transferor Company shall also, under the provisions of Section 391 read with Section 394 of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Sub-clause.

18.5 It is clarified that the Scheme shall not in any manner affect the rights and interest of the creditors, if any, of the Transferor Company or be deemed to be prejudicial to their interests.

18.6 All assets of the Residual Undertaking would be available to the Transferee Company from the Effective Date.

18.7 The registrations in the name of the Transferor Company, which are transferable in nature, shall be deemed to be transferred in the name of the Transferee Company from the Effective Date and the Transferee Company shall give requisite intimations for this purpose to all concerned.

18.8 In case of registrations in the name of the Transferor Company, other than the registrations mentioned above, the Transferee Company may make a fresh application to the appropriate authorities to procure the same, by complying with the requisite laws or regulations.

18.9 The transfer and vesting of all the assets of the Transferor Company, as aforesaid, shall be subject to the existing debts, duties, liabilities, charges, mortgages and encumbrances, if any, over or in respect of any of the assets or any part thereof of the Transferor Company, provided however, any reference in any security documents or arrangements (to which any of the Transferor Company is a party) to the assets of the Transferor Company offered or agreed to be offered as security for any financial assistance or obligations shall be construed as reference only to the assets pertaining to the Residual Undertaking of the Transferor Company as are vested in the Transferee Company by virtue of the aforesaid Clauses, to the end and intent that such security, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of the Transferor Company or any of the assets of the Transferee Company, provided further that the securities, charges and mortgages (if any subsisting) over and in respect of the assets

or any part thereof of the Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend, to any of the assets of the Transferor Company vested in the Transferee Company. Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in the Transferee Company by virtue of the merger of the Transferor Company with the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security therefor after the merger has become operative.

18.10 Loans or other obligations, if any, due between or amongst the Transferor Company and the Transferee Company shall stand discharged and there shall be no liability in that behalf. In so far as any securities, debentures or notes issued by the Transferor Company, and held by the Transferee Company and vice versa are concerned the same shall, unless sold or transferred by the Transferor Company or the Transferee Company, as the case may be, at any time prior to the effective date, stand cancelled as on the effective date, and shall have no effect and the Transferor Company, as the case may be, shall have no further obligation outstanding in that behalf.

18.11 Upon the Scheme coming into effect, the borrowing limits of the Transferee Company in terms of Section 180(1)(c) of the Companies Act, 2013, shall without any further act or deed, stand enhanced by an amount equivalent to the authorised borrowing limits of the Transferor Company where applicable, such limits being incremental to the existing limits of the Transferee Company. The Transferee Company may thereafter increase these limits as enhanced from time to time by obtaining sanction from its shareholders in accordance with the provisions of the Act.

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

Subject to all the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favour of the Transferee Company as the case may be and may be enforced as fully and effectively as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto. The Transferee Company shall enter into and / or issue and / or execute deeds, writings or confirmations or enter into a

tripartite arrangement, confirmation or novation to which the Transferor Company will, if necessary, also be a party in order to give formal effect to this Clause if so required or become necessary.

## **20 LEGAL PROCEEDINGS**

Upon the Scheme becoming effective but with effect from the Appointed Date, suit, writ petition, appeal, revision or other proceedings of whatever nature, if any (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 may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made. In case any liability for payment arises out of the proceedings relating to Demerged Undertaking, Transferee Company will get indemnified from Resulting Company.

## **21 CONDUCT OF BUSINESS OF RESIDUAL UNDERTAKING BY KBIL TILL EFFECTIVE DATE**

With effect from the date of approval of the Scheme by the Board and upto and including the Effective Date:

21.1 KBIL shall be carrying on and shall carry on its business and activities relating to the Residual Undertaking and undertakes to hold the assets with utmost prudence until the Effective Date.

21.2 As and from the date of acceptance of this Scheme by the Board of Directors of the Transferor Company and till the Effective Date, the Transferor Company shall not alienate, charge, mortgage, encumber or otherwise deal with the assets of the Residual Undertaking or any part thereof without the prior written concurrence of the Board of Directors of the Transferee Company except in the normal course of business.

21.3 The Transferor Company shall be entitled, pending the sanction of the Scheme, to apply to the Central / State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which the Transferee Company may require pursuant to this Scheme.

## **22 EMPLOYEES**

22.1 All the remaining employees, if any, after implementation of part II of the Scheme of the Transferor Company in service on the Effective Date shall





become employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions as to remuneration not less favourable than those subsisting with reference to the Transferor Company as on the said date.

22.2 It is provided that so far as the Provident Fund, or any other Special Scheme(s) / Fund(s), or similar benefits if any, created or existing for the benefit of the employees of the Transferor Company are concerned, upon the coming into effect of this Scheme, the Transferee Company shall stand substituted for the Transferor Company for all 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 Schemes / Funds in accordance with provisions of such Schemes / Funds as per the terms provided in the respective Trust Deeds, to the end and intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such Schemes / Funds shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the aforesaid Schemes / Funds.

### **23 ISSUE OF SHARES BY THE TRANSFEE COMPANY**

- 23.1 Upon the Scheme becoming effective and in consideration of the transfer and vesting of the undertaking of the Transferor Company into the Transferee Company in terms of the Scheme, the Transferee Company shall, without any further application or act or deed, issue and allot 76 (Seventy Six) Equity Shares of face value Rs.2/- (Rupees Two) each credited as fully paid-up in the capital of the Transferee Company to the Equity Shareholders of the Transferor Company whose names appear in register of members of the Transferor Company on the Record Date to be fixed by the Board of Directors of the Transferor Company for every 5 (Five) Equity Shares of face value Rs.10/- (Rupees Ten) each fully paid-up held by said Equity Shareholder in the Transferor Company or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title, as the case may be. Accordingly, the total number of shares issued by the Transferee Company will be 8,03,88,514 of Rs. 2/- each.
- 23.2 In case bonus share are issued by the Transferee Company after the date of approval of the scheme till the effective date, the share exchange ratio as mentioned in 23.1 above clause will be adjusted accordingly.
- 23.3 No fractional certificates shall be issued by the Transferee Company in respect of the fractional entitlements, if any, to which the equity shareholders of the

Transferor Company may be entitled. The Board of Directors of the Transferee Company shall instead consolidate all such fractional entitlements to which the shareholders of the Transferor Company may be entitled to, and shall without any further application, act, instrument or deed, issue and allot equity shares in lieu thereof to an individual trustee, board of trustees, or a corporate trustee (Trustee) who shall hold the same, with all additions or accretions thereto in trust for those entitled to the fractions and sell the same in the market at such price and at such time as the Trustee may deem fit at its sole discretion decide and distribute the net sale proceed to the all the equity shareholders of the Transferor Company entitled to the same in proportion to their fractional entitlements.

