PDS Multinational Fashions Limited

PDS/SE/2018-19/01 5th April, 2018

The General Manager, Listing Department Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) **Mumbai – 400 051**	**The General Manager,** Corporate Service Department BSE Limited P. J Tower, Dalal Street, Fort, **Mumbai-400001**

Scrip Code/ID: NSE: PDSMFL; BSE: 538730

SUB: INTIMATION UNDER REGULATIONS 30 OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS REGULATIONS, 2015.

REF.: ALTERATION IN OBJECTS CLAUSE OF MEMORANDUM OF ASSOCIATION.

Dear Sir/Madam,

We wish to inform you that the members of the Company have passed special resolution dated 25th March, 2018 through Postal Ballot to alter the objects clause of Memorandum of Association and the Registrar of Companies, Bangalore has also approved the said alteration of objects clause, vide certificate dated 4th April, 2018.

A Copy of altered Memorandum of Association along Articles of Association of the company is attached herewith for your kind information and record.

Thanking you,

For **PDS Multinational Fashions Limited**

B. Chandra Sekhara Reddy
Company Secretary & Head-Legal

Encl. as above

Memorandum
and
Articles of Association
of
PDS Multinational Fashions Limited

CIN:L18101KA2011PLC094125

सत्यमेव जयते

GOVERNMENT OF INDIA

MINISTRY OF CORPORATE AFFAIRS

Registrar of companies, Bangalore
E' Wing, 2nd Floor Kendriya Sadana, Bangalore, Karnataka, India, 560034

Corporate Identity Number: L18101KA2011PLC094125

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 PDS MULTINATIONAL FASHIONS 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 Bangalore this Fourth day of April Two thousand eighteen.

DS MINISTRY OF CORPORATE AFFAIRS 17

Varaha Santoshi Jagirdar

Registrar of Companies

RoC - Bangalore

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

PDS MULTINATIONAL FASHIONS LIMITED

NO. 758 & 759, 2ND FLOOR, 19TH MAIN, SECTOR-2, HSR LAYOUT,
BENGALURU, Bangalore, Karnataka, India, 560102

GOVERNMENT OF INDIA

MINISTRY OF CORPORATE AFFAIRS

Office of the Registrar of Companies

E' Wing, 2nd Floor Kendriya Sadana, Bangalore, Karnataka, India, 560034

Corporate Identity Number: L18101KA2011PLC094125

SECTION 13(5) OF THE COMPANIES ACT, 2013

Certificate of Registration of Regional Director order for Change of State

M/s PDS MULTINATIONAL FASHIONS LIMITED having by special resolution altered the provisions of its Memorandum of Association with respect to the place of the Registered Office by changing it from the state of Delhi to the Karnataka and such alteration having been confirmed by an order of Regional Director bearing the date 24/05/2016.

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

Given under my hand at Bangalore this Fourteenth day of June Two thousand sixteen.

DS Ministry of Corporate Affairs - (Govt of India) 18

V.M PRASANTH

Deputy Registrar of Companies

Registrar of Companies

RoC - Bangalore

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

PDS MULTINATIONAL FASHIONS LIMITED

NO. 758 & 759, 2ND FLOOR, 19TH MAIN, SECTOR-2, HSR LAYOUT,
BENGALURU, Bangalore, Karnataka, India, 560102

सत्यमेव जयते

प्रारुप 1
पंजीकरण प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : U18101DL2011PLC217162 2011 - 2012

मैं एतद्द्वारा सत्यापित करता हूँ कि मैसर्स

PDS Multinational Fashions 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 छह अप्रेल दो हजार ग्यारह को मेरे हस्ताक्षर से दिल्ली में जारी किया जाता है।

Form 1
Certificate of Incorporation

Corporate Identity Number : U18101DL2011PLC217162 2011 - 2012
I hereby certify that PDS Multinational Fashions 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 Delhi this Sixth day of April Two Thousand Eleven.

कम्पनी रजिस्ट्रार Registrar of Companies NCT of Delhi & Haryana दिल्ली एवं हरियाणा

(EGINIUS TIRKEY)
उप कम्पनी रजिस्ट्रार / Deputy Registrar of Companies
राष्ट्रीय राजधानी क्षेत्र दिल्ली एवं हरियाणा
National Capital Territory of Delhi and Haryana

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :
Mailing Address as per record available in Registrar of Companies office:
PDS Multinational Fashions Limited
A-3, COMMUNITY CENTRE, NARAINA INDUSTRIAL AREA, PHASE-II,
NEW DELHI - 110028,
Delhi, INDIA

व्यापार प्रारंभ करने का प्रमाण–पत्र

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

कॉर्पोरेट पहचान संख्या : U18101DL2011PLC217162

मैं एतदद्वारा सत्यापित करता हूँ कि मैसर्स
PDS Multinational Fashions Limited

जिसका निगमन, कम्पनी अधिनियम, 1956(1956 का 1) के अंतर्गत दिनांक छह अप्रेल दो हजार ग्यारह 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 ग्यारह मई दो हजार ग्यारह को मेरे हस्ताक्षर से दिल्ली में जारी किया जाता है।

Certificate for Commencement of Business

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

Corporate Identity Number : U18101DL2011PLC217162

I hereby certify that the PDS Multinational Fashions Limited which was incorporated under the Companies Act, 1956(No. 1 of 1956) on the Sixth day of April Two Thousand Eleven , 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 Delhi this Eleventh day of May Two Thousand Eleven.

(MANMOHAN JUNEJA)
कम्पनी रजिस्ट्रार / Registrar of Companies
राष्ट्रीय राजधानी क्षेत्र दिल्ली एवं हरियाणा
National Capital Territory of Delhi and Haryana

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

PDS Multinational Fashions Limited
A-3, COMMUNITY CENTRE, NARAINA INDUSTRIAL AREA, PHASE-II,
NEW DELHI - 110028,
Delhi, INDIA

(THE COMPANIES ACT, 1956)
(COMPANY LIMITED BY SHARES)
Memorandum of Association of
PDS Multinational Fashions Limited

I. The Name of the Company is **PDS Multinational Fashions Limited.**

II.* The Registered Office of the Company will be situated in the State of Karnataka.

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

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

1. To carry on the business as manufacturers, processors, traders, importers, exporters, buyers, sellers, marketers, showroom owners, general commission agents, dealers, distributors, brokers, wholesalers, retailers, exchangers, franchise traders, stockists, jobbers, processors, fabricators or otherwise deal in all kinds of garments.
2. To carry on the business of manufacturers, fabricators, importers and exporters, wholesale and retail dealers of and in men's, women's and children's clothing and wearing apparel of every kind, nature and description including shirts, bush-shirts, pyjama suits, vest, underwears, suits, foundation garments for ladies dresses, brasses, brasseries, maternity belts, knee caps, coats, panties, nighties and so on.
3. To carry on the business of manufacturers, importers and exporters, wholesale and retail dealers of and in hosiery goods of every kind, nature and description, for men, women and children including vest, underwears, socks, stockings, sweaters, laces, and so on and of all or anything which is used in hosiery goods.
4. To carry on the business as manufacturers, traders, dealers and exporters of all kinds of fibres and yarn man-made or otherwise, textiles and textile materials natural or otherwise.
5. To carry on the business of preparing, spinning, doubling, weaving, combing, scouring, sizing, mixing, twisting, bleaching, colouring, knitting, dying, printing and finishing whatever fibres or textile substances or any substitute for any of them.

6.** To act as financial consultants, management consultants, and provide advice, services, consultancy in various fields, general, administrative, secretarial, commercial, financial, legal, economic, labour, industrial, public relations, scientific, technical, direct and indirect taxation and other levies, statistical, accountancy, quality control and data processing.

7.** To act, improve, manage, develop, exchange, lease or otherwise deal with all or any part of the properties and rights of the Company.

8.** To carry on in India and abroad the E-Commerce business, either on its own or through franchisee arrangements, licensees, agents, stockists, resellers, distributors, contractors or otherwise, of procuring, storing, warehousing, dispatching, promoting, packaging, formulating, buying, selling, exchanging, altering, importing-exporting, assembling, repairing, marketing, advertising, distributing or otherwise dealing in whole or in part, on a wholesale or retail basis or otherwise, all kinds of services, goods and merchandise and generally to carry on business as wholesale or retail merchants, importers and exporter, couriers, warehousing agents, including sourcing, procuring and placing contracts for all or any kinds of services, goods, materials and items whatsoever in nature.

9.** To carry on the business as manufacturers, processors, traders, importers, exporters, buyers, sellers, marketers, showroom owners, general commission agents, dealers, distributors, brokers, wholesalers, retailers, exchangers, franchise traders, stockists, jobbers, processors, fabricators or otherwise deal in all kinds of consumer goods.

10.** To carry on other business, whether manufacturing or otherwise, which may seem to the Company capable of being conveniently carried on in connection with any business of the Company or calculated directly or indirectly to enhance the value of, or render profitable, any of the Company's property or rights for the time being.

11.** To acquire and undertake the whole or any part of the business, property and liabilities of any person or Company carrying on any business which the Company is authorised to carry on, possessed of property suitable for the purpose of this Company.

**Registered Office shifted from NCT of Delhi to State of Karnataka vide Special Resolution passed by members by means of Postal Ballot on 7th January, 2016 and such alteration confirmed by an order of Regional Director, Northern Region, Ministry of Corporate Affairs, Delhi dated 24th May, 2016.*

***the objects clause no. 6 to 11 were inserted with approval of the members dated 25th March, 2018 by passing of Special Resolution through Postal Ballot and the same was approved on 4th April, 2018 by the ROC, Bengaluru, Karnataka.*

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

1. To build, construct, erect, improve, maintain, alter, enlarge, purchase, hire or otherwise acquire or provide any buildings, offices, factories, workshops, plants or machinery, or other things necessary or useful for the purpose or carrying out the above objects of the Company, to purchase, take on lease or otherwise acquire lands and hereditaments, or any tenure, for the objects aforesaid, and to sell, lease or otherwise dispose of any property of the Company.
2. To advance money to any person or persons corporation, either at interest or without, upon the security of freehold or leasehold property by way of mortgage, or upon marketable security and in particular to advance money upon the security of or for the purpose of enabling the person borrowing the same to erect or purchase, or enlarge or repair any house or building, or to purchase any estate or interest in, or to take a demise for any term or terms of year of any freehold leasehold property in India upon such terms and conditions as the Company may think fit.
3. To aid, encourage and promote setting on the property of the company and to colonize the same and for purposes aforesaid to lend, give credit or grant sums of money.
4. To appropriate in part or parts the property of the Company for the purpose of and to build and let shops, offices and other such places of business of all kinds.
5. To refer to arbitration and to institute, defend, compromise, withdraw or abandon, any legal or other proceedings and claims by or against the Company, by its officers or otherwise concerning the affairs of the Company.
6. To enter into agreements with companies, associations, societies, organisations, or persons, foreign or Indian, for securing any of the objects of the Company or for any purpose conducive to any objects.
7. To enter into any partnership, arrangement, for sharing profit union of interests, cooperation, joint ventures, reciprocal concession or otherwise, with any person or Company carrying on or engaged in, or about to carry on or engage in, or any business or transaction capable of being of conducted so as directly or indirectly to benefit this Company.
8. To acquire and undertake the whole or any part of the business property and liabilities of any person or persons or Company, carrying on any business which the Company is authorised to carry on.
9. To act as agents and/or to enter into agreements with any Government, semi Government, quasi-Government or public undertaking or Government owned Company or any authority, municipal or local or any manufacturer, merchant and other that may seem beneficial to the Company's objects and to obtain from such Government, authority or merchants or manufacturer rights, privileges and concessions which the Company may think desirable and carry out, exercise and comply with any arrangements, rights, privileges and concessions.
10. To indemnify members, officers, directors and servants of the Company against proceedings, causes, damages, claims and dividends in respect of anything done, ordered to be done by them for and in the interest of the Company or for any loss, damages or misfortune which shall happen in the execution of the duties of their offices in relation thereto.
11. To invest and deal with the moneys of the Company by purchasing shares of any other Company having object wholly or partly similar to that of the Company, or carrying on any business which this Company is authorised to carry on or in such other manner as may from time to time be determined by the Company and to distribute any of the properties of the Company in specie among the members as may be permissible in law, in the event of its winding up.
12. To promote any Company or companies for the purpose of acquiring all or any of the

properties, rights and liabilities of the Company or for any other purpose which may seem directly or indirectly calculated to benefit the Company.

13. Subject to Section 391 to 394 of the Act, to amalgamate with any of the companies having objects altogether or in part similar those of the Company.

14. Subject to provisions of the Banking Regulation Act, 1949 and Section 58A and 292 of the Act to borrow raise or secure the payment of money or to receive money on deposit at interest for any of the purposes of the Company, and at such time or times and in such manner as may be thought fit and in particular by the issue of debentures-stock, perpetual or otherwise including debentures or debentures stock, convertible into shares of this or any other Company or perpetual annuities and as security for any such money so borrowed raised or received or of any such debentures or debenture stock so issued, to mortgage, pledge or charge the whole or any part of the property, assets, or revenue and profits of the Company, present or future, including its uncalled capital, by special assignment or to transfer or convey the same absolutely or in trust and to give the lenders power of sale and such other powers as may seem expedient, and to purchase, redeem or pay off any such securities.

15. To guarantee the payment of money unsecured or secured by or payable under or in respect of promissory notes, bonds, debentures stock, contracts, mortgages, charges, obligation, instruments and securities of any Company or authority, municipal, local or otherwise or any person whomsoever, whether incorporated or not and generally to guarantee or become surities for the performance of any contracts or obligations that may seem beneficial to the Company's objects.

16. To lend money to such persons or companies and on such terms as may seem expedient and in particular to customers of and such others having dealing with the Company, and to guarantee the performance of contracts by any such person or companies.

17. To act, improve, manage, develop, exchange, lease, mortgage or otherwise deal with all or any part of the properties and rights of the Company.

18. To purchase, run and maintain building, machinery, cranes, bull-dozers, pile drivers and such other items capable of being used in any business of the Company and to hire and let out such machineries to any person, Company or authority.

19. To sell the undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular for shares, debentures, debenture-stock, policies or securities of any other such Company having objects altogether or in part similar to those of this Company.

20. To open accounts with any bank or banks or bankers or shroff and to pay into withdraw money from such account or accounts.

21. To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of lading, warrant, debentures and other negotiable or transferable instruments.

22. To procure the Company to be registered or recognised in any foreign country or place.

23. To do all or any of the above things as are incidental or conducive to the attainment of any or all of the objects mentioned above in any part of India or in any part of the world either as principals, agents, trustees, contractors or otherwise and by or through or in conjunction with trustees, agents, sub contractors or otherwise.

24. To pay out of the funds of the Company all expenses of, and incidental to the formation, registration, advertisement and establishment of the Company and also all expenses attending the issue of any circular of notice and the printing, stamping, circulating of proxies and forms to be filled in by the members of the Company.
25. To create any reserve fund, insurance fund or any other special fund, whether for depreciation

of for repairing, insuring, improving, extending or maintaining any property of the Company or for any other such purpose conducive to the interest of the Company.

26. To make donations, to such persons or institutions subject to the provisions of Section 293-A of the companies Act, 1956, in cash or in other assets and in particular to remunerate any person or corporation introducing business to this Company and to subscribe or guarantee money for charitable or benevolent objects for any exhibition or for any public, general or other objects and to establish and support or aid in the establishment and support or aid in the establishment and support of associations, institutions funds, trusts, and conveniences for the benefit of the employees or ex-employees or persons having dealing with the Company or the dependents, relatives, or the connections of such persons and in particular friendly or other benefit societies and to grant pensions, allowances, gratuities and bonuses, either by way of annual payments towards insurance, and to form and contribute to provident and benevolent funds of such persons.

27. To make strategic investments in subsidiaries and /or other companies in India and abroad as a same line of business of its holding company.

(C) OTHER OBJECTS :-

1. To carry on the business of manufacturers, fabricators, processors, hirers, lessors, repairers, assemblers, designers, producers, growers, makers, exporters, importers, buyers, sellers, suppliers, stockists, representatives, agents, merchants, distributors, concessionaries of and otherwise deal in the followings:
   (i) Metallurgical industry-Iron and Steel Ferro Alloys, Iron and Steel Castings, Forgings, Structurals, Pipes, Special Steel, Other Products metals including gold, silver, alloys and other non-ferrous metals.

   (ii) Fuels-Coal, liquite, coke and their derivatives, mineral oil, crude oil, motor and aviation spirit, diesel oil, kerosene oil, including synthetic fuels, fabricating oils, fuel gases, coal gas and natural gas.

   (iii) Boilers and Steam Generating Plants.

   (iv) Electrical Equipment for generator, transmission and distribution of electricity including transformers, electrical motors, electrical fans, electrical lamps electrical furnaces, electrical cables and wires, X-ray equipment, electronic equipment, household appliances such as electric irons, heaters, storage batteries and dry cells.

   (v) Telecommunications, telephones, telegraph equipment, wireless communication apparatus radio receiver, including amplifying and public address equipment, television sets and teleprinters.

   (vi) Industrial Machinery-All items of speicalised equipment used in industries-jute machinery, rayon machinery, sugar machinery, tea machinery, mining machinery, metallurgical machinery, cement machinery, chemical machinery, pharmaceutical machinery and paper machinery.

   (vii) "Fermentation Industries-Alcohol, and such other products of Fermentation Industries".

   General items of machinery used in several industries, such as the equipment required for various 'Unit Process' size reduction equipment-crushers, ball mills, conveying equipment-bucket elevators, skip hoists, cranes, derricks, and the like size separation unit-screens, classifiers, mixer and reactors kneading mills, turbo mixer, filtration equipment, filter process rotary filters, centrifugal machines, evaporators, distillation equipment, crystalliers, driers, powerdriven pumps reciprocating, centrifugal, air and gas compressors and vaccum pipes (including electrical furnaces), refrigeration plants for industrial use, fire fighting equipment and appliance including fire engine, such other items of industrial machinery ball, roller and

tapered bearings, speed reduction units, grinding wheels and abrasives.

(viii) Machine tools.

(ix) Agricultural Machinery-tractors, harvestors and agricultural implements.

(x) Earth moving machinery-Bulldozers, dumpers, scrapers, loaders, shovels drag lines, bucket wheel excavation and road roller.

(xi) Miscellaneous Mechanical and engineering Industries-plastic moulded goods, hand tools, small tools and the like razor blades, pressure cookers, and cutlery steel furniture.

(xii) Commercial, office and Household Equipment-Typewriters, calculating machines, air-conditioners, any refrigerators, vaccum cleaner, sewing and knitting machines hurricane lanterns.

(xiii) Medical and Scientific instruments-Scientific instruments and their assessories, testing instruments, process control instruments, electrical and electronic instruments, nautical, aeronautical and Survey Instruments, Optical and Opthalmic Instruments, general laboratory , medical and surgical instruments, apparatuses, scientific laboratory, glassware, photographical, chemical and other Instruments, apparatuses, appliances, equipments, devices, contrivances, their accessories and components.

(xiv) Industrial instruments-Electrical kilowatt hour meters, magnets, electromagnets, ammeters, voltmeters and other types of measuring instruments, electrical or non-electrical, die, castings, screws, nuts and bolts, transformers of all types, circuit-breakers, punched card machines and their accessories, hoists, elevators, trolleys and coaches, winches, magnetic separators, windors, air-compressors, welders, switches and motors of all types, drills and electric grinders.

(xv) Scientific Instruments.

(xvi) Mathematical, surveying and drawing Instruments.

(xvii) Fertilizers-inorganic fertilizers, organic fertilizers and mixed fertilizers.

(xviii) Chemicals (other than fertilizers)-inorganic heavy chemicals, organic heavy chemicals, fine chemicals, including photographic chemicals, paints, varnishes and enamels, man made fibres including regenerated cellulose-rayon, nylon, coke oven by products coaltar distillation products such as naphthalene, anthracene explosives including gun-powder and safety fuses, insecticides, fungicides, weedicides, textile auxiliaries sizing materials and starch miscellaneous chemicals.

(xix) Photographic Raw Film and Paper-cinema film, photographic Amateur film and photographic printing paper.

(xx) Dye stuffs.

(xxi) Drugs and Pharmaceuticals.

(xxii) Paper and pulp including Paper, Products-paper writing printing and wraping, newsprint, paper board and straw board, paper for packaging (corrugated paper, kraft paper, bags and paper containers) pulp-wood pulp, mechanical, chemical, and dissolving pulp.

(xxiii) Sugar

(xxiv) Textiles (including those dyed, printed or otherwise processed) made wholly or in part

of cotton, including cotton yarn, hosiery and rope made wholly or in part of jute, including the twine and rope, made wholly in part of wool, including wool tops, woollen yarn, hosiery carpets and druggets; made wholly or in part of silk, including silk yarn and hosiery, made wholly or in part of synthetic, artificial (man-made) fibres including yarn and hosiery of such fibres, and ready made garments of the above cloths.

(xxv) Food Processing Industries-canned fruit and fruit products, milk foods, malted foods, flour and other processed foods of all types.

(xxvi) Vegetable Oils, Vanaspati and Natural Essential Oil-Vegetable oils including solvent oils, vanaspati, cashew shell oil, sandal wood oil, Pine Oil, Eucalyptus oil, Gebanium oil, lemonglass oil and such other natural essential oil.

(xxvii) Soaps, Cosmetics and Toilet Preparations-Soap, Glycerine, cosmetic and perfumery.

(xxviii) Rubber Goods-Tyres and tubes, surgical and medical products including prophylactics, footwear and other rubber goods of all types.

(xxix) Leather, Leather goods and Pickers.

(xxx) Glass-Hallo ware, sheet and plate glass, optical glass, glass wool, laboratoryware, miscellaneous ware.

(xxxi) Ceramics-Fire bricks, refractories, furnance lining bricks-acidic basic natural china ware and pottery, sanitaryware, insulators, tiles graphite crucibles.

(xxxii) Timber Products-Plywood, hardboard, including fireboard matches, miscellaneous (furniture components bobbins, and shuttles.)

(xxxiii) Glue and Gelatin.

(xxxiv) Defence Industries-Arms and Ammunication.

(xxxv) Automobiles-Cars, trucks and buses.

(xxxvi) Miscellaneous Industries-Cigarettes, linoleum, whether felt base or jute based, zip fastners (metallic and non-metallic), oil stoves, clocks, stationery and sports Goods.

2. To carry on the business of house finance to individuals, groups or association of individuals, cooperative societies and body corporates for construction of houses, purchase of flats, apartments in buildings and to deal in all forms of immovable and moveable property, such as land and buildings.

3. *This Clause has been moved to Main Object at Point no. 6.*

4. To carry on business of hire purchase finance Company and to acquire, provide on hire purchase basis all types of industrial and office plants, equipment machinery, vehicles, required for manufacturing, processing, transportation and trading business and other commercial and service business.

5. To supply and to provide, maintain and operate services, facilities, conveniences, bureaus, hotels, hosteliaries and erect houses and the like for the benefit of any person, Company corporate body, firm, trusts, association, society, organisation, whatsoever and generally to act as consultants and as a service organisaiton for providing general administrative, secretarial, advisory, commercial, financial, technical, accounting, quality control, legal and other services to any person, Company corporate body firm, trust association, society, organisation, whatsoever, also to provide technical and management consultancy, to run research and survey establishment and to act as agents, issue house and transfer agents.

6. To carry on the trade and business of Importers, Exporters Manufacturers, Processors, Assemblers, order suppliers, procurers, traders, agents, brokers, distributors, stockists, dealers, selling and/or buying agents, Merchants and Commission Agents for all types of cables, wires and wire ropes and more particularly auto control cables, and other types of auto cables and wires, as also for other auto accessories and spare parts for scooters, motor-cycle mopeds, cycles, tractors, car, jeeps, trucks, vans and all other such automobiles of all kinds.

7. To carry on business of proprietors and publishers of newspapers, journals, magazines and such other literary work and undertakings of all types.

8. To transact or carry on all kinds of agency business and in particular in relation to the investment of money, the sale of property and the collection and receipt of money.

9. To deal in foreign exchange and currencies and to convert currencies, subject to the approval of appropriate authorities.

10. To act as trustees, executors, attorneys, receivers, administrators, nominees and agents to undertake guarantee and indemnity business, execute trusts of all kinds and exercise all the powers of custodians and trustees.

11. To carry on the profession of liasion work.

12. To device systems for every saving and minimising environmental pollution and for conservation of natural resources and such other systems in the field notified by Government under various legislatures, from time to time.

13. To purchase or otherwise acquire, issue, receive, sell, place and deal in share, stocks, bonds, debentures and securities of all kind and to give any guarantee or security, for the payments of dividends or interests thereon or otherwise in relation thereto.

14. To carry on the business of interior decorators and designers.

15. To purchase, sell, own, manage, improve, let, take on lease, exchange mortgage, assign, hire or otherwise acquire and or dispose of lands and properties or any type of interest therein and to erect, construct and furnish house, multistoreyed flats, buildings, shops, or work of every description and to pull down, rebuild, enlarge, alter and improve existing houses, buildings, shops and works thereon and to convert and appropriate any mill land units and for roads, streets, gardens and such other conveniences related thereon.

16. To purchase, take on lease or in exchange, hire or otherwise acquire and deal in any movable or immovable properties.

17. To invest in take or otherwise acquire and hold shares, debentures stock and other securities in any other Company to make payment thereon or in advance of calls and to hold, sell, exchange or otherwise dispose of or deal with the same in any manner.

18. To manufacture, produce, convert, manipulate, buy, sell, import export, use, acquire, trade, deal, or traffic in any and all kinds of coal tar, distillers, of coal tar, naphtha, natural oils, carbolic and other acids, nepthalene, Creosote, dyes, pitch and all other products and bye products of coal tar, also the distillation or resins and the manufacture of turpentine, lamp black, road making materials briquettes and the manufacture and application of water-proofing substances of every description, brick and tile makers, colliery proprietors, seed crushers, floor cloths and floor coverings of every description, varnish makers, candle makers, and stear-line, and sacchorine manufacturers, tar, oils chemicals of all descriptions, bricks, files, coal and all other materials for the distillation of coal tar and manufacture and also of all kinds of water proofing substances and materials or cloth and garments whether waterproofed or un- waterproofed.