23.4 The New Equity Shares to be issued by Transferee Company pursuant to Clause 23.1 of this Scheme, in respect of any equity shares of the Transferor Company which are held in abeyance under the provisions of Section 206A of the Act or otherwise, shall, pending allotment or settlement of dispute by order of Court or otherwise, be held by Transferee Company in abeyance.



23.5 The New Equity Shares to be issued and allotted by the Transferee Company will be subject to the Memorandum and Articles of Association of the Transferee Company and shall rank pari passu in all respects with the existing Equity Shares of the Transferee Company, with all rights thereto and shall be entitled to full dividend, if any, which may be declared by the Transferee Company after the Effective Date of the Scheme.

23.6 The New Equity Shares shall be issued in dematerialised form to those equity shareholders who hold shares of the Transferor Company in dematerialised form, provided all details relating to account with depository participant are available with the Transferee Company. All those equity shareholders who hold equity shares of the Transferor Company in physical form, shall be issued new equity shares in physical or electronic form, at the option of such shareholders to be exercised by them on or before the Record Date, by giving a notice in writing to the Transferee Company; and if such option is not exercised by such shareholders, the new equity shares shall be issued to them in physical form.

23.7 The issue and allotment of New Equity Shares in the Transferee Company to the shareholders of the Transferor Company as provided in the Scheme as an integral part thereof, shall be deemed to have been carried out as if the procedure laid down under Section 62(1) (c) of the Companies Act, 2013 and any other applicable provisions of the Act.

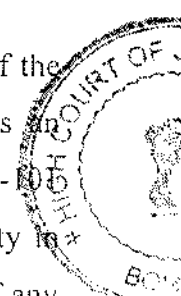
23.8 The New Equity Shares of the Transferor Company issued in terms of Clause 23.1 above, subject to applicable regulations, shall be listed and / or admitted to trading on BSE and NSE where the existing equity shares of Transferee Company are listed and / or admitted to trading.

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

#### **24 CANCELLATION OF EQUITY SHARES OF THE TRANSFEE COMPANY.**

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

24.2. The cancellation and the consequent reduction of the share capital of the Transferee Company as provided in Clause 24.1 shall be done as an integral part of the Scheme and not in accordance with Section 100-105 of the Act as the same does not involve either diminution of liability in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital and the order of the Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the reduction and the Transferee Company will not be required to add the words "And Reduced" after its name.



#### **25 ACCOUNTING TREATMENT**

25.1. The Transferee Company shall, upon the Scheme coming into effect, record all the assets, liabilities and reserves of the Transferor Company after giving effect to Part II of the Scheme vested in it pursuant to this Scheme, at the book values and in the same form as appearing in the books of the Transferor Company thereof at Appointed Date, in accordance with 'Pooling of Interest Method' laid down by Accounting Standard 14 (Accounting for Amalgamations) prescribed under Companies (Accounting Standards) Rules, 2006, issued by the Institute of Chartered Accountants of India.

25.2. The Transferee Company shall credit to its Share Capital Account the aggregate face value of the New Equity Shares issued and allotted pursuant to Clause 23 of this Scheme.

- 25.3. The difference between the value of New Equity Shares issued by the Transferee Company to the members of the Transferor Company and the value of Share Capital of the Transferor Company before the Scheme, shall be debited to Capital Reserve Account in the books of the Transferee Company.
- 25.4. The difference in the value of Investments of Transferor Company held in the shares of Transferee Company, after adjusting the face value pursuant to Clause 24.1, of the Scheme shall be adjusted against Reserves of the Transferee Company.
- 25.5. Balance in Capital Reserve shall be adjusted against the balance in General Reserve Account, taken over from the Transferor Company, in the books of Transferee Company.
- 25.6. Upon the Scheme coming into effect, to the extent, there are inter-company loans or balances 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. For the removal of doubts it is hereby clarified that there would be no accrual of interest or other charges in respect of any such inter-company loans or balances with effect from the Appointed Date.
- 25.7. In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted in the General Reserve of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policies.
- 25.8. Notwithstanding the above, the Board of Directors of the Transferee Company, in consultation with its statutory auditors, is authorized to (a) account any of these or other balances or items in any manner whatsoever, as may be deemed fit or (b) to make such adjustments as may be necessitated including reclassification of assets.

## **26 TREATMENT OF TAXES**

- 26.1 All taxes paid by the Transferor Company including credits available under the tax laws other than transferred as part of Demerged Undertaking as mentioned in clause 16 shall for all the purposes be treated as the taxes, liabilities or refunds and claims for Remaining Undertaking and the

Transferee Company shall take the credit for all taxes, liabilities or refunds and claims.

26.2 The Transferee Company shall be entitled to file / revise its income tax returns, service tax returns, value added tax returns, central sales tax returns, tax deducted at source certificates, tax deducted at source returns and other statutory returns and filings, if required under the Tax Laws, and shall have the right to claim or adjust refunds, advance tax credits, credit for minimum alternate tax / tax deducted at source / foreign taxes withheld / paid, input tax credits etc. if any, as may be required consequent to implementation of this Scheme.

## **27 DISSOLUTION OF TRANSFEROR COMPANY**

On Effective Date the Transferor Company shall be dissolved without winding up under the Act.

## **28 COMBINATION AND RECLASSIFICATION OF AUTHORIZED CAPITAL**

28.1 Upon the Scheme becoming effective the Authorised Share Capital of the Transferee Company shall automatically stand increased without any further act on the part of the Transferee Company including payment of stamp duty and registration fees payable to the Registrar of Companies, by clubbing the Authorised Share Capital of the Transferor Company which is Rs.14,00,00,000 (Rupees Fourteen Crores only) divided into 1,40,00,000 Equity shares of Rs. 10/- each.

Substituted  
vide order  
dated 30<sup>th</sup>  
April, 2015

28.2 Consequent to the clubbing of the Authorised Share Capital of the Transferor Company with the Transferee Company, the Authorised Share Capital of the Transferee Company shall be increased to Rs. 54,00,00,000 (Rupees Fifty Four Crores only) which shall be reclassified and divided into 27,00,00,000 (Twenty Seven Crores) Equity Shares of Rs. 2/- each.

Substituted  
vide order  
dated 30<sup>th</sup>  
April, 2015

28.3 The resolution approving the Scheme shall be deemed to be the approval of increase in the Authorised Share Capital of the Transferee Company under Section 61 and other applicable provisions of the Companies Act, 2013. Clause V of the Memorandum of Association and Article 6 of the Articles of Association of the Transferee Company relating to the Authorised Share Capital, shall without any further act, instrument be and stand altered, modified and amended pursuant to Sections 13, 14 and 61 of the Companies Act, 2013 and Section 394 of the Companies Act, 1956 and other applicable

provisions, as the case may be, in the manner set out below and be replaced as following:

**Clause V of the Memorandum of Association**

"The Authorised Share Capital of the Company is Rs. 54,00,00,000 (Rupees Fifty Four Crores only) divided into 27,00,00,000 (Twenty Seven Crores) Equity Shares of Rs. 2/- each. The Company has power from time to time to increase or reduce its capital 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 other special rights, privileges, conditions or restrictions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such right, privilege or conditions or restrictions in such manner as may for the time being be permitted by the Articles of Association of the Company."