19. To establish, own, operate, acquire, run and manage a canning factory for the purpose of packing, preserving and canning fruits, vegetables and other edible products, whether in glass, tin or other

sanitary packages for human or animal consumption and to deal in all kinds of machinery, appliances and materials for achieving the said objects and to import, export or otherwise deal with the same in any manner to import, export or otherwise deal with the same in any manner whatsoever, to manufacture machinery useful in such trade and to sell or otherwise deal with the same.

20. To manufacture, process, convert and deal in paper bags of all kinds, polythene and PVC bags, gunny bags, wooden and plywood boxes, tin and metal boxes, steel and nylon strips, used for packing, wood wool and other materials used for packing.

21. To acquire, establish and maintain hospitals for the reception and treatment of persons suffering from illness, or mental defects or for the reception and treatment of persons during convalescence or of persons requiring medical attention or rehabilitation solely for philanthropic purposes and not for purposes of profit.

22. To establish and run in any part of India colleges or schools where general scientific, commercial, Engineering or any other type of education be imparted to students orally or through post on such terms and conditions as may be laid down by the Company, from time to time.

23. 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 land, mines, business, building, factories, mills houses, cottages, shops, depots, warehouses , machinery, plant, stock in trade, mineral rights, concessions, privileges, licences, easement or interest in or with respect to any property or interest in or with respect to any property whatsoever for the purpose of the Company in consideration for a gross sum or rent consideration and to carry on business as proprietors of flats and buildings and to on lease or otherwise apartments therein and to provide for the conveniences commonly provided in flats, suits and residential and business quarters.

24. To lease, machinery, plant, accessories, electrical installations, computers, tabulators, electronic equipment, trucks, lorries, buses, and other capital goods to industrial undertakings and receive rentals and other payments therefor.

25. To carry on the business of beauticians, manicurists, hairdressers, hair dyers, maker and suppliers of all sorts of cosmetics and wigs, and to run health care centres, beauty parlours, massage centres, swimming pools and to conduct training programmes, seminars for better body care or make-up.

26. To carry on the business of farming, horticulture, floriculture, sericulture dairies, cultivators of all kinds of food grains, seeds, fruits, proprietors of orchard and traders, exporters and sellers of and dealers in products of farming, dairy, horticulture, floriculture, sericulture and pisciculture and fishing and manufacturers of drinks , alcoholic or otherwise including beverages produced from such products or otherwise.

27. To carry out and conduct research and development, implement, manufacture, alter, convert, modify, buy, sell export, import give or take on lease, or on licence, service and repair or otherwise deal in any other manner, in electrical and electronic appliances and apparatus and systems of every description and stores of all kinds such as Television, Radio, Transistors, Computers, Calculators, Type-writers , Word Processors, Printers, Audio and Visual Cassettes, Floppy discs, Tapes, Data Processing Equipment, Software and Hardware integrated circuit, Sillicon Chips or any other consumer equipment, communication equipment, hospital equipment, electric and electronic motors, dynamos, generators, switch gears, transformers, rectifiers, fuels , industrial electronic devices, switches & switch devices, lighting operators, display devices, printing devices, high frequency apparatus, magnetic components, air borne equipment, electronic camera infrared tubes, generation and servo control equipment, control system and allied equipment and machines and to conduct bureau of complete services, peripherals and all other devices and accessories, spare parts, components and of all kinds of instruments, apparatus, equipments and gadgets used for or in connection with any of the aforesaid matters or products and to develop, design, sell, export or otherwise give on hire computer/ programmes.

28. To carry on the business of plantations , in tea, coffee, cinchona, palm, cardamom, rubber, soya, chicory, geranium and other produce and in all their respective branches and to carry on the work and business of cultivators, growers and buyers of every kind of vegetable mineral or other produce of the soil, to prepare, manufacture and render marketable any such produce and to grow, cultivate, sell dispose of and deal in any such produce, either in its prepared, manufactured or raw state and either by wholesale or retail and to carry on the business of extraction, production of oils and fats by any possible means, including mechanical, electrical and chemical means, from all kinds of oil, fat bearing seeds, nuts, cakes, and other material and production, recovery of byproducts thereof, to manufacture, produce, extract, refine, process, treat, purify, blend, store, pack purchase, sell, import, export distribute, market and otherwise deal, in either directly or as agents or in collaboration with others; all kinds of edible and non-edible oils and fats and their derivative by products and such other related products and finished products thereof.

29. To investigate, search, survey, prospect, explore extract, drill, dig, raise, pump, produce, refine, purify, separate, treat, process, blend, store, transport, distribute, market, sell pack and otherwise deal in mineral oils, natural gas, kerosene, petrol, petroleum products, hydrocarbons and their derivatives, byproducts, mixtures in gaseous, liquid or solid forms, to fabricate, purchase, construct take or give on lease/rent, erect, maintain, machineries, plants, equipments, structures, carriages, related to the above activities, to take on lease, purchase or otherwise acquire lands and other places, including offshore areas which seem capable of afording a supply of natural gas and mineral oils for conducting above activities.

30. To carry on the business of manufacturers, dealers, importers, and exporters, merchants, agents, factors and financiers and particularly manufacturers, dealers etc., of all types of petro-chemicals like naphtha, methane, ethylene, propylene, butenes, napthalene, cyclohesane, cyclohexanone, benzene, phenol, acetic acid, celluslose acetate, acetate, ammonia, capralactum, adipic acid, hexamethylene, diamine nylon, nylon-6, nylon 6.6, nylon 6.10, nylon 6.11, nylon 7, their fibres, castings, mouldings, sheets, rods, etc., orthy-xylene phthalic anhydride, alkyd, resins, polyster fibres and films, mixed xylenes, paraxylene, metaxylene, toluene, comene, phenol, styrene, synthetic rubbers, butenes, butadiene, methacrolein, maleic anhydride, methacrylates, alkyd resins, urea, methanol formaldehyde, UF, PF & HF resins, Hydrogen Cyanide, polymethyl methacrylate, acetyiene, PVC Polyethylene, ethylene, dichloride, ethylene, oxide, ethylene glycol, polyglycols, polyurethanes, paraxylenes, polystyrenes, polypropylene, isopropanol, Acentorne, propylene, oxide, propylene glycol, acryclonitril acrolein, acrylicesters, acrylic fibres, allyl chloride epichlorhydrin, epoxy resins, and all other such petro chemical products and polymers in all their forms such as resins, fibres, sheets, mouldings, and castings.

31. To carry out investigations, basic and fundamental research, applied research, design, development, experimental work, pilot work, commercial work, scale-up works and every description in all branches of science, engineering and technology for producing, discovering, inventing, making improvements in, modifications to, effecting cost of reduction of energy saving in all forms of energy including solar energy, nuclear energy, thermal energy, hydro-electric energy, energy from gases, minerals, chemicals, elements and compounds of every description.

32. To carry on trade or business in India or elsewhere of manufacturing, producing, preparing, fertilizers of all types and of every description, heavy chemicals, heavy water and their byproducts, all organic and inorganic chemical compounds and their derivatives and mixtures thereof and for that purpose to set up all plants, machinery and equipment and to manufacture, produce, maintain, repair, hire and otherwise deal in all such plants including their import and export and to do research and development both in respect of the fertilizers to be used under Indian conditions or of any countries of the world and to undertake the technical and economic feasibility studies for any person, Central or State Governments in India or any other body of authority, municipal, district board or otherwise or for any foreign nationals or foreign governments subject to all applicable laws and to act as agents for the purchase, sale, import and export of all types of fertilizers and to act as carriers, shippers, hauliers and otherwise transporters of all types of fertilizers.

33. To act as tours organiser of all kinds and for the purpose to charter ships, trains, aeroplanes, omnibuses, motor buses, motor lorries, motor cars, wagons, carts and carriages of every description, to book and reserve accommodation and rooms in hotels, restaurants and boarding and/or lodging houses and to take on hire houses furnished or unfurnished.

34. To carry on the business of booking and reserving accommodation, seats, compartments and berths on railways, steam ships, motor ships and boats, aeroplanes, omnibuses, and motor buses and to issue tickets for the same and to hire or own taxies, motor cars and all kinds of public vehicles and transports, launches and boats.

35. To act as warehousemen, removers, packers, haulers, transport, cartage and haulage contractors and agents, carriers, custom agents, forwarding, transport and commission agents, wharfingers, cargo superintendents, jobmasters, mucadams, and to receive money, securities, valuable and goods and material on deposit or for safe custody and to lend or give guarantee on the secuirty thereof.

36. To act as recognised Trading House and for that purpose indent, buy, sell, deal, import, export raw materials, commodities, products, including agricultural, marine, meat, poultry and dairy products, metals, jewellery, pearls, stones, minerals, goods, articles, spare parts, appliances, machinery equipments as may be authorised or permitted by Governments through trade policies and also to act as an Export House.

37. To construct a cinematograph theatre and other building and works and conveniences, for the purpose thereof and to manage, maintain and carry on the said theatre and to let out other buildings when so erected or constructed; to carry on the business of proprietors and managers of theatre (cinemas, picture places and concert halls) and to provide for the production, representation and performance (whether by mechanical means or otherwise) of operas, stage plays, operattas, burlesques, vaudevilles, revues ballets, pantomimes, spectacular pieces, promenade and other concerts and other musical and dramatic performance and entertainments; to manufacture films and other appliances and machines in connection with mechanical reproduction or transmission of pictures, movements, music and sounds and to organise and conduct theatrical production and entertainment of all kinds.

38. To carry on the business, in India or in part of the world of hotels, motels, resorts, boarding and lodging house keepers, guest houses, holiday homes, inns, restaurants, cafes, canteens, tavrens, eating houses, night clubs discotheques, casinos, health resorts, health clubs, diagnostic centres, centres for art culture, business or trade, shopping and commercial complexes, swimming pools, baths, victuallers, beer houses, bars, malters, brewers, distellers, importers, exporters, dealers, merchants and manufacturers of beers, wines, spirits, liquors, aerated, mineral and articial waters and other drinks whether intoxicating or not tabbacco, cigars, food products of all kinds and providing services and facilities of all kinds on commercial basis.

39. To carry on and undertake the business of a Company established with the object of financing industrial enterprises to promote directly or indirectly industry, trade and commerce nationally and internationally; to undertake the business of negotiating, arranging, managing and/or providing venture capital, risk capital, loans, advances, credits, guarantees and other means of financial intermediation whether funded or non-funded to existing or proposed industrial, trading, commercial or service enterprises whether a corporate or non-corporate body, individual, promoter or a group whether promoted by this company or within the same management or not, with or without security, either individually or in association, cooperation or collaboration with other local or off-shore banking or non-banking institution, individuals, corporate or non- corporate bodies or other entitled to acquire and hold shares, stocks, debenture stock, bonds, obligations and securities issued or guaranteed by a Company constituted or carrying on business in India or elsewhere or issued or guaranteed by any government sovereign, rural commissioners, public body or authority or other institution and to enforce all rights and powers conferred by or incidental to the ownership thereof and to do all such acts, deeds or things whether for self or for and on behalf of other entities and to manage and to promote funds of the investors by investment in various other avenues like growth fund,

income funds, risk fund, tax exempt funds, pension/superannuation fund and to pass on the benefit or portfolios, investments to the investors as dividend and bonus interest.

40. To carry on the business of manufacturers and dealers in, hirers, repairers, cleaners, starers, and warehouses of motor cars, motor cycle, cycle cars, motors, scooters, cycles, bicycles and carriges, launches, boats and other conveyances of all descriptions whether propelled or assisted, by means of petrol spirit, steam, gas electrical or through power and all engines, chasses, bodies, component parts, accessories, fittings and things used in or capable of being used in or in connection with vehicles and engines stationary or otherwise.

41. To build factories in India or any part of the world for manufacturing and assembling watches, clocks, time pieces, dials, diamonds and jewels for watches and other electrical and engineering instruments of all types and description of accessories and spares and component parts used for or in connection with any of the articles or things mentioned above and of a character similar or things mentioned above and of a character similar or analogous to the foregoing or any of them.

42. To manufacture, buy, sell, exchange, alter, improve, manipulate, prepare, for market import or export or otherwise deal in all kinds of insulated cables, and wires rubber insulated wires and cables cab tyresheeted wires, P.V.C cables, and flexible cords, cotton or silk braided conduct wires and cables, low and high tension power cables, telegraph and telephone cables, low and high tension paper rubber or bitumen insulated lead covered power cables telegraph and telephone cables, according to B. B. S. long distance cables, signalling cables lead covered cables house installation, accessories of power cables alplastable cables with seamless aluminium sheets covered with a second seamless skin tehermoplastic material, overhead material, bare copper, bronze, aluminium wires and cables solid or standard for telephone, telegraph and signalling purposes, aluminum cables for overhead lines, bare copper, and cadmium copper wire round or grooved for tramways, Trolley buses (also suitable for crane operation), bare copper and aluminium bus bars, binders and rotar bars suitable for dynamo, transformer and switchgear manufacturers, copper and aluminium wires and tapes lighting conductors, aerials of copper, bronze, aluminium varnish cambric insulated mains, furnace, H.F., ship wiring, switch boards, bell wires, fuse-wires, lead alloy and tinned copper, and all kinds of cables, wire conductors, and accessories.

43. To breed, rear and purchase live-stock of all kinds, to farm and buy animal produce of all kinds, to prepare, manufacture and render marketable any such produce and to sell, dispose of and deal in the same either in the manufactured or in raw state.

44. Subject to the Gold Control Act, 1968, and law of Land to carry on the business as goldsmiths, silversmiths, jewellers, gem merchants, importers and exporters of bullion and buy, sell and deal (wholesale and retail) in bullion, precious stones, jewellery, watches clocks, gold or silver plates, cups, shields, electroplated cutlery, dressing bags, bronzes, articles of virtue and object of art.

45. To carry on the business of cold storage of Fruits, Vegetables, Seeds Fish, Meat, Agricultural Products, Milk and Dairy Production and such other perishable items of all kinds.

46. To carry on the business of manufacturing assembling, selling reselling, exchanging in ships, boats, barges, launches, submarines and other underwater vessels, aeroplanes, aero engines, airships, sea planes, flying boats, hydro planes and aircrafts and aerial conveyances of every description and kind whether propelled or assisted by means of petrol, spirit, electricity, steam oil, vapour gas, petroleum mechanical or any other motive power and to establish and maintain shipping lines and plying vessels between any parts of the world.

47. To cultivate, plant, purchase, sell, trade or otherwise deal in food stuffs such as wheat, barley, rice maize, sugarcane, sugarbeet, all kinds of grains, millets, cereals, oil seeds, vegetable and flower seeds tea, soyabean, animal feed, coffee, coco, rubber, jute, flex, hemp, cotton, silk art grass, timber, bamboo, straw, seeds, fruits and other articles that are produce of land and to carry on business as bakers and manufacturers of and dealers in bread flour, rava, maida, biscuits, chocolate, sweets, and farinaceous compounds and material of every description.

48. To carry on business as brewers, distillers, and manufacturers dofan merchants and dealers in vinegar, acetic acid, glucose, wines, spirits, beers, porter, malt, hops, grain, meal, yeast, aerated water, carbonic acid gas, mustard, pickles, sauces; condiments of all kinds, cocoa, coffee, preserves and all or any other commodities and things which may be conveniently used or manufactures or in conjunction with any of the above or any similar business or manufacturers.

49. To carry on the business as underwriters and brokers of stock, shares, debenture stock, Government Bonds, Units of Unit Trust, National Saving Certificates.

50. To carry on the business of settlement of insurance claims and recoveries and to provide services of and to act as loss assessors, surveyors and agents for and brokers of Indian/Foreign insurance companies and others and to provide consultancy services assistance in obtaining directly and indirectly financial and business advisory and consultancy services to customers and act as agents or brokers of such other entities for the above.

51. To carry on the business of buying, selling, exporting, importing, manufacturing, constructing, devising and preparing all kinds of advertising novelties, materials, aids, complimentary gifts, devices, designs and any other such media used for the purpose of audio-visual publicity and advertisement.

52. To acquire, from any person or any source, technical information, knowhow data, processes, formulas, techniques and methods, engineering, manufacturing and operating data, plans, layouts, blue prints and other data for the design, installation, erection and consultancy and maintenance operation of the plant, machinery equipment and facilities whatsoever required for attaining the main objects of the Company and object ancillary to the attainment of the main objects and to acquire any grant or licence and other such rights and benefits in connection therewith.

53. To purchase or otherwise acquire and to hold, own, licence, maintain, work, exploit, farm, cultivate, use, develop, improve, sell, let, surrender, exchange, hire, convey or otherwise deal in lands, mines, natural resources, and mineral, timber and water rights, wheresoever situate, and any interest, estate and rights in any real, personal or mixed property and any franchises, rights, licences or privileges, and to collect, manage, invest, reinvest, adjust and in any manner to dispose of the income, profits, and interest arising therefrom.

54. To manage investment pools, mutuals funds, syndicate in shares, stocks, securities, financial, promissory notes, bonds hundies, coupons and other negotiable instruments and securities.

55. To act as selling agents of manufacturing companies, insurance agents, public and advertising agents and also to provide specialised services in investor relations.

IV. The Liability of the members is limited.

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

**increase of authorized share capital from Rs. 50,00,000 divided into 5,00,000 equity shares of Rs.10/- each to Rs. 27,00,00,000/- divided into 2,70,00,000 equity shares of Rs. 10/- each by the shareholders in their extra-ordinary general meeting held on 26th April, 2014.*

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

Sl. No.	Name, description, address and occupation of each subscriber	Number of equity shares taken by each subscriber	Signature of subscriber	Signature, Name, description, address and occupation of witness or witnesses
1.	**House of Pearl Fashions Limited** (Acting through Managing Director Pulkit Seth) A-3, Community Centre Naraina Industrial Area, Ph-II New Delhi - 110028 *Body Corporate (Garments)* 9, Avenue Ashok, Rajokri, New Delhi - 38	49994	For House of Pearl Fashions Ltd. Sd/- Managing Director	I hereby witness the signatures of all the Subscribers in my presence at New Delhi Sd/- (Sandeep Sabharwal) S/o Late Sh. R. C. Sabharwal Company Secretary M. No. ACS 8370 Flat No. 30, SFS Shakti Apts., Ashok Vihar, Phase-3 New Delhi - 110052
2.	**Deepak Seth** S/o Late Sh. M. L. Seth 9, Avenue Ashok, Rajokri, New Delhi - 110038 As Nominee of House of Pearl Fashions Ltd. *Business*	1	Sd/-	
3.	**Pallak Seth** S/o Sh. Deepak Seth 9, Avenue Ashok, Rajokri, New Delhi - 110038 As Nominee of House of Pearl Fashions Ltd. *Business*	1	Sd/-	
4.	**Payel Seth** W/o Sh. Deepak Seth 9, Avenue Ashok, Rajokri, New Delhi - 110038 As Nominee of House of Pearl Fashions Ltd. *Business*	1	Sd/-	
5.	**Ashutosh Prabhudas Bhupatkar** S/o Late Sh. P. R. Bhupatkar C-864, Sushant Lok-I, Gurgaon-122002 As Nominee of House of Pearl Fashions Ltd. *Service*	1	Sd/-	
6.	**Kusum Malik** W/o Late Sh. B. K. Malik H. No. 15/5, Sarvapriya Vihar New Delhi - 110016 As Nominee of House of Pearl Fashions Ltd. *Business*	1	Sd/-	
7.	**Deepak Seth & Sons (HUF)** (Through its Karta Deepak Seth) 9, Avenue Ashok, Rajokri, New Delhi - 110038 As Nominee of House of Pearl Fashions Ltd. Business	1	For Deepak Seth & Sons (HUF) Sd/- Karta	
	TOTAL	50000 (Fifty Thousand Equity)		

PLACE:NEW DELHI **DATE: 24TH MARCH, 2011**

(THE COMPANIES ACT, 1956)

(COMPANY LIMITED BY SHARES)

Articles of Association

of

PDS Multinational Fashions Limited

Interpretation

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

'Act' means the Companies Act, 1956, and includes any re-enactment or statutory modification thereof for the time being.

'Articles' or **'Articles of Association'** means and includes these Articles, as amended, added, altered and modified from time to time.

'Auditors' means and includes those persons appointed as such for the time being by the Company.

'**Beneficial Owner'** shall have the meaning assigned thereto in section 2(1)(a) of the Depositories Act.

"**Board**" or "**Board of Directors**" means a meeting of the Directors duly called and constituted, or as the case may be, the Directors assembled at a Board.

'Capital' means the share capital for the time being raised or authorised to be raised, for the purpose of the Company.

'**Central Government**' means the Central Government of India acting through the Department of Company Affairs or such other ministry or department as the context may require.

'Company' or **'This Company'** means **PDS Multinational Fashions Limited.**

'Depositories Act' shall mean the Depositories Act, 1996 and includes any statutory modification or re-enactment thereof for the time being in force.

'Depository' shall mean a Depository as defined in section 2(1)(e) of the Depositories Act.

'Directors' means the directors of the Company for the time being and includes persons occupying the position of directors by whatever name called including alternate directors.

'**Dividend**' includes bonus and interim dividend.

'General Meeting', 'Annual General Meeting' and '**Extraordinary General Meeting'** shall have the meaning given to such terms in Article 63 herein.

'In writing' and **'written'** includes printing, lithography and other modes of representing or reproducing words in visible form.

'Law' means any statute, law, ordinance, rule, administrative interpretation, regulation, press note, order, writ, injunction, directive, judgement or decree issued by the Government of India or any of its ministries, departments, secretariats, agencies, legislative bodies, courts and tribunals, whether at the central, state or municipal/local level.

'Member' shall mean a duly registered holder, from time to time, of the Security of the Company and includes every person whose name is entered as beneficial owner in the records of the depository.

'Non Retiring Director' means a Director not subject to retirement by rotation appointed pursuant to Article 119A.

'Office' and '**Registered Office**' means the registered office for the time being of the Company.

'**Ordinary Resolution**' and '**Special Resolution**' shall have the meanings assigned thereto by the provisions of the Act.

'Postal Ballot' includes voting by Members by postal or electronic mode instead of voting personally by being present for transacting business in a general meeting of the Company.

'**Register of Members**' means the Register of Members to be kept pursuant to the provisions of the Act.

'**The Registrar**' means the Registrar of Companies of the State in which the Office of the Company is for the time being situated.

'Proxy' includes Attorney duly constituted under a Power of Attorney to vote for a Member at a General Meeting of the Company on a poll.

'Seal' means the Common Seal for the time being of the Company.

'**Securities**' means securities as defined in Section 2(h) of the Securities Contract (Regulation) Act, 1956 and includes any statutory modification or re-enactment thereof, for the time being in force.

Words importing the singular number shall include where the context admits or requires the plural number and vice versa and words importing the masculine gender shall include feminine.

TABLE 'A' EXCLUDED

2. The Regulations contained in Table "A" of the Companies Act, 1956, as amended, shall not apply to the Company except so far as the same are reproduced or contained in or expressly made applicable by these Articles or the Act. The regulations for the management of the Company and the observance of the Members thereof and their

representatives shall, subject to any exercise of the Company's power to modify, alter, delete or add to its regulations, as prescribed by the Act, be such as are contained in these Articles.

CAPITAL & INCREASE & REDUCTION OF CAPITAL

Share Capital

3. The Authorised Share Capital of the Company shall be such amount and be divided into such shares as may, from time to time, be provided in Clause V of the Memorandum of Association with power to consolidate, increase, reduce, divide and/or sub-divide the Share Capital or reclassify them into several classes and attach thereto respectively such preferential, deferred, qualified or special rights, privileges, conditions or restrictions, whether in regard to Dividend, voting, return of Capital, distribution of assets or otherwise, as may be determined in accordance with the Law and the regulations from time to time of the Company and the provisions of the Companies Act, 1956 for the time being in force including Statutory modifications, amendments or re-enactment of the Act thereof and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner as may, from time to time, be provided by the regulations / resolutions of the Company and to consolidate or sub-divide or reorganise shares or issue shares of higher or lower denominations.The minimum paid-up capital of the company shall be Rupees Five Lakhs.

DEMATERIALISATON OF SECURITIES

3A. (i) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

Options for Investors

(ii) a) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by Law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the Beneficial Owner the required certificates of Securities.

b) If a person opts to hold his security with a depository, the Company shall intimate such Depository the details of allotment of the Security and, on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Security.

Securities in Depositories to be in fungible form

(iii) All Securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

Rights of Depositories and beneficial owners

(iv) a) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the

purpose of effecting transfer of ownership of Security on behalf of the Beneficial Owner.

b) Save as otherwise provided in (a) above, the Depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

c) Every person holding Securities of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a Depository.

Service of Documents

(v) Notwithstanding anything in the Act or these Articles to the contrary, where Securities are held in a Depository, the records of the Beneficial Ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

Transfer of Securities

Transfer of Securities held in a depository will be governed by the provisions of the Depositories Act, 1996.

(vi) Nothing contained in Section 108 of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

Allotment of Securities Dealt with by a Depository

(vii) Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such Securities.

Distinctive numbers of Securities held in a Depository

(viii) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.

Register and Index of Beneficial Owners

(ix) The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Securities holders for the purposes of these Articles.

Power to Issue Preference Shares

4. i. Subject to the provisions of the Act and these Articles, any shares in the Company may be issued with such preferred or other special rights, or such restrictions, whether in regard to Dividend or repayment of Capital or both, as the Company may, from time to time, by ordinary resolution determine and any preference shares may be issued on the terms that they are, or at the option of the Company are, liable to

be redeemed and/or convertible on such terms and conditions as may be determined by the Company in General Meeting ("Redeemable Preference shares").

ii. Unless the Company in General Meeting otherwise determine or the terms of issue of Redeemable Preference shares otherwise provide, the redemption of Redeemable Preference shares shall be effected in the manner set out below:

a. The redemption shall be made by repayment of Capital paid up on such shares, together with premium, if any, agreed to be paid on redemption at any time or times after such date or dates as the Directors may determine.

b. Such shares may be redeemed in entirety or in parts. In the latter case, the Directors may decide the number of shares and the individual shares to be redeemed on each occasion in such manner as they may deem fit.

c. The registered holders of the shares to be redeemed shall be given one month's notice of the intention of the Directors to redeem the same as aforesaid at their registered addresses and also by public notice in at least two newspapers, of which one should be in Hindi and other in English, circulating in and around the place where the Registered Office of the Company is situated. The notice for redemption to the registered shareholders shall specify the particulars of the shares to be redeemed, the date fixed for redemption and the place at which the certificate for such shares are to be presented for redemption. On or before the date fixed for redemption, the holder of such shares shall be bound to deliver to the Company at the specified place the related share Certificate/s for cancellation. If any certificate so delivered to the Company includes shares not redeemable on that date, a fresh certificate for unredeemed shares shall be issued to the registered holder of the shares.

d. Upon surrender of the shares as aforesaid and after the expiry of the date fixed for redemption, the Company shall pay to such holder the amount paid-up thereon together with premium, if any, agreed to be paid on redemption and accumulated Dividend, subject to deduction of income tax at the prescribed rates, whether declared or not on the Capital paid-up on the date of redemption, where after Dividend shall cease to accrue on the shares so redeemed.

iii. In the event of winding up, the preference shareholders of the Company will be entitled to receive all arrears of Dividend accrued up to the commencement of the winding up, whether such Dividend have been declared or not.