Substituted  
vide order  
dated 30<sup>th</sup>  
April, 2015

**Article 6 of the Article of Association:**

"The Authorised Share Capital of the Company is Rs. 54,00,00,000 (Rupees Fifty Four Crores only) divided into 27,00,00,000 (Twenty Seven Crores) Equity Shares of Rs. 2/- (Rupees Two Only) each."

Substitute  
vide order  
dated 30<sup>th</sup>  
April, 201

**PART IV**

**GENERAL TERMS AND CONDITIONS**

**29 DIVIDEND, PROFIT AND BONUS/RIGHTS SHARES**

29.1 Notwithstanding anything contained contrary in part I, II or III, the Transferor Company and the Transferee Company shall be entitled to declare any dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the effective date.

29.2 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 Transferor Company and / or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Company and the Transferee Company.

29.3 The Transferor Company shall not issue or allot any Bonus Shares or Rights Shares out of its Authorised or unissued Share Capital from the date of approval of the Scheme till effective date.

29.4 The Transferor Company shall not, except with the consent of the Board of Directors of the Transferee Company, alter its paid up capital structure by making preferential allotment of shares or otherwise, after the approval of the Scheme by the Board of Directors of the Transferee Company.

**30 APPLICATION TO HIGH COURT OR SUCH OTHER COMPETENT AUTHORITY**

KBIL, PHL and KOEL shall make applications / petitions under Sections 391 to 394 and other applicable provisions of the Act to the High Court of Bombay or such other appropriate authority in respect of KBIL, PHL and KOEL for sanction of this Scheme.

**31 MODIFICATION OR AMENDMENTS TO THE SCHEME**

KBIL, PHL and KOEL by their respective Directors so nominated in that behalf, may assent to any modification or amendment to this Scheme which the Court and/ or any other authority may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and / or carrying out the Scheme in the best interest of all stake holders. All amendment / modification pursuant to this clause shall be subject to approval of High Court. KBIL, PHL and KOEL by their respective Directors so nominated in that behalf be and are hereby authorised to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of any orders of the Court or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and / or any matters concerning or connected therewith. For the removal of doubt, it is hereby clarified that withdrawal by any one of the Companies from the Scheme shall not prejudicially affect the implementation of the Scheme between the remaining party. In such a circumstance, the Scheme shall remain in full force and effect and be implemented by and between the remaining Companies as if the party withdrawing from the Scheme was never a party to the Scheme in that behalf.

**32 DATE OF TAKING EFFECT AND OPERATIVE DATE**

The Scheme set out herein its present form or with any modifications and amendments made under Clause 30 of the Scheme shall become effective from the Appointed Date.

**33 SCHEME CONDITIONAL ON APPROVAL / SANCTIONS**

The Scheme is conditional upon and subject to the following:

33.1 The approval by the requisite majorities of the classes of persons of KBIL, PHL and KOEL as may be directed by the Hon'ble High Court under Section 391 of the Act.

33.2 The sanction of the Hon'ble High Court of Judicature at Bombay being obtained under Sections 391 and 394 read with Section 100 to 105 and

other relevant provisions of the Act, as required on behalf of the KBIL, PHL and KOEL from the Hon'ble High Court.

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

33.4 In terms of SEBI Circular dated 4<sup>th</sup> February 2013 bearing No.CIR/CFD/DIL/05/2013 and further Circular dated 21<sup>st</sup> May 2013 bearing No. CIR/CFD/DIL/8/2013 approval of shareholders of KBIL and KOEL shall be obtained by special resolution passed through postal ballot / e-voting after disclosure of all material facts in the explanatory statement in relation to such resolution and such resolution shall be acted upon only if the votes cast by public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.

33.5 The Certified Copies or Authenticated Copies of such orders sanctioning the Scheme being filed with the Registrar of Companies, Pune.

33.6 All other sanctions and approvals as may be required under any law with regard to this Scheme are obtained.


#### 34 EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the said sanctions and approvals referred to in the preceding Clause 33 not being obtained and / or the Scheme not being sanctioned by the any of the Hon'ble High Courts or such other competent authority and / or the order or orders not being passed as aforesaid, or for any other reason, the Scheme cannot be implemented, the Scheme shall become null and void, and KBIL shall bear the entire cost, charges and expenses in connection with the Scheme unless otherwise mutually, agreed.

#### 35 COSTS, CHARGES & EXPENSES.

All costs, charges, taxes including duties, levies and all other expenses, in respect of Part II and Part III of the Scheme (save as expressly otherwise agreed) arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by the Resulting Company and the Transferee Company respectively.

**TRUE-COPY**

  
(K. K. TRIVEDI)  
COMPANY REGISTRAR  
HIGH COURT (O.S.)  
BOMBAY

**CERTIFIED TRUE COPY  
For HEMANT SETHI & CO.**

  
ADVOCATES



IN THE HIGH COURT OF JUDICATURE

AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION  
COMPANY SCHEME PETITION NO. 161  
OF 2014.

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO.  
934 OF 2015.

In the matter of the Companies Act I of 1956.

AND

In the matter of Sections 391 to 394 read with  
Section 100 to 105 of the Companies Act, 1956.

AND

In the matter of the Composite Scheme of  
Arrangement and Amalgamation between  
Kirloskar Brothers Investment Limited and  
Pneumatic Holdings Limited and Kirloskar  
Oil Engines Limited and their respective  
shareholders and creditors.

KIRLOSKAR OIL ENGINES LIMITED

.....PETITIONER

Amended on 21/05/2015

As Per Order dated 30/04/2015

AUTHENTICATED COPY OF ORDER DATED  
30<sup>TH</sup> APRIL, 2015 AND AMENDED COPY OF  
AMENDED COPY OF COMPOSITE SCHEME  
OF ARRANGEMENT AND AMALGAMATION  
ANNEXED TO COMPANY SCHEME  
PETITION.

HEMANT SETHI & CO

ADVOCATE FOR THE PETITIONER

1602, NAV PARMANU, BEHIND

AMAR CINEMA, CHEMBUR, (WEST)

MUMBAI - 400 071.

Applied on 30/04/15  
Engrossed on 9/06/15  
Section Writer  
Folios  
Examined by  
Compared with  
Ready on 12/06/15  
Delivered on 25/06/15

# **COPIES OF THE SPECIAL RESOLUTIONS PASSED BY THE SHAREHOLDERS OF KIRLOSKAR OIL ENGINES LIMITED**

## **AT THE EXTRA ORDINARY GENERAL MEETING HELD ON 18 JULY 2009**

"RESOLVED THAT in accordance with the provisions of Section 81 (1A) and all other applicable provisions, if any of the Companies Act, 1956 ('the Act') (including any statutory modifications or reenactment thereof for the time being in force), and the provisions in the Memorandum and Articles of Association of the company and the prevailing guidelines of the relevant authorities in that behalf and subject to such approvals, consents, permissions and/or sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authorities while granting such approvals, consents, permissions and/or sanctions and which may be agreed to by the Board of Directors (hereinafter referred to as "the Board" which term shall include any committee which the Board may constitute to exercise its powers including the powers conferred by this resolution), allotment of 14,56,29,285 Equity Shares of the face value of Rs.2/-each, out of the increased authorised Equity Shares capital as provided in the Scheme of Arrangement between Kirloskar Oil Engines Limited and Kirloskar Engines India Limited under section 391 to 394 of the Companies Act, 1956, be made to the shareholders of Kirloskar Oil Engines Limited, subject to the said Scheme of Arrangement being sanctioned by the Hon'ble High Court of Judicature at Mumbai and becoming effective.

RESOLVED FURTHER THAT the said equity shares so issued or allotted shall, subject to the provisions of the Companies Act, 1956, and Memorandum and Articles of Association of the Company, rank in all respect pari passu with the then existing equity shares of the company except that such equity shares shall carry the right to receive dividend which may be declared in the financial year in which the allotment of equity share shall become effective, prorata from the date of allotment.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized on behalf of the company to do all such acts, deeds, matters as it may in its absolute discretion deem necessary, proper or desirable or as may be incidental or ancillary and to settle all questions, difficulties or doubts that may arise in regard to such issue or allotment as it may in its absolute discretion deem fit in order to give effect to this resolution without being required to obtain any further approval or consent of the members or otherwise to the end and intend that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

## **AT THE EXTRA ORDINARY GENERAL MEETING HELD ON 30 MARCH 2010**

1. **"RESOLVED THAT** pursuant to the Scheme of Arrangement between Kirloskar Oil Engines Limited and the company approved by the Hon'ble High Court of Judicature at Bombay, the consent of the members be and is hereby given to adoption of new set of Articles as placed before the meeting and duly initialed by the Chairman for the purpose of identification.

**FURTHER RESOLVED THAT** Mr. Atul C. Kirloskar, Chairman or Mr. Rajendra Deshpande, Director of the company be and is hereby authorized to make such applications to statutory authorities, submit documents and obtain appropriate certificates and also to do all such other acts, things and deeds necessary to give effect to this resolution for adoption of new set of Articles of Association."

2. **RESOLVED THAT** further to the sanction accorded to the Scheme of Arrangement between Kirloskar Oil Engines Limited and Kirloskar Engines India Limited by the Hon'ble High Court of Judicature at Bombay, the consent of the members be and is hereby given to change in the name of the Company to Kirloskar Oil Engine Limited pursuant to Clause 18 of the said Scheme as sanctioned by Hon'ble High Court of Judicature at Bombay.

**FURTHER RESOLVED THAT** Mr. Atul C. Kirloskar, Chairman or Mr. Rajendra Deshpande, Director be and is hereby authorised to make an application to the Registrar of Companies, Pune, Maharashtra, for ascertaining availability of the new name for the Company and to file necessary applications and forms with

the Registrar of Companies, Pune, Maharashtra for change in the name of the Company and to do all such other acts, things and deeds as may be necessary to do to give effect to this resolution."

3. **"RESOLVED THAT** pursuant to the scheme of Arrangement between Kirloskar Oil Engines Limited and the company approved by the Hon'ble High Court of Judicature at Bombay, the authorized capital of the company be increased from Rs. 10,00,000/- (Rupees Ten Lacs Only) to Rs. 40,00,00,000/- (Rupees Forty Crores Only) by creation of 20,00,00,000 (Twenty Crores) further equity shares of Rs. 2/- (Rupees Two Only), ranking pari passu with the existing shares in the company"

**FURTHER RESOLVED THAT** Mr. Atul C. Kirloskar, Chairman or Mr. Rajendra Deshpande, Director of the company be and is hereby authorized to make such applications to statutory authorities, submit documents and obtain appropriate certificates and also to do all such other acts, things and deeds necessary to give effect to this resolution for increase in authorized capital of the company."

**AT THE ANNUAL GENERAL HELD ON 9 JULY 2010**

1. **"RESOLVED THAT**, pursuant to the provisions of Section 198, 309, 310, 349, 350 and any other applicable provisions, if any, of the Companies Act, 1956 and subject to the such other approvals, permissions or sanctions as may be necessary, the consent of the shareholders of the Company be and is hereby accorded to the Board of Directors of the Company to decide and to pay the remuneration by way of commission (over and above the payment of sitting fees) to the Directors of the Company (other than the Managing Director or a Director who is in the whole time employment of the Company), a sum not exceeding one percent per annum of the Net Profit of the Company computed in the manner laid down in Sections 349 and 350 of the Companies Act, 1956, in any financial year upto a period of 5 years, commencing from this Financial Year ended on 31 March 2010."

2. **"RESOLVED THAT** pursuant to Sections 258, 259 and all other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government, the number of directors of the Company for the time being in the office be increased from 12 to 18.

**RESOLVED FURTHER THAT** pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the existing Article 121 of the Articles of Association of the Company be deleted and the following shall stand substituted in its place with effect from the date of Central Government's approval in accordance with the provisions of the Companies Act, 1956.

Article No. 121

Unless and otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 18 (eighteen).

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**AT THE ANNUAL GENERAL HELD ON 21 JULY 2011**

**"RESOLVED THAT** the approval of the shareholders be and is hereby accorded, pursuant to sub-clause (ii) of clause (b) of Sub-section (2A) of Section 149 of the Companies Act, 1956, for carrying on the business of hiring and repairing of aircrafts as specified in Clause 78 of the Memorandum of Association of the Company."

**AT THE ANNUAL GENERAL MEETING HELD ON 12 AUGUST 2014**

1. "RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions if any of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and clause 49 of the Listing Agreement, the consent of the members of the Company be and is hereby accorded to the Board of Directors to decide and to pay the remuneration by way of commission (over and above the payment of sitting fees) to the Directors of the Company (other than Managing Director or a Director who is in the Whole time employment of the Company), a sum not exceeding one percent per annum of the Net profit of the Company computed in the manner laid down in Section 198 and other applicable provisions, if any of the Companies Act, 2013, for each financial year, commencing from the Financial Year 2014-15."
2. "RESOLVED THAT pursuant to Section 14 and other applicable provisions if any of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the existing Article 121 of the Articles of Association of the Company be deleted and the following shall stand substituted in its place:

**Article No. 121 – Number of Directors**

Unless and otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen).

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**AT THE ANNUAL GENERAL MEETING HELD ON 4 AUGUST 2017**

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. R. Srinivasan (DIN 00043658) whose period of office is liable to expire on 11 August 2017, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of five consecutive years with effect from 12 August 2017."