Shares with non Voting/Varied Rights

4A. In the event it is permitted by the Law to issue non voting shares or shares which have rights attached thereto different from the rights attached to Equity Shares or any other kind, class or type of shares, the Board of Directors may issue such shares upon such terms and conditions and with such rights and privileges attached thereto as thought fit and as may be permitted by the Law.

Allotment of Shares

5. Subject to the provisions of the Companies Act, 1956 and these Articles, the share shall be under the control of the Board who may allot or otherwise dispose of the same to such

person, on such terms and conditions, at such times, either at par or at a premium, and for such consideration whether in cash or in kind as the Board thinks fit. Provided that the option or right to call of shares shall not be given to any person or persons except with the sanction of the Company in General Meeting.

Commission for placing Shares, Debentures etc.

6. The Company may, subject to and in accordance with the provisions of Section 76 and other applicable provisions (if any) of the Act, at any time, pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in or debentures of the Company or his procuring or agreeing to procure subscription, whether absolute or conditional for any share in, or debentures of the Company. The commission may be satisfied by the payment of the cash or the allotment of full or partly paid shares or debentures or partly in one way and partly in the other subject to the applicable provisions, if any, of the Act. The company may also, on any issue of shares or debentures, pay such brokerage as may be lawful, and usual or reasonable.

Shares at a discount

7. With the previous authority of the Company in General Meeting and the sanction of the Company Law Board and upon otherwise complying with Section 79 and other applicable provisions, if any, of the Act, the Board may issue at a discount any shares of a class already issued.

Deposits and Calls etc. to be a Debt Payable Immediately

8. The money (if any) which the Board 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 thereof, 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.

Instalments to be paid

9. If by the conditions of allotment of any shares, the whole or part of the amount of 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, shall be the registered holder of the shares or by his executors or administrator.

Trust not Recognised

10. Save as herein otherwise provided and subject to Section 187(C) of the Act, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction, or as required by statutes be bound to recognise any equitable or other claim to or interest in such share on the part of any other person.

Increase in Share Capital

11. a. The Company may, from time to time, by ordinary resolution increase the authorised share Capital by such sum, to be divided into shares of such amount as may be specified in the resolution.

New Capital Same as Existing Capital

b. Except so far as otherwise provided by the conditions of issue or by these presents, any Capital raised by the creation of issue of new shares shall be considered to be part of the then existing Capital, and shall be subject to the provisions herein contained.

c. That option or right to call of shares shall not be given to any person except with the sanction of the Company in General Meeting.

Further Issue of Capital

12.(1) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed Capital of the Company by allotment of further shares:

(a) Such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the Capital paid up on those shares at that date;

(b) the offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time, not being less than fifteen days from the date of the offer, within which the offer if not accepted, will be deemed to have been declined;

(c) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (b) shall contain a statement of this right;

(d) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of the shares in such manner as they think most beneficial to the Company.

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

(a) if such offer is authorised by a special resolution of the Company in General Meeting or,

(b) where no such resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in that General Meeting (including the casting vote, if any, of the chairman) by Members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board in this behalf, that the proposal is most beneficial to the Company.

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

(a) To extend the time within which the offer should be accepted; or

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

(4) Nothing in this Article shall apply to the increase of the subscribed Capital of the Company caused by the exercise of an option attached to the debentures issued by the Company:

(a) To convert such debentures or loans into shares in the Company; or

(b) To subscribe for shares in the Company.

Provided that the terms of Issue of such debentures or the terms of such loans include a term providing for such option and such term:

(a) Either has been approved by the Central Government before the issue of debentures or the raising of the loans or is in conformity with the applicable Rules made by the Government in this behalf; and

(b) In the case of debentures or loans or other than debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by the Special Resolution passed by the Company in General Meeting before the issue of the loans.

Inequality in Number of New Shares

13. If, owing to any inequality in the number of new shares to be issued, and the number of shares held by Members entitled to have the offer of such new shares, any difficulty arises in apportionment of such new shares or any of them, amongst the Members, such difficulty shall, in the absence of any direction in the resolution creating or issuing the shares of by the Company in General Meeting, be determined by the Board.

Buy Back its own Shares or give Loans for the Purpose

13A. Subject to the provisions of Sections 77A and 77B of the Act and Securities and Exchange Board of India (Buy-back of Securities), Regulations, 1998 ("Regulations") as may be in force at any time and from time to time, the Company may acquire, purchase, own, resale any of its own shares and any other securities as may be specified under the Act, Rules and Regulations from time to time and may make payment thereof out of funds at its disposal or in any manner as may be permissible or in respect of such acquisition/ purchase on such terms and conditions and at such time or times in one or more installments as the board may in its discretions decide and deem fit. Such shares which are so bought back by the Company may either be extinguished and destroyed or reissued as may be permitted under the Act or the Regulations as may prevail at the relevant time subject to such terms and conditions as may be decided by the Board and subject further to the rules and regulations governing such issue.

Reduction of Capital

14. The Company may, subject to the provisions of Section 100 to 105 and other applicable provisions, if any, of the Act, from time to time, by special resolution, reduce its Capital and any Capital redemption reserve account or premium account in any manner for the

time being authorised by Law and in particular Capital may be paid off on the footing that it may be called up again or otherwise, and the Company may, if and as far as is necessary, alter its Memorandum and Articles of Association by reducing the amount of its share Capital and of its shares accordingly. Provided that such special resolution shall not be necessary in case of application of share premium account in the manner authorised by Section 78 of the Act.

Sub-Division and consolidation of Shares

15. (1) Subject to the provisions of the Act and other applicable Law, the Company may, at a General Meeting, from time to time, by an ordinary resolution, consolidate, sub-divide or cancel its shares in the following manner:

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

    (b) sub-divide its shares, or any of them, into shares of smaller amount, such that the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in case of the share from which the reduced share is derived; or

    (c) cancel any shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share Capital by the amount of the shares so cancelled. Cancellation of shares in pursuance of this Article shall not be deemed to be a reduction of the share Capital within the meaning of the Act.

    (2) Whenever the Company shall do any one or more of the things provided for in the foregoing Article 15(1) (a), (b) and (c), the Company shall, within thirty (30) days thereafter give notice thereof to the Registrar of Companies specifying, as the case may be, the shares consolidated, divided, sub-divided or cancelled.

    (3) The Company in General Meeting may also, subject to the provisions of the Act, determine by ordinary resolution that as between the holders of the shares resulting from each sub-division, one or more of such shares shall have some preferential or special rights as regards Dividends, payment of Capital or otherwise.

Surrender of Shares

16. Subject to the provisions of Section 100 to 104 of the Act, the Board may accept from any Member the surrender, on such terms and conditions as shall be agreed of all or any of his shares.

VARIATION OF SHAREHOLDERS' RIGHT

Power to Vary Rights

17. a. It at any time the share Capital is divided into different classes of shares, rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Sections 106 and 107 of the Act and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with

the sanction of a special resolution passed at a separate General Meeting of the holders of the shares of that class. To every such separate General Meeting, the provisions of these Articles relating to General Meeting shall, to the extent consistent, apply.

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

Members' Right to Certificate

18. Every Member shall be entitled free of charge to one certificate for all the shares of each class registered in his name, or if the Board so approves to several certificates each for one or more of such shares provided that in respect of each additional certificate which does not comprise shares in lots of the market unit of trading, the Board may, subject to the provisions of the Act, and applicable rules and these Articles, charge a fee of rupees two or such smaller sum as it may determine. The Company shall complete and deliver all certificates of shares within three months after the allotment of any of its shares or within one month, after the application for the registration of the transfer, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall specify the name of the person(s) in whose favour it is issued, its number and denoting the number of shares in respect of which it is issued and the amount paid up thereon.

Issue of New Certificate, in place of One Defaced, Lost or Destroyed

19. The issue of share certificates in duplicate and the issue of new shares certificates on consolidation or sub-division or in replacement of any share certificate which are surrendered for cancellation due to their being old, decrepit, worn out, defaced, torn or otherwise mutilated or rendered useless or whereon the space for recording transfers of the shares to which the said certificate shall relate has been filled-up, shall be in accordance with the provisions of the Companies (Issue of Share Certificates) Rules, 1960, or any statutory modification or re-enactment thereof. If any share certificate is lost or destroyed then upon proof thereof to the satisfaction of the Board and on such indemnity as the Board may deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to the shares to which such lost or destroyed certificate shall relate. Every certificate under this Article shall be issued without payment of fees if the Director's so decide, or on payment of such fees (not exceeding Rs. 2 for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates on replacement of those which are old, defaced or worn out, or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such rules and regulations or requirements of any stock exchange or the rules made under the Act or the rules made under the Securities Contracts (Regulation) Act, 1956 or any other act, or rules applicable in this behalf.

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

CALLS

20. The Board may, from time to time, subject to the terms on which any shares may have been issued, and subject to the provisions of Section 91 of the Act, make such calls as the Board thinks fit upon the Members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and such Member shall subject to his time having been given at least thirty days notice specifying the time or times and place of payment, pay the amount of every calls so made on him to the persons and at the times and places so appointed by the Board. A call may be made payable by instalments and shall be deemed to have been made at the time when resolution of the Board authorising such call was passed at a meeting of the Board.

When Amount Payable

21. If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by instalments at fixed times whether on account of the nominal amount of the share or by way of premium, every such amount or instalment shall be payable as if it were a call duly made by the Board and of which due notice has been given and all the provisions herein contained in respect of calls, forfeiture or otherwise shall relate to such amount or instalment accordingly.

When Interest on Call or Instalment

22. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the holder for the time being of the shares in respect of which the call shall have been made, or the instalments shall be due, shall pay interest for the same at the rate of fifteen percent per annum or such lower rate of interest as the Board may determine from time to time from the day appointed for the payment thereof till the time of actual payment. The Board shall be at liberty to waive payment of any such interest either wholly or in part.

Evidence in Action by Company Against Shareholder

23. On the trial or hearing of any action or suit brought by the Company against any shareholder or his legal representatives to recover any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the defendant is, or was, when the claim arose was on the Register of Members of the Company as a holder, or one of the holders of the number of shares in respect of which such claim is made, that the resolution making the call is duly recorded in the Minute Book and that the amount claimed is not entered as paid in the books of the Company, and it shall not be necessary to prove the appointment of the Board who made any call, or that a quorum was present at the Board meeting at which any call was made nor that such meeting was duly convened or constituted, nor any other matter but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Initial Payment not to Preclude Forfeiture

24. Neither a judgement in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction there under nor the receipt by the Company of a portion of any money which shall, from time to time, due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall

preclude the Company from proceeding to enforce forfeiture of such shares as hereinafter provided.

Voting Rights when Calls in Arrears

25. No member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company, has exercised, any right of lien.

Payment of Calls in Advance

26. The Board may, if it thinks fit, subject to the provisions of the Act, receive from any member willing to advance the all or any part of the moneys due upon the shares held by him beyond the sum actually called for, and upon the moneys so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares, in respect of which such advance has been made, the Company may pay interest at such rate to the Member paying such sum in advance as the Board may agree upon. Money so paid in excess of the amount of calls shall not rank for Dividends or confer any right to participate in profits, and until appropriated towards satisfaction of any calls, shall not be treated as part of its Capital and shall be repayable at any time if the Board in its absolute discretion so decides.

FORFEITURE AND LIEN

If Call or Instalment not Paid, Notice May be given

27. If any Member fails to pay any call or instalment of a call on or before the day appointed for the payment of the same, the Board may, at any time, thereafter during such time as the call or instalment remains unpaid, serve notice on such Member requiring him to pay the same, together with interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

Form of Notice

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

If Notice is not complied with Share may be Forfeited

29. If the requirements of any such notices aforesaid are not complied with, any share in respect of which such notice has been given may, at any time thereafter before payment of all calls or instalments, interests and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared in respect of the forfeited shares and not actually paid before the forfeiture subject to Section 205A of the Act.

Notice After Forfeiture

30. When any share have been so forfeited, notice of the resolution shall be given to the Member in whose name it stood immediately prior to the forfeiture and an entry of the

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

Forfeited Share to Become Property of the Company

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

Power to Annul Forfeiture

32. The Board may, at any time before any share so forfeited shall have been re-allotted or otherwise disposed off annul the forfeiture thereof upon such conditions as it thinks fit.

Liability on Forfeiture

33. A person whose shares have been forfeited shall cease to be a Member in respect of the shares, but shall notwithstanding such forfeiture, remain liable to pay, and shall forthwith pay to the company, all calls, or instalments, interest and expenses, owing upon or in respect of such shares, at the time of the forfeiture, together with interest thereon, from the time of the forfeiture until payment at fifteen percent per annum or at such lower rate as the Board may, from time to time, determine and the board may enforce the payment thereof, or any part thereof, without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so.