**PASSED BY POSTAL BALLOT ON 25 JANUARY 2018**

**"RESOLVED THAT** pursuant to the provisions of Section 13 and all other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification(s) or re-enactment thereof, for the time being in force and other approvals as may be necessary, including obtaining license from Reserve Bank of India, Clause III (A) the main Object Clause of the Memorandum of Association of the Company be approved to be altered by insertion of the following new clause III (A) 2 after the existing Clause III (A) 1 therein:

*"To carry on the business, through itself or through a subsidiary; of a leasing company, hire purchase company and finance company and to undertake and / or arrange or syndicate all types of business relating to financing of consumers, individuals, industry or corporates, for all kinds of vehicles, aircrafts, ships, machinery, plants, two-wheelers, tractors and other farm equipment, consumer durables equipment, renewable energy equipment / infrastructure, construction equipment, housing equipment, capital equipment, office equipment, their spares and components, real estate, infrastructure work or activity, including used / refurbished products, consumable products, as also services of every kind and description, computers, storage tanks, toll roads, communication satellites, communication lines, factories, rolling stock, moveable and immoveable property, to engage in all forms of Securitisation, instalment sale and / or deferred sale relating to goods or materials, to purchase the book debts and receivables of companies and to lend or give credit against the same, to borrow, to transact business as promoters, financiers, monetary agents, to carry out the business of a company established with the object of financing industrial enterprises and to arrange or provide financial and other facilities independently or in association with any person, Government, Financial Institutions, Banks, Industrial Companies or any other agency, in the form of lending or advancing money by way of loan, working capital finance, refinance, project finance or in any other form, whether with or without security, to institutions, bodies corporate, firms, sole proprietorship, limited liability partnership, associations, societies, trusts, authorities, industrial enterprises and to arrange or provide facilities for the purposes of infrastructure development work or for providing infrastructure facilities or engaging in infrastructure activities and to raise and provide venture capital and promote or finance the promotion of joint stock companies, to invest in, to underwrite, to manage the issue of, and to trade in their shares or other securities."*

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts and take such steps as may be necessary, proper or expedient to give effect to this resolution either on its own or by delegating all or any of its powers to any of the Director, Company Secretary or any other officer of the Company."

**PASSED AT ANNUAL GENERAL MEETING HELD ON 10 AUGUST 2018**

**"RESOLVED THAT** in continuation of approval given by the members by special resolution dated 4 August 2017, pursuant to the provisions of Regulation 17 of SEBI (Listing Obligations and Disclosure Provisions) (Amendment) Regulations, 2018, which will be effective from 1 April 2019 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval be and is hereby granted for the continuation of present second term of Mr. R. Srinivasan (DIN 00043658) who has attained the age of 76 years, to hold office as an Independent Director of the Company after 1 April 2019 till the expiry of present second term on 11 August 2022."

**AT THE ANNUAL GENERAL MEETING HELD ON 9 AUGUST 2019**

1. "RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and Regulation 16 (1) (b) and 25(8) including such other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory amendment, modification(s) or re-enactment thereof for the time being in force), Mr. Sunil Shah Singh (DIN 00233918), who was appointed as an Additional Director by the Board of Directors of the Company with effect from 12 September 2018 and who holds office of Director up to the date of this Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 read with Articles of Association of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years with effect from 12 September 2018.

RESOLVED FURTHER THAT pursuant to the provisions of Regulation 17(1A) of amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory amendments, modification(s) or re-enactment thereof for the time being in force), approval be and is hereby also granted for the continuation of first term of Mr. Sunil Shah Singh (DIN 00233918) who will attain the age of 75 years, during a first term of his appointment as Non-Executive Independent Director."

2. "RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and Regulation 16 (1) (b) and 25(8) including such other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory amendment, modification(s) or re-enactment thereof for the time being in force), Mr. M. Lakshminarayan (DIN 00064750) whose period of office is liable to expire on 11 August 2019 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of three consecutive years with effect from 12 August 2019."
3. "RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, (including any statutory modification(s) or any substitution or re-enactment thereof for the time being in force) and in accordance with the Memorandum of Association and Articles of Association of the Company, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the Regulations), provisions of Regulation 6 of the Securities Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 and relevant provisions of Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 issued by the Securities and Exchange Board of India (collectively hereinafter referred to as "SEBI SBEB Regulations") and to such other applicable Regulations which may be issued and / or amended from time to time by the SEBI or any other relevant authority, from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the members' of the Company be and is hereby accorded to introduce and implement the "Kirloskar Oil Engines Limited - Employees Stock Option Plan 2019" (hereinafter referred to as "KOEL ESOP 2019") and authorise the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), to create, offer, grant, issue and allot from time to time, in one or more tranches, not exceeding 14,00,000 (Fourteen Lakhs) employee stock options to or for the benefit of such person(s) who are in permanent employment of the Company, whether working in India or out of India, including any director of the Company, whether whole time or otherwise (other than

Promoters or Promoter Group of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company), as may be decided under KOEL ESOP 2019, exercisable into not more than 14,00,000 (Fourteen Lakhs) equity shares of the Company, of face value of Rs. 2/- each fully paid up (0.97% of the paid-up equity share capital of the Company as on 31 March 2019), where one employee stock option would convert in to one equity share upon exercise, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the KOEL ESOP 2019 and in due compliance with the applicable laws and regulations or guidelines issued by the relevant Authority.

RESOLVED FURTHER THAT in case of any corporate action (s) such as rights issues, bonus issues, change in capital structure, merger and sale of division / undertaking or other reorganization and others, if any additional equity shares are to be issued by the Company to the option grantees, the ceiling as aforesaid of 14,00,000 (Fourteen Lakhs) equity shares, shall be deemed to increase in proportion of such additional equity shares issued to facilitate making fair and reasonable adjustment.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot equity shares upon exercise of options from time to time in accordance with the KOEL ESOP 2019 and such equity shares shall rank pari passu in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the exercise price payable by the option grantees under the KOEL ESOP 2019, shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 2/- per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said grantees.

RESOLVED FURTHER THAT the Board be and is hereby authorised to formulate, evolve, decide upon and implement the KOEL ESOP 2019 as per the terms approved in this resolution and at any time to modify, change, vary, alter, amend, suspend or terminate the KOEL ESOP 2019, subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as may be at its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members and further to execute all such documents, writings and to give such directions and / or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the KOEL ESOP 2019 and to do all other things incidental and ancillary thereof in conformity with the provisions of the Companies Act, 2013, the Memorandum of Association and Articles of Association of the Company, SEBI SBEB Regulations and any other applicable laws in force.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take requisite steps for listing of the equity shares allotted under KOEL ESOP 2019 on the stock exchange(s) where the equity shares of the Company are listed and also to do all such acts, deeds, and things, as it may in its absolute discretion deem necessary including authorizing or directing to appoint merchant Bankers, brokers, solicitors, registrars, compliance officer, investors service centre, various intermediaries, advisors, consultants or representatives for effective implementation and administration of the KOEL ESOP 2019 as also to make applications to the appropriate authorities for obtaining their requisite approvals as also to initiate all necessary actions for and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever that may arise and take all such steps and decisions in this regard.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all acts, matters, deeds and things and to take all steps and to do all things and give such directions as may be necessary, expedient, or desirable and also to settle any question or difficulties that may arise in such manner and the Board / such authorised person in its/ his absolute discretion may deem fit and take steps which are incidental and ancillary in this connection.”

**AT THE ANNUAL GENERAL MEETING HELD ON 28 AUGUST 2020**

1. “RESOLVED THAT in continuation of approval given by the members of the Company by special resolution dated 9<sup>th</sup> August 2019, pursuant to the provisions of Regulation 17 (1A) of amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory amendment, modification(s) or re-enactment thereof for the time being in force) and based on the recommendation of Nomination and Remuneration Committee and Board of Directors, approval be and is hereby granted for the continuation of present second term of re-appointment of Mr. M. Lakshminarayan (DIN 00064750) as an Independent Director of the Company who will be attaining the age of 75 years on 7<sup>th</sup> September 2021, during his present second term of re-appointment which is upto 11<sup>th</sup> August 2022 .”
2. “RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, Regulation 16 (1) (b) and 25(8) including such other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory amendment, modification(s) or re-enactment thereof for the time being in force) based on the recommendation of Nomination and Remuneration Committee and Board of Directors, Mr. Pradeep R. Rathi (DIN 00018577) whose period of office is liable to expire on 6<sup>th</sup> August 2020, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 and Rules thereof including amendments thereunder, proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of five consecutive years with effect from 7<sup>th</sup> August 2020.”
3. “RESOLVED THAT pursuant to the provisions of Sections 4, 13 and other applicable provisions, if any, of the Companies Act, 2013, (the “Act”) and rules made thereunder (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force) and other approvals as may be necessary, based on recommendation of the Board of Directors of the Company, consent and approval of Members of the Company be and is hereby accorded for effecting the alterations in the existing Main Object Clause of the Memorandum of Association (the “MOA”) of the Company in the following manner:-
  - i) Clause III (A) of the MOA be altered by inserting following sub-clause numbering 3 after the existing sub-clause 2:
    - 3) To carry on business in India or elsewhere of designing, developing, manufacturing, processing, buying, selling, trading, importing, exporting, producing, extracting, generating, assembling, hiring, bartering, distributing, testing, installing, conditioning, reconditioning, servicing, repairing, harnessing, contracting, maintaining, converting, altering or otherwise dealing in all types of machineries, motors, tractors, tillers & equipment(s) for farm mechanization / agricultural purpose including spares / implements thereof, all types of pipes and pipe fittings used in Agriculture, Mechanical, Electrical & any other Industries, all types of conventional and non-conventional energy including solar energy, wind energy, fuel energy in liquid or gas forms, hydro energy, mechanical energy, thermal energy, electrical energy, any form of renewable energy, fuel cells, co-generation of electricity, heating / cooling energy related gadgets, apparatus, components, devices, plants, systems, machinery, equipment, products, services, spares & parts, tools, jigs & fixtures, goods, transformers, converters, controllers, control panels, inverters, energy transformation products, energy storage solutions including batteries of various chemistries, insulators, motors, turbines, compressors, composters, boilers, cables, chains, anchors, belts, wires, cords, conductors,



engines, dynamos, mechanical and electrical machinery plant and fittings generally, power electronics and software based applications in the field of energy engineering and power generation devices.

RESOLVED FURTHER THAT the words 'Companies Act, 1956' in the existing MOA shall be substituted with the words 'Companies Act, 2013', wherever required and reference to various Sections of the Companies Act, 1956 in the existing MOA, be replaced with the reference to the corresponding Sections of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors and Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things and to settle all matters arising out of and incidental thereto and to sign and execute all such deeds, drafts, documents, applications and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution either on its own or by delegating all or any of its powers to any of the Director, Company Secretary or any other officer of the Company."

## **AT THE ANNUAL GENERAL MEETING HELD ON 12<sup>TH</sup> AUGUST 2021**

1. “RESOLVED THAT in partial modification of earlier special resolution passed by the members of the Company in the Annual General Meeting (AGM) held on 9<sup>th</sup> August, 2019 approving the “Kirloskar Oil Engines Limited - Employees Stock Option Plan 2019” (hereinafter referred to as “KOEL ESOP 2019”), pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, (including any statutory modification(s) or any substitution or re-enactment thereof for the time being in force) and in accordance with the Memorandum of Association and Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, provisions of Regulation 6 and 7 of the Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 and relevant provisions of Circular No. CIR/CFD/POLICY CELL/2/2015 dated 16<sup>th</sup> June 2015 issued by the Securities and Exchange Board of India (collectively hereinafter referred to as “SEBI SBEB Regulations”) and to such other applicable Regulations which may be issued and / or amended from time to time by the Securities and Exchange Board of India or any other relevant authority, from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, consent of the members’ of the Company be and is hereby accorded to amended KOEL ESOP 2019 being revised with the variation to includes and authorizing the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution and under Regulation 5 of the SEBI SBEB Regulations) to grant employee stock options (“Options”), from time to time, in one or more tranches, such number of Options under the “Kirloskar Oil Engines Limited - Employees Stock Option Plan 2019” (hereinafter referred to as “KOEL ESOP 2019”) within the limit prescribed therein to or for the benefit of the permanent employees including directors, whether whole-time director or not (other than employees who are promoter(s) or belonging to the promoter group, independent directors and directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company), of any subsidiary Company(ies) of the Company in or out of India except such Subsidiary Company(ies) formed and engaged in financial service business including without limitation to the Arka Fincap Limited, as may be decided under the KOEL ESOP 2019, exercisable into equivalent number of equity shares of the Company, of face value of Rs. 2/- each fully paid up, where one Option would convert in to one equity share upon exercise, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the KOEL ESOP 2019 and in due compliance with the applicable laws and regulations or guidelines issued by the relevant Authority.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot equity shares upon exercise of Options from time to time in accordance with the KOEL ESOP 2019 and such equity shares shall rank pari passu in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the exercise price payable by the option grantees under the KOEL ESOP 2019, shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 2/- per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said grantees.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary be and are hereby authorized to settle any question, difficulty or doubt that may arise in giving effect to the above resolutions and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution”.