Evidence of Forfeiture

34. A duly verified declaration in writing that the declarant is a Director, Manager or Secretary of the Company and has been authorised by a Board resolution to act as declarant and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the fact therein stated as against all persons claiming to be entitled to the shares and such declaration and the receipt of the Company, for the consideration, if any, given for the shares on the sale or disposition thereof shall constitute a good title to such shares and for the shares on the sale or disposition thereof shall constitute a good title to such shares and the person to whom any such share is sold shall be registered as the holder of such share and shall not be bound to see application of purchase money, nor shall his title to such share be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.

Forfeiture Provisions to Apply to Non Payment in Terms of Issue

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

Company's Lien

36. The Company shall have a first and paramount lien upon every share not being fully paid-up, registered in the name of each Member (whether solely or jointly with others), and upon the proceeds of sale thereof for moneys called or payable at a fixed time in respect of such share whether the time for payment thereof shall have actually arrived or not no equitable interest in any share shall be created except upon the footing and condition that

Article 10 thereof is to have full effect. Such lien shall extend to all Dividends from time to time declared in respect of such share subject to Section 205A of the Act.

Provided the Board may at any time declare any share to be wholly or in part exempt from the provisions of these Articles.

Provided further that unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.

As to Enforcing Lien by Sale

37. For the purpose of enforcing such lien, the Board may sell the shares in such manner as it thinks fit, but no sale shall be made until the sum in respect of which such lien exists is presently payable and until a notice in writing of the intention to sell has been served on such Member, the executor or administrator or other legal representatives as the case may be and default has been made by him or them in the payment of the money called or payable a fixed time in respect of such share for thirty days after date of such notice.

Application of Proceeds of Sales

38. The net proceeds of the sale shall be received by the Company and after payment of the costs of such sale, applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the share before the sale) be paid to the persons entitled to the share at the date of the sale.

Validity of Sales in Exercise of Lien and after Forfeiture

39. Upon any sale after forfeiture or for enforcing lien in the purported exercise of the powers hereinbefore given, the Board may appoint some persons, to execute an instrument of transfer of the share sold and cause the purchasers' name to be entered in the Register in respect of the share sold, and the purchasers' shall not be bound to see to the regularity of the proceedings or to the application of the purchase money and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only.

Board may Issue New Certificate

40. Where any share under the powers in that behalf herein contained is sold by the Board and the certificate in respect thereof has not been delivered to the Company by the former holder of such share, the Board may issue a new certificate for such share distinguishing it in such manner as it may think fit from the certificate not so delivered. On the issue of such certificate the original certificate in respect of such share shall stand automatically cancelled and be void.

TRANSFER AND TRANSMISSION OF SHARES

Execution of Transfers Etc.

41. Save as provided in Section 108 of the Act, transfer of a share shall not be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee has been delivered to the Company together with the certificate, or, if no such certificate is in existence, with the letter of allotment of the share and such other evidence as the Board may require to prove the title of transferor and transferor shall be deemed to remain the holder of such share until the

name of the transferee is entered in the Register in respect thereof. Each signature to such transfer deed shall be duly attested by the signature of one credible witness who shall add his name and address.

Company not to Register Transfer of Less Than Such Number of Shares as May be Fixed

42. The Company may not accept application for transfer of less than such number of shares as may, in consultation with the stock exchange/s on which the shares of the Company are listed, be fixed, provided, however, the said prohibition shall not apply to:

    a. The transfer of equity shares made in pursuance of a statutory provision or an order of a court of Law;

    b. The transfer of the entire equity shares by the existing equity shareholder of the Company by a single transfer to single or joint names;

    c. The transfer of more shares than the minimum prescribed in the aggregate in favour of same transferee under two or more transfer deeds, out of which one or more relates to the transfer of less than the minimum prescribed.

Form of Transfer

43. Every instrument of transfer of shares shall be in the form prescribed under Act or the Rules made there under and shall be in accordance with the provisions of Section 108 of the Act.

Directors may Refuse to Register Transfer

44. Subject to the provision of Section 111A, these Articles or other applicable provisions of the Act or any other Law, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by, operation of Law of the right to any shares or interest of the Member in debentures of the Company. The Company shall within one month from the date on which the instrument of transfer or the intimation of such transmission as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor giving reasons for such refusal.

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

No Transfer to Minor etc.

45. No transfer shall be registered in favour of a person of unsound mind and no transfer of partly paid shares shall be registered in favour of a minor.

Instrument of Transfer to be Deposited at Office

46. Every instrument of transfer shall be deposited at the Office of Company for registration, accompanied by the documents and evidence as required under these Articles.

Power to Close Register of Members

47. On 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 situated, subject to the provisions of Section 154 of the Act, registration of transfer may be closed

or suspended during such time and for such periods not exceeding in the aggregate forty five days in each year, but not exceeding thirty days at any one time as the Board may, from time to time, determine.

Persons Entitled to Shares by Transmission

48. In case of the death of a Member, the survivor, where the deceased was a joint holder, and his legal representative, executor or administrator where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons. The Board may require any persons becoming entitled to shares in consequence of death of any Member to obtain a Grant of Probate or Letter of Administration or other legal representation, as the case may be, from a competent court, provided it shall be lawful for the Board in its absolute discretion to dispense with the production of probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise as the Board may think fit, without in any case being bound to do so. The powers and discretions of the Board under these Articles may be delegated and exercised by a Committee of Directors or an officer of the Company duly authorised in this regard. Provided that no fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate if death or marriage, power of attorney or similar other document.

Transfer of Shares of Insane, Infant, Deceased or Bankrupt Members

49. Any committee or guardian of a person of unsound mind or minor or any person becoming entitled to the transfer of a share in consequence to the death or bankruptcy or insolvency of any Member or by any other lawful means, upon producing such evidence that he sustains the character in respect or which he proposed to act under this Article or his title as the Board thinks sufficient, may subject to the right of the Board to decline registration under Article 43 of these Articles, elect, either;

    i. To be registered himself as a holder of the shares, or

    ii. To make such transfer of the shares as the deceased or the insolvent Member could have made.

Rights of Persons Entitled to Shares by Reason of Death Etc.

50. The Board may, subject to the provisions of the Act, retain the dividends payable upon a share to which any person become entitled under Article 48 of these Articles, until such person or his transferee shall become a Member in respect of such shares.

Election Under the Transmission Article

51. 1. If the person so becoming entitled under Article 48 elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

    2. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing an instrument of transfer of the share.

    3. All the limitations, restrictions and provisions of these Articles relating to the right of transfer and registration of instruments of transfer of shares shall be applicable

to any such notice or transfer as aforesaid as if the death, lunacy, bankruptcy or insolvency of the Member or transmission or devolution of his share by any other lawful means had not occurred and the notice of transfer was a transfer signed by that Member.

Board May Require Evidence of Transmission

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

Right of Person Entitled to Shares under the Transmission Article

53. A person so becoming entitled under the Transmission Article to a share by reason of the death, lunacy, bankruptcy or insolvency of the holder thereof or by any other lawful means shall, subject to the provisions of these Articles be entitled to the same Dividends and other advantages to which he would be entitled as if he were the registered holder of the share except that no such person shall, before being registered as a Member in respect of the share, be entitled to exercise in respect thereof any right conferred by Membership in relation to meetings of the Company. Provided that the board may at any time give notice requiring any such person to elect either to be registered himself as a Member in respect of such share or elect to have some person nominated by him registered as a Member in respect of such share subject to the right of the Board to decline registration under Article 44 of these Article and, if such notice is not complied with within ninety days, the Board may thereafter with hold payment of all Dividends, bonuses or other moneys payable in respect of the share, until the requirements of the notice have been complied with.

The Company not Liable for disregarding of a Notice Prohibiting Registration of Transfer

54. Neither the Company nor any of its Directors or other officers shall incur any liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of a share made or purporting to be made by any apparent or 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 such share, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered any such notice or referred thereto in any book or record of the Company, and the Company shall not be bound or required to regard to attend or give effect to any such notice nor be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book or record of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Board shall so think fit.

Transfer of Debentures

55. The provisions of these Articles shall *mutatis mutandis* apply to the transfer or transmission by operation of law on debentures or other securities of the Company.

Joint Holders

56. Where two or more persons are registered as the holder of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, but so that;

    a. The Company shall be entitled to decline to Register more than three persons as joint holders of any share, and

    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 share.

Receipts of One Sufficient

57. Any one of the joint-holders of a share may give effectual receipts for any Dividends or other moneys payable in respect of such share or bonus share.

Delivery of Certificate Giving a Notice to First named Holders

58. 1. Only the person whose name stands first in the Register of Member as one and of the joint-holders of any share shall unless otherwise directed in writing by all joint holders and confirmed in writing by the Company be entitled to delivery of the certificate relating to such share or to receive notices (which expression shall be deemed to include all documents) from the Company and any notice given to or served on such person shall be deemed as a notice or service to all the joint-holders.

    2. Subject to the provisions of these Articles, the person first named in the Register as one of the joint-holders shall be deemed as a sole holder thereof for all the matters connected with the Company.

Voting Rights to first Named Holder

59. Any one of the joint-holders of a share may vote at any meeting personally or by proxy as if he were a sole holder thereof provided that if more than one joint-holder of the share is present personally or by proxy then such of them whose name stands higher in the Register in respect of such share shall alone by entitled to vote in respect thereof.

Nomination

59A. Notwithstanding anything containing in these Articles or in any other Law for the time being in force, a holder or joint holders of shares or debentures, may nominate, in accordance with the provisions of section 109 A of the Companies Act, 1956, and in the manner prescribed there under, a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of such holder(s). Any nominations so made shall be dealt with by the Company in accordance with the provisions of section 109 B of the Companies Act, 1956.

BORROWING POWERS

Power to Borrow

60. The Board may, from time to time, and at its discretion, subject to the provisions of Section 58A, 292, 293 and 370 of the Act and of these Articles, accept deposits from Members

either in advance of calls or otherwise and generally raise or borrow moneys, either from the Directors, their friends and relatives or from others for the purposes of the Company and or secure the payment of any such sum or sums of money, provided however, where the moneys to be borrowed together with the moneys already borrowed (apart from the temporary loans obtained from the Company's bankers in ordinary course of business) and remaining outstanding and un-discharged at that time exceed the aggregate, for the time being of the paid up Capital of the Company and its free reserves, that is to say, reserves, not set apart for any specific purposes the Board shall not borrow such money without the consent of the Company in General Meeting by an ordinary resolution. The Board may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and in particular by receiving deposits, issue of bonds, debentures perpetual, redeemable, debenture stock, or any security of the Company or by mortgage or charge or other security upon all or any part of the property or undertaking of the company (both present and future), including its uncalled Capital for the time being; provided that the Board shall not give any option or right to any person for making calls on the shareholders of the Company in respect of the amount unpaid for the time being on the shares held by them, without the previous sanction of the Company in General Meeting.

Issue at Discount etc. or Special Privileges

61. Subject to the provisions of the Act, and these Articles, any debentures, debenture stock, bond or other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, drawings, attendance at General Meeting of the Company, allotment of share, appointment of Directors and otherwise, Debentures, debenture stock, bond and other securities may be made assignable, free from any equities between the Company and the person to whom the same may be issued.

    Provided that debenture/debenture stock, loan/loans stock with the right of conversion into equity shares, shall not be issued except with the sanction of the Company in General Meeting.

Indemnity May be Given

62. Subject to the provisions of the Act, if the Directors or any of them or any other person shall incur or about to incur any liability or become personally liable, whether as principal or as surety, for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

GENERAL MEETING

Annual General Meeting

63. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings other than Annual General Meeting of the Company shall be called "Extraordinary General Meetings". An Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of the next. Nothing contained in the

foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for a time during business hours, on a day that is not a public holiday, and shall be held at the Office of the Company or at some other place within the city in which the Registered Office of the Company is situated as the Board may determine and the notices calling the meeting shall specify it as the Annual General Meeting. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meetings. Every Member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Directors' Report and Audited Statement of Account's, Auditors report (if not already incorporated in the Audited Statement of Accounts), the Proxy Register with proxies and the Register of Directors' Shareholdings which latter Register shall remain open and accessible during the continuance of the meeting. The Board shall cause to be prepared the annual list of Members, Summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with the provisions of the Act. If for any reason beyond the control of the Board the General Meeting (including an Annual General Meeting) cannot be held on the appointed day, the Board shall have the power to postpone the General Meeting of which a notice should be given to the Members through advertisement in at least two newspapers, of which one should be on the language of the region in which the Registered Office of the Company is situated.

Extra-Ordinary General Meeting

64. The Board may whenever it thinks fit, and shall on the requisition of the Members in accordance with the provisions of Section 169 of the Act, proceed to call an Extra-Ordinary General Meeting of the Company. Provided that unless the Board refuses in writing to permit the requisitionists to hold the said meeting at the Office, it shall be held at the Office.