2. “RESOLVED THAT pursuant to Section 180(1)(a) and Section 110 of the Companies Act, 2013, including rules made thereunder read with Regulation 24(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable provisions, and subject to such consents, sanctions, permissions and approvals, if any required, the consent of the members be and is hereby given to the Board of Directors of the Company (hereinafter referred as “Board”, which term shall include any committee constituted by the Board) to transfer all equity shares (including existing and proposed investment if any) having face value of Rs. 10/- each held by the Company in Arka Fincap Limited (“AFL” - a wholly owned subsidiary company – earlier known as Kirloskar Capital Limited) to the proposed wholly owned subsidiary company of Kirloskar Oil Engines Limited (which will be incorporated with the name as may be approved by the Ministry of Corporate Affairs, New Delhi, India, and registered as a Core Investment Company under applicable laws and regulations) in one or more tranches as the Board may decide and at a price which shall not be less than the fair market value of equity shares of AFL calculated as per provisions of Income Tax Act, 1961 including rules thereunder and amendment(s) thereto.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things as may be necessary from time to time to give effect to the above resolution.”

**AT THE ANNUAL GENERAL MEETING HELD ON 11<sup>TH</sup> AUGUST 2022**

1. “RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, Regulation 16(1)(b) and 25(8) including such other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory amendment, modification(s) or re-enactment thereof for the time being in force) and based on the recommendation of Nomination and Remuneration Committee, Mr. Yogesh Kapur (DIN 00070038), who was appointed as an Additional Director by the Board of Directors of the Company with effect from 29<sup>th</sup> September 2021 and who holds office of Director up to the date of ensuing Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 and Rules thereof including amendments thereunder read with Articles of Association of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 and Rules thereof including amendments thereunder, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a first term of five (5) consecutive years with effect from 29<sup>th</sup> September 2021.”
2. “RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, Regulation 16 (1) (b), 17 (1C), 25 (2A) and 25(8) including such other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory amendment, modification(s) or re-enactment thereof for the time being in force) and based on the recommendation of Nomination and Remuneration Committee, Mrs. Purvi Sheth (DIN 06449636), who was appointed as an Additional Director by the Board of Directors of the Company with effect from 19<sup>th</sup> May 2022 and who holds office of Director up to the date of ensuing Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 and Rules thereof including amendments thereunder read with Articles of Association of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 and Rules thereof including amendments thereunder, proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a first term of 5 (Five) consecutive years with effect from 19<sup>th</sup> May 2022.”
3. “RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, Regulation 16(1)(b), 25(2A) and 25(8) including such other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory amendment, modification(s) or re-enactment thereof for the time being in force) based on the recommendation of Nomination and Remuneration Committee and Board of Directors, Mr. Satish Jamdar (DIN 00036653) whose period of office is liable to expire on 3<sup>rd</sup> August 2022, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 and Rules thereof including amendments thereunder, proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 4 (four) consecutive years with effect from 4<sup>th</sup> August 2022.”

## **AT THE ANNUAL GENERAL MEETING HELD ON 11<sup>TH</sup> AUGUST 2023**

1. “RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, Regulation 16 (1) (b), 17 (1C), 25 (2A) and 25(8) including such other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory amendment, modification(s) or re-enactment thereof for the time being in force) and based on the recommendation of Nomination and Remuneration Committee, Mr. Arvind Goel (DIN 02300813), who was appointed as an Additional Director by the Board of Directors of the Company with effect from 19<sup>th</sup> May 2023 and who holds office of Director up to the date of ensuing Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 and Rules thereof including amendments thereunder read with Articles of Association of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 and Rules thereof including amendments thereunder, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a first term of five (5) consecutive years with effect from 19<sup>th</sup> May 2023.”
2. “RESOLVED THAT pursuant to Section 4, 13 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, including any statutory modification or re-enactment thereof for the time being in force, and subject to necessary statutory approvals and modifications if any, consent of the members be and is hereby accorded alteration in the existing Clause III (A) - Main Object Clause of the Memorandum of Association of the Company by renaming the Clause III (A) as – ‘The objects to be pursued by the Company on its incorporation’ and substituting the sub-clause 1 with following and deletion of existing sub-clause 1 and 3:

To carry on business in India & elsewhere, of researching, engineering, designing, developing, manufacturing, processing, buying, selling, trading, importing, exporting, producing, extracting, generating, assembling, hiring, bartering, distributing, testing, installing, conditioning, reconditioning, servicing, repairing, harnessing, commissioning, contracting, maintaining, converting, altering, modifying, sub-contracting, refurbishing, leasing, sub leasing, supplying, building, procuring, constructing, operating, integrating, market making, dismantling, operating, dealing or acting as a distributor, service provider, agent, broker, adatia, consignor, C&F agent, indenting agent, representative, correspondent, franchiser, stockist, transporter, collaborator, fabricating, converting, jobbing, costing, forging or otherwise dealing in all types of machineries, motors; engines of every description including heat engines, internal combustion engines operated by any type of fuel and/ or gases including steam; boilers, locomotives, road rollers, automobiles, trucks; gen-sets operated by any type of fuel; all types of pump sets and pumps for agriculture, industrial, commercial, residential, or any other usage; all types of conventional and non-conventional energy including solar energy, wind energy, fuel energy in liquid or gas forms, hydro energy, mechanical energy, thermal energy, electrical energy, any form of renewable energy, fuel cells, co-generation of electricity, heating / cooling energy related gadgets, apparatus, components, devices, plants, systems, machinery, equipment, products, services, spares and parts, tools, gigs and fixtures, goods; all kinds and varieties of filters including air filters, water filters, oil filters, gas filters, hydraulic filters, transmission filters, filter elements, filter papers or any other products covered in the range of filters elements; construction equipment or

machineries; farm equipment and its accessories; tractors, agricultural implements, tillers, harvesters, weeders and equipment for farm mechanization or agricultural purpose including spares / implements, accessories or attachments thereof including reaper, alternators, huller, threshing equipment, hand held brush cutters, chargers, operated by any type of fuel or energy including solar energy; forging, pressing, stamping and roll - forming of metal, powder metallurgy; all types of pipes and pipe fittings used in agriculture, mechanical, electrical and any other industries; equipment, machineries, components, solutions, systems and its accessories for defence and naval requirements; turnkey solutions, uninterrupted power systems, gas turbines, load convertors, invertors, transformers, converters, controllers, control panels, inverters, energy transformation products, energy storage solutions including batteries of various chemistries, insulators, motors, turbines, compressors, composters, boilers, cables, chains, anchors, belts, wires, cords, conductors, engines, dynamos, mechanical and electrical machinery plant and fittings generally, power electronics and software based applications in the field of energy engineering and power generation devices; all types of goods, services, hardware for civil, mechanical, electronic application or systems; all types of exhaust gas treatment systems; all types of lubricants, coolants and oils including oil for engines, hydraulic & transmission systems for on road and off road applications, and related components or services of products mentioned herein.

RESOLVED FURTHER THAT the existing Clause III (B) containing the “The Objects Incidental or Ancillary to the attainment of Main Objects” sub-clause no. 2 to 51 be and is hereby stands deleted and replaced by New Clause III (B) “Matters which are necessary for furtherance of the Objects specified in Clause III (A) containing the sub-clause no. 3 to 80.

RESOLVED FURTHER THAT the existing Clause III (C) containing the “Other Objects not included in (A) and (B) above” sub clause no. 52 to 80 be and is hereby also stands deleted in full.

RESOLVED FURTHER THAT consent of members of the Company be and is hereby accorded to approve and adopt the aforesaid changes in the Memorandum of Association of the Company and that the Board of Directors of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto, either on its own or by delegating all or any of its powers to any of the Director, Company Secretary or any other officer of the Company.”

**AT THE ANNUAL GENERAL MEETING HELD ON 8<sup>TH</sup> AUGUST 2024**

1. “RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, Regulation 16 (1) (b), 17 (1C), 25 (2A) and 25(8) including such other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory amendment, modification(s) or re-enactment thereof for the time being in force) and based on the recommendation of Nomination and Remuneration Committee and Board of Directors, Mr. Kandathil Mathew Abraham (DIN 05178826) Whose period of office is valid up to 9<sup>th</sup> August 2024, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act 2013 and Rules thereof including amendments thereunder, Proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for Second term of 5 (Five) consecutive years with effect from 10<sup>th</sup> August 2024.”
2. “RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, Regulation 16 (1) (b), 17 (1C), 25 (2A) and 25(8) including such other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory amendment, modification(s) or re-enactment thereof for the time being in force) and based on the recommendation of Nomination and Remuneration Committee and Board of Directors, Dr. Shalini Sarin (DIN 06604529) Whose period of office is valid up to 24<sup>th</sup> October 2024, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act 2013 and Rules thereof including amendments thereunder, Proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for Second term of 5 (Five) consecutive years with effect from 25<sup>th</sup> October 2024.”

## **Managing Director's Agreement**

**Appointment from 20<sup>th</sup> May 2022 to 19<sup>th</sup> May 2025**

**THIS AGREEMENT IS MADE AT PUNE ON THIS 22<sup>ND</sup> DAY OF AUGUST TWO THOUSAND AND TWENTY TWO**

BETWEEN

### **KIRLOSKAR OIL ENGINES LIMITED**

a Company incorporated and existing under the laws of India with CIN L29100PN2009PLC133351 and having its registered office at Laxmanrao Kirloskar Road, Khadki, Pune – 411 003 in the state of Maharashtra (hereinafter called "**the Company**") of the one part.

AND

### **MS. GAURI KIRLOSKAR**

aged 39 years, Indian habitant, presently residing at 445, The Sind Co-op Housing Society Limited, Ganesh Khind Road, 548, Sadhu Vaswani Nagar, Aundh, Pune – 411 007, in the state of Maharashtra (hereinafter called "**the Managing Director**") of the other part.

AND WHEREAS subject to approval of the Members in a General Meeting and further subject to the such other approvals of the financial institutions with whom the Company has any borrowing arrangements and under which arrangements their approvals are necessary, the Board of Directors of the Company (hereinafter called "**the Board**"), pursuant to the powers conferred upon it under the Articles 167(A), 167(B), and 167(C) in the Articles of Association of the Company, has by the resolution passed at its meeting held on 19<sup>th</sup> May 2022, has appointed, Ms. Gauri Kirloskar as the Managing Director of the Company for a term of 3 (Three) years with effect from 20<sup>th</sup> May 2022.

AND WHEREAS the Members of the Company approved the appointment of Ms. Gauri Kirloskar as the Managing Director of the Company in the Annual General Meeting held on 11<sup>th</sup> August 2022.

NOW THEREFORE IT IS HEREBY AGREED BY AND BETWEEN the parties hereto as follows:

1. The Company hereby appoints Ms. Gauri Kirloskar as the Managing Director and Ms. Gauri Kirloskar agrees to act as the Managing Director of the Company for a term of 3 (Three) years with effect from 20<sup>th</sup> May 2022.



2. Subject to the superintendence, control and direction of the Board, the Managing Director shall exercise and perform such powers and duties as the Board may from time to time determine including those granted in accordance with the Power of Attorney dated 29<sup>th</sup> June 2022 issued by the Company in favour of the Managing Director.
3. The Managing Director shall hold the said office subject to the terms hereof, for a period of 3 (Three) years with effect from 20<sup>th</sup> May 2022. The Agreement may be renewed for a further period upon mutually agreed terms subject to the approvals as may be required under law.
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 she shall faithfully serve the Company and use her best endeavors 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. However, she will not be paid any sitting fee for attending the meeting of the Board or Committee thereof from the date of her 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 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 Managing Director shall during the continuance of her employment hereunder also use her best endeavors to prevent any other person from doing so.

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**For Kirloskar Oil Engines Limited**

**Atul Kirloskar**  
**Executive Chairman**

**Gauri Kirloskar**  
**Managing Director**

## **ANNEXURE**

### **BASIC SALARY:**

Rs. 6,00,000/- (Rupees Six Lacs Only) per month.

### **PERQUISITES:**

In addition to the aforesaid salary, Ms. Gauri Kirloskar as the Managing Director shall be entitled to the following perquisites:

- a) In lieu of fully furnished residential accommodation, house rent allowance of Rs. 1,50,000/- (Rupees One Lac Fifty Thousand Only) per month be paid. Additional expenses on furnishings upto Rs. 15,000/- (Rupees Fifteen Thousand Only) per month, gas, electricity, water and other utilities and repairs shall be borne by the Company at actuals.
- b) Reimbursement of all medical expenses incurred for self and family.
- c) Leave travel assistance for self and family upto the limit of Rs. 2,50,000/- (Rupees Two Lacs Fifty Thousand Only) per annum.
- d) Fees of clubs, subject to a maximum of 2 (Two) clubs, which will include admission fee but will not include life membership fees.
- e) Personal accident insurance, premium whereof does not exceed Rs. 25,000/- (Rupees Twenty Five Thousand Only) per annum.
- f) A car with driver.
- g) Telephone, fax and other communication facilities at residence.
- h) Contribution to provident fund, superannuation fund or annuity fund and National Pension scheme to the extent that these contributions either singly or put together shall not exceed 27% (Twenty Seven percent) of basic salary.
- i) Gratuity at the rate of 30 (Thirty) days' salary for each completed year of service as the Managing Director.
- j) Leave at the rate of 1 (One) month for every 11 (Eleven) months of service. Leave not availed of may be encashed at the end of the tenure;
- k) Education allowance for the education of her children as per Company's Rules;

“Family” for the above purpose means husband, dependent children and dependent parents of the Managing Director.

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

**COMMISSION:**

Commission shall be decided by the Board of Directors based on criteria as defined under Nomination and Remuneration Policy and on the net profits of the Company each year subject to the condition that the aggregate remuneration of the Managing Director shall not exceed the limit laid down under Section 197 including rules made thereunder and Schedule V of the Companies Act, 2013.

**MINIMUM REMUNERATION:**

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