PROCEEDINGS OF GENERAL MEETING

Twenty-one days' notice of meeting to be given

65. At least twenty-one days' notice of every General Meeting, Annual or Extraordinary, and by whomsoever called specifying the day, place and hour of the General Meeting, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company. Provided that in the case of an Annual General Meeting with the consent in writing of all the Members entitled to vote thereat and in case of any other meeting, with the consent of Members holding not less than 95 per cent of such part of the paid-up share Capital of the Company as gives a right to vote at the meeting, a meeting may be convened by a shorter notice. In the case of an Annual General Meeting, if any business other than (1) the consideration of the Accounts, Balance Sheets and Reports of the Board of Directors and Auditors, (2) the declaration of Dividend, (3) the appointment of Directors in place of those retiring, (4) the appointment of, and fixing of the remuneration of the Auditors, is to be transacted, and in the case of any other meeting in any event 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 of the concern or interest, if any, therein of every Director and the manager (if any). Where any such items or special business relates to, or affects any other company, the extent of share holding interest in the other company, and the extent of share holding interest in the other company of every Director and the manager, if any of the company shall also be set out in the statement if the extent of such share holding interest is not less than 2% (Two percent) of the paid up share Capital of that other company. Where any item of business consists of the according of approval to any documents by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

Notice of Business to be Given

66. The ordinary business of the Annual General Meeting shall be to receive and consider the Profit and Loss Account, the Balance Sheet and the reports of the Directors and of the Auditors, to elect Directors in place of those retiring by rotation, to appoint Auditors and to fix their remuneration and to declare Dividends. All other business transacted at General Meeting shall be deemed as Special Business. No General Meeting, Annual or Extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.

Quorum to be Present When Business Commenced

67. 1. No business shall be transacted at General Meeting unless quorum is present at the time of the commencement of the business. Save as herein otherwise provided, at least five members present in person shall constitute a quorum.

    2. If within half an hour from the time appointed for holding the meeting quorum shall not be present, the meeting, if convened by or upon the requisition of Members shall stand dissolved, but in any other case, the meeting shall stand adjourned, in accordance with the provisions of sub-sections (3), (4) and (5) of Section 174 of the Act.

Resolution Passed

68. Any act or resolution, which under these Articles or the Act is permitted or required to be done or passed by the Company in General Meeting, shall be done or passed by an ordinary resolution as defined in Section 189(1) of the Act, unless either the Act or these Articles specifically require such act to be done or resolution to be passed as a special resolution as defined in Section 189 (2) of the Act.

Chairman of the General Meeting

69. 1. The chairman of the Board shall preside as chairman at every General Meeting of the Company. In the absence of the chairman of the Board, the vice-chairman of the Board or if at a meeting, the chairman/vice chairman of the Board is not present within fifteen minutes after the time appointed for holding such meeting or is unwilling to act as chairman of the meeting, the Directors present shall elect one of their Members to be the Chairman of the meeting and if no Director be present, or if all the Directors present decline to take the chair, then the Members present shall elect one of their Members, being a Member entitled to vote, to be the chairman of such meeting.

Business Confined to Election of Chairman Whilst Chair Vacant

2. No business shall be discussed at any General Meeting before the election of the chairman, whilst the chair is vacant.

Chairman with Consent may Adjourn Meeting

70. 1. The Chairman may, with the consent of the General Meeting and shall, if so directed by the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

2. When meetings are adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting and save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Votes by Show of Hands

71. 1. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the voting on a show of hands) demanded by at least five Members having the right to vote on the resolution and present in person or by proxy, or by the chairman of the meeting or by any Member or Members holding not less than one-tenth of the total voting power in respect of the resolution or by any Member or members present in person or by proxy and holding shares in the Company conferring a right to vote on the resolution being shares on which an aggregate sum has been paid-up which is not less than one-tenth of the total sum paid-up on all the Shares conferring that right.

2. A declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the minutes shall be conclusive evidence of the fact without further proof.

3. Any business other than upon which a poll has been demanded may be proceeded with pending the taking of a poll.

Votes of Members

72. 1. On a show of hands, every Member present in person and being a holder of equity shares shall have one vote and every person present as a duly authorised representative of a body corporate being a holder of an equity share shall, if he is not entitled to vote in his own right, have one vote.

2. On a poll, the voting rights of a holder of an equity share shall be as provided in Section 87 of the Act.

POSTAL BALLOT

Passing of Resolution by Postal Ballot

73. Notwithstanding anything contained in the Articles of Association of the Company, the Company do adopt the mode of passing the resolution by the members of the Company by means of a Postal Ballot (including voting by "Electronic mode") and/or other ways as

may be prescribed by the Central Government in this behalf in respect of the following matters instead of transacting such business in a General Meeting of the Company:

i) Any business that can be transacted by the Company in General Meeting; and

ii) Particularly, resolutions relating to such business as the Central Government, may by notification, declare to be conducted only by Postal ballot.

The Company shall comply with the procedure for such Postal Ballot and/or other ways prescribed by the Central Government in this regard from time to time.

Representation of Corporation

74. A company or a body corporate which is a member of the Company (hereinafter called "Member Company") may vote by proxy or by representative duly appointed in accordance with Section 187 of the Act. A person duly appointed to represent the Member Company at any meeting of the Company or at any meeting of any class of Members of the Company, shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the Member Company which he represents as that Member Company could exercise if it were an individual Member.

Vote in Respect of deceased and Insolvent Members

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

Votes by Joint Executors Etc.

76. Where there are several executors or administrators of a deceased Member in whose sole name any share is registered, any one of such executors or administrators may vote in respect of such share unless any other of such executors or administrators is present at the meeting at which such a vote is tendered and objects to the vote. In such case, the provisions relating to votes of joint-holders contained in Article 56 of these Articles shall apply.

When Vote by Proxy Valid though Authority Revoked

77. A vote given in accordance with the terms of an instrument, a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument, or transfer of the share in respect of which the vote is given, provided no intimation in writing shall have been received by the Company at the Office before the vote is given provided, nevertheless that the chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.

Forms of Proxy

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

Custody of the Instrument

79. If any such instrument of appointment be confined to the object of appointing an attorney or proxy, it shall remain permanently, or for such time as the Board may determine, in the custody of the Company, if embracing other objects, a copy thereof accompanied with the original, shall be delivered to the Company to remain in their custody.

Objections as to Qualifications of Votes

80. No objection shall be raised as to qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote disallowed at such meeting shall be valid for all purposes. Any such objection or objection as to the admission or rejection of a vote, either on a show of hands, or on a poll made in due time, shall be referred to the chairman of the meeting who shall forthwith decide the same and such decision shall be final and conclusive.

MINUTES OF MEETING

Minutes of General Meeting and inspection thereof by Members

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

(2) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that chairman within that period, by a Director duly authorised by the Board for that purpose.

(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 meeting aforesaid shall be included in the minutes of the meeting.

(6) Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the chairman of the meeting (a) is or could reasonably be regarded as defamatory of any person, or (b) is irrelevant or immaterial to the proceedings, or (c) is detrimental to the interests of the Company. The chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.

(7) Any such minutes shall be evidence of the proceedings recorded therein.

(8) The book containing minutes of proceedings of General Meetings shall be kept at the Office of the Company and shall be open during business hours, for such periods not being less in the aggregate than two hours in each day as the Directors determine, to the inspection of any member without charge.

DIRECTORS

Numbers of Directors

82. The Board of Directors shall consist of not less than three Directors and not more than twelve Directors, or such higher number not exceeding fifteen as may be approved by the Central Government. The following persons shall be the first directors of the company.

    1. Mr. Deepak Seth 2. Mrs. Payel Seth 3. Mr. Pallak Seth

Non-Rotational Directors

83. Subject to the provisions of section 255, 256 and 268 of the Act, not more than 1/3rd of the total strength of the Board of Directors shall be Directors not liable to retire by rotation at the Annual General Meeting of the Company and they shall be termed as Non-rotational Directors.

Appointment of Nominee Director/s

84. Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any All India Financial Institution or any State Financial Institution (hereinafter in these Articles referred to as the "Corporation") out of any loans, debenture assistance granted by the Corporation to the Company or so long as the Corporation holds or continues to hold debenture/shares in the Company as a result of underwriting or by direct subscription or subscription by private placement or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint, from time to time, any persons or persons as a Director, non-whole-time, or whole-time in the event of default, as specified in any agreements/contracts/deeds/documents entered into between the Corporation and the Company or executed by the Company in favour of the Corporation (which director or directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons, so appointed, and to appoint any person or persons in his or their place/s.

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

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

    The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board meetings and the meetings of the committee,

of which the Nominee Director/s is/are Members, as also the minutes of such meeting. The Corporation shall also be entitled to receive all such notices and minutes.

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

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

In case the Nominee Director appointed by the Corporation is a whole-time director, such Nominee Director shall exercise such power and duties, as may be approved by the Corporation and have such rights, as are usually exercised or available to a whole-time Director in the management of the affairs of the Company. Such Nominee Director shall be entitled to receive such remuneration, fees commission and moneys, as may be approved by the Corporation and the Central Government.

Appointment of Alternate Director

85. Subject to Section 313 of the Act, the Board of the Company may appoint an Alternate Director to act for one or more Directors (hereinafter called the "Original Director/s") during his/their absence for a period of not less than three months from the Union Territory of Delhi and such appointment shall have effect and such appointee, whilst he holds office as an Alternate Director, shall be entitled to notice of meetings of the Board and attend and vote there at accordingly. An Alternate Director/s appointed under this Article shall vacate office if and when the Original Director/s return/s to the Union Territory of Delhi. If the term of the office of the Original Director/s is determined before he/they so return/s to the Union Territory of Delhi, any provision in the Act or in these Articles for the automatic reappointment of Retiring Directors in default of another appointment shall apply to the Original Director/s and not to the Alternate Director. Provided always that no person shall be appointed by the Board as an Alternate Director who shall not have been previously approved in writing by the Original Director/s.

Appointment of Additional Director

86. Subject to the provisions of Section 260 and other applicable provisions (if any) of the Act, the Board shall have power at any time and from time to time, to appoint a person as an Additional Director but so that the total number of Directors shall not at any time exceed the maximum number fixed by these Articles. The additional Director so appointed shall retire from office at the next following Annual General Meeting but shall be eligible for election by the Company at that meeting as a Director.

Qualification of Directors

87. A Director shall not be required to hold any qualification share.

Remuneration of Directors

88. 1. Subject to the provisions of the Section 198, 309 and 310 of the Act the remuneration of the Directors of the Company shall be as determined by the Company in a General Meeting from time to time.

2. Each Director may be paid out of funds of the Company by way of remuneration for his services a sum not exceeding such sum of money as may be decided by the Board from time to time subject to the limits as may be prescribed by the Central Government from time to time, for each meeting of the Board or of a Committee thereof which he will attend.

3. The Directors shall also be entitled to payment of traveling allowance for attending and returning from meeting of the Board or any committee thereof or General Meetings of the Company or for any journeys performed in connection with the business of the Company at the following scale viz.:

a. Where the journey is performed by air, 1-1/4 of the plane fare.

b. Where the journey is performed by rail, 1-1/3rd of the fare by air conditioned coach or first class as the case may be.

c. Where the journey is performed by road, actual expenses.

4. In addition to the above, the Directors shall be entitled to reimbursement of all reasonable hotel and other expenses, as may be determined by the Board form time to time, incurred in attending the meeting of the Board or any committee thereof, or any other business of the Company.

Special Remuneration of Directors Performing Extra Service

89. If any director, being willing, shall be called upon to perform extra services or entrusted with any extra work or to make any special exertions for any of the purposes of the Company or in giving special attention to the business of the Company as member of a committee of Directors or otherwise, such Director may be remunerated in such manner as may be determined, subject to the provisions of Section 309 and 314 of the Act.

Expenses Incurred by a Director for Going out on Company's Work

90. If any director be called upon to go or reside out of Delhi on the company's business and if any director who has a usual place of residence outside Delhi is called upon to come to Delhi for Company's business or if such Director is required to go to any other place from his usual place of residence, he shall be entitled to be paid any traveling or other expenses incurred in connection with the business of the Company.

Directors May Act Notwithstanding Vacancy

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

2. All acts done by any meeting of the Board or of a committee thereof by any person acting as a Director, shall not withstanding that it may be afterwards discovered

that there was some defect in the appointment of anyone or more of such Directors or of any persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director.

Chairman and Vice Chairman

92. Subject to the provisions of the Act, the Board of Directors shall appoint a Chairman and a vice-chairman of the Board. In the absence of chairman, the vice-chairman shall act as a chairman. If no such chairman/vice-chairman is appointed, or if at any meeting, the chairman and vice-chairman are not present within five minutes after the time appointed for holding the meeting or in the absence of chairman, vice-chairman present declines to act as a chairman, the directors present may choose one of their members to be the chairman of such meeting.

Managing Directors

93. The Board may, from time to time, appoint one or more of them to be managing director or managing directors of the Company, and may, from time to time, remove or dismiss him from office, and appoint another in his place but his appointment shall be subject to determination ipso facto if he ceases from any cause to be a Director of the company.

The Board may, from time to time, entrust to and confer upon a managing director for the time being, such of the powers exercisable under these presents by the directors as it may think fit, and may confer such powers from such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions, as it thinks expedient, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

The remuneration of managing director shall be such as may from time to time be fixed by the Board subject to the provisions of Section 309 of the Act.

PROCEEDINGS OF THE BOARD OF DIRECTORS

Meeting of Directors

94. The Directors may meet together as a Board for despatch of business from time to time and shall so meet at least once in every three calendar months, and the Board may adjourn and otherwise regulate its meetings and proceedings as it may think fit.

Quorum

95. Subject to Section 287 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength (excluding directors, if any, whose places may be vacant at the title and any fraction contained in the One-third being rounded off as one), or two directors, whichever is higher, provided that where at any time the number of interested Directors exceeds or is equal to two-third of the total strength, the number of Directors who are not interested, and are present at the meeting, being not less than two, shall be the quorum for such time.

Adjournment of Meeting for Want of Quorum

96. If at a meeting of the Board, a quorum is not present then the meeting shall stand adjourned to such day, time and place as the chairman and in his absence, the vice-chairman and failing both of them the director or Directors present at the meeting may fix.

When Meeting to be Convened

97. A director may, and the Manager or Secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

Question at Board Meeting How Decided

98. Questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

Board May Appoint Committee

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

Meeting of the Committee, How to be Governed

100. The meeting and proceedings of any such committee of the Board shall be governed by the provisions herein contained for regulating the meeting and proceedings of the Board so far as the same are applicable thereto and are not superseded by any regulations made by the Board under these Articles.

Resolution by Circulation

101. 1. Subject to the provisions of the Sections 289, 292 and 297 of the Act, a resolution passed by circulation, without a meeting of the Board or a committee of the Board shall be as valid and effectual as a resolution duly passed at a meeting of the Board or a Committee thereof duly called and held.

2. A resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, if the resolution has been circulated in draft together with the necessary papers, if any, to all the directors or to all the Members of the Committee at their respective addresses registered with the Company and has been approved by a majority of directors or members of the committee as are entitled to vote on resolution.

Minutes of Proceedings of Meetings of the Board and Committee

102. (1) The Company shall cause minutes of all proceedings of every meeting of the Board and committee thereof be kept by making within thirty days of the conclusion of every such meeting entries thereof in books kept for the purpose with their pages consecutively numbered.

(2) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of every meeting in such book shall be dated and signed by the chairman of the next succeeding meeting.

(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 meetings.

(6) The minutes shall also contain:

(a) The name 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 sub-clause (1) to (6) shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting:-

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

(ii) is irrelevant or immaterial to the proceedings; or

(iii) is detrimental to the interests of the Company.

The chairman shall exercise an absolute discretion in regard to the inclusion of any matter in the minutes on the grounds specified in the sub-clauses.

(8) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of proceedings recorded therein.

POWERS OF DIRECTORS

Powers of Directors

103. Subject to the provisions of the Act, the Board shall be entitled to exercise all such powers of the company and do all such acts and things as the Company is authorised to exercise or do and as are not, by the Act, or any other statute or by the Memorandum or Articles of Association of the company required or directed to be exercised or done by the Company in General Meeting, subject nevertheless to these Articles, the Act, or any other statute and to such regulations, not inconsistent therewith including regulations made by the Company in General Meeting, but no regulation made by the company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

Certain Powers of the Board

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

Donations etc.

a. Subject to Section 293 of the Act to pay donations to any individuals or institutions or contribute to any charitable, religious, benevolent, national, political, public or general and other funds not directly relating to the business of the company or the welfare of its employees, any sums the aggregate of which will, in any financial year, not exceed Rs. 50,000 (fifty thousand rupees) or 5% (five percent) of the average net profits of the company during the three financial years immediately preceding, whichever is greater, and may, with the consent of the Company in General Meeting, contribute any sums in excess of such limits.

b. To authorise or empower any director or Managing director or Secretary or any other officer of the company either by name, in virtue of office or otherwise or any other person or persons, either singly or jointly to exercise or perform all or any of the powers, including the power to sub-delegate authorities and duties conferred or imposed on the Board by way of these Articles subject to such restriction and conditions, if any, and either generally or in specific cases as the Board may think proper.

Appointment of Officers etc.

c. To appoint and at their discretion, remove or suspend such officers, by whatever designation called managers, engineers, experts, legal advisers, solicitors, clerks, agents, salesmen, workmen and other servants or professionals, for permanent, temporary or special services, as the Board may form time to time think fit and determine their duties, fix their salaries, emoluments and delegate to or confer upon them such powers, including the power to sub-delegate authorities and discretions as the Board may think fit.

Welfare of Employees

d. To provide for the welfare of employees or ex-employees or directors or ex-directors of the company and the wives, widows and families of the dependant or connections of such persons, by building or contributing to the building of houses, dwelling or by grants of moneys, pension gratuities, allowances, bonuses or other payment; or by creating and from time to time subscribing or contributing to provident fund and other funds, associations, institutions or trust and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance, as the Board shall think fit.

SECRETARY

Board May Appoint Secretary

105. Subject to Section 383A of the Act the Board may from time to time appoint, and at its discretion subject to applicable provisions of the Act, if any, remove any person as the Secretary of the company ("Secretary") to perform such duties and functions, which by the Act or otherwise are to be performed by the Secretary of the Company, and to execute any other duties and functions, which may from time to time, be assigned to the Secretary by the Board. A director may be appointed as Secretary provided that any provision of the Act or these presence requiring or authorising a thing to be done by or to

a Director and the Secretary shall not be satisfied by its being done or to the same person acting both as director and as, or in place of, the Secretary.

THE SEAL

The Seal in Custody and Use

106. The Board shall provide for a Common seal for the purposes of the Company, and shall have power from time to time, to destroy the same and substitute a new seal in lieu thereof, and the Board shall provide for the safe custody of the seal for the time being and the seal shall never be used except by the authority of the Board or a Committee of the Board previously given.

Deeds How Executed

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

DIVIDENDS AND RESERVES

Division of Profits

108. The profits of the company, subject to any special rights relating thereto created or authorised to be created by these Articles and subject to the provisions of these Articles, shall be divisible among the Members in proportion to the amount of Capital paid up on the share held by them respectively. Provided always that subject as aforesaid any Capital paid up on a share during the period in respect of which a Dividend is declared shall unless the Board otherwise determine, only entitle the holder of such share to a proportionate amount of such Dividend as from the date of payment.

Dividend to Registered Shareholder Only

109. 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.

Reserves

110. 1. The Board may, before recommending any Dividend, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalising Dividends and pending such application, may at the like discretion, either be employed in the business of the company or be invested in such investment, other than shares of the Company as the Board may, from time to time think fit.

2. The Board may also carry forward any profits which it may think prudent not to divide, without setting them aside as a reserve.

Notice of Dividend

111. Notice of any Dividend that may have been declared shall be given to the persons entitled to share therein the manner mentioned in the Act and these Articles.

Dividend Not to Bear Interest

112. No Dividend shall bear interest against the Company. In case of unclaimed Dividend, the company shall comply with the provisions of Section 205(A) of the Companies Act 1956, provided that no unclaimed or unpaid Dividend shall be forfeited by the Board.

Loss of Dividend Warrants etc.

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

Declaration of Dividend

114. The Company in General Meeting may declare a Dividend to be paid to the Members according to their respective rights and interest in the profits and may, subject to the provisions of Section 207 of the Act, fix the time for payment.

114A. "Dividend" includes any Interim Dividend declared by the Board and all the provisions of the Companies Act, 1956 for the time being in force including any statutory modifications, amendments or re - enactment of the Act, shall, as far as may be, also apply to any interim dividend.

Restrictions on Amount of Dividend

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

Declarations of Interim Dividends

116. The Board may, from time to time, pay to the Members such interim Dividends as appear to the Board to be justified by the financial position of the Company.

Dividend to be Paid in Cash Only

117. Subject to the provisions of the Act and these Articles, no Dividend shall be payable except in cash. Provided that nothing in this Article shall be deemed to prohibit the capitalisation of profits or reserves of the Company for the purposes of issuing fully paid up Bonus Shares or paying up any amount for the time being unpaid on any shares held by the Members of the Company.

Dividend How Remitted

118. Dividend may be paid by cheques or warrant or by a pay-slip or receipt having the force of a cheque or warrant sent through the post to the registered address of the 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 or in case of registered shareholder having registered address outside India by telegraphic transfer to such bank as may be designated from time to time by such Members. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible

for any cheque or warrant or pay-slip or receipt 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 forged signature on any pay-slip or receipt or the fraudulent recovery of the Dividend by any other person by any means whatsoever.

Adjustment of Dividend due

119. Any Dividend due from the company to a Member, may, without the consent of such Member, be applied by the Company in or towards payment of any money due from him to the Company for calls.

Dividends only to be paid out of profits

120. No Dividend shall be declared or paid otherwise by the Company for any financial year out of the profit for that year arrived at after providing for depreciation in accordance with the provisions of the Act except after the transfer to the reserves of the Company of such percentage of its profits for that year as may be prescribed or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both provided that:

(a) if the Company has not provided for depreciation for any previous financial year or years shall before declaring or paying a Dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years;

(b) if the Company has incurred any loss in any previous financial year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less shall be set off against the profits of the Company for the years for which the Dividend is provided to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-Section (2) of Section 205 of the Act or against both.

CAPITALISATION

Capitalisation

121. 1. Any General Meeting may, upon the recommendation of the Board, resolve that any moneys standing to the credit of the share premium account or Capital redemption reserve account or any moneys, investments or others assets forming part of the undivided profits of the Company (including profits or surplus money realised on sale of capital assets of the Company) standing to the credit fund or reserve of the Company or in the hands of the Company and available for Dividend to be capitalised and distributed.

a. By the issue and distribution, among the holders of the shares of the Company or any of them on the footing that they become entitled there to as Capital in accordance with their respective rights and interest and in proportion to the amount paid or credited as paid thereon of paid up shares, bonds or other obligations of the Company; or

b. 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 same remaining unpaid thereon.

2. The Board shall give effect to such resolution and apply such portion of the profits or Reserve Fund or any other funds as may be required for the purposes of making payments in full or in part for the shares, of the Company so distributed or (as the case may be) for 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 Board and if so recommended, such distribution and payment shall be accepted by such shareholders in full satisfaction of their interest in the paid capitalised sum.

3. For the purpose of giving effect to any such resolution, the Board may settle any difficulty which may arise in regard to the distribution or payment as afore-said as they think expedient and in particular they may issue fractional certificates and generally may make such arrangements for the acceptance, allotment and sale of such shares, bonds or otherwise as they may think fit, and may make cash payment to any holders of shares, on the footing of the value so fixed in order to adjust rights and may vest any shares, bonds or other obligations in trustees upon such trust for adjusting such rights as may seem expedient to the Board.

4. In cases where some of the shares of the Company are fully paid and other 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 whole or part of the unpaid liability thereon but so that as between the holders of the fully paid shares and partly paid, the sum 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.

5. Where deemed requisite, a proper contract shall be filed in accordance with Section 75 of the Act, and the Board may appoint any person to sign such contract on behalf of the person entitled to the Dividend or capitalised fund, such appointment shall be effective.

Distribution of the Realisation of Capital Assets etc.

122. A General Meeting may resolve that any surplus money arising from the realisation of any Capital assets of the Company or any investments represents the same or any other undistributed profits of the Company be distributed amongst the Members on the footing that they receive the same as Capital.

ANNUAL RETURN

Annual Return

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

INSPECTION OF REGISTERS

Inspection by Members

124. 1. The Board shall, from time to time, determine where 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.

2. No Member, not being a Director, shall have any right of inspecting any accounts or books or documents of the Company except as conferred by Law or authorised by the Board or by the Company in General Meeting.

ACCOUNTS

Directors to keep true Accounts

125. (1) The Company shall keep at the Office or at such other place in India as the Board thinks fit proper books of accounts in accordance with the Act with respect to:

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

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

(c) the assets and liabilities of the Company.

(2) Where the Board decides to keep all or any of the books of account at any place other than the Office of the Company, the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.

(3) The Company shall preserve in good order the books of account relating to a period of not less than eight years preceding the current year together with the vouchers relevant to any entry in such books of account.

(4) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have compiled with this Article if proper books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarised returns, made up to date at intervals of not more than three months, are sent by the branch office to the Company at its Office or other place in India, at which the Company's Books of Accounts are kept as aforesaid.

(5) The books of accounts shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain its transactions. The books of account and other books and papers shall be open to inspection by any Director during business hours.

As to inspection of accounts or books by Members

126. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors, and no Member (not being a Director) shall have any right of inspecting any

account or books or documents of the Company except as conferred by Law or authorised by the Board.

Statement of accounts to be furnished to General Meeting

127. The Directors shall from time to time in accordance with the provisions of the Act cause to be prepared and to be laid before the Company in General Meeting such Balance Sheets, Profit and Loss Accounts and Reports as are required under the Act.

Directors to amend the audited accounts which have been laid before the Company in General Meeting

128. The Directors shall, if they considered it to the necessary in the interest of the Company, be entitled to amend the audited accounts of the Company, of any financial year which have been laid before the Company in a General Meeting. The amendments to the Accounts effected by the Directors in pursuance of this Article shall be placed before the members in General Meeting for their consideration and approval.

Copies shall be sent to each Member

129. A copy of every such Profit and Loss Account and Balance Sheet (including the Auditors' Report and every other document required by Law to be annexed or attached to the Balance Sheet), shall at least twenty-one days before the meeting at which the same are to be laid before the Members, be sent to the Members of the Company or to holders of debentures issued by the Company (not being debentures which ex-facie are payable to the bearer thereof), to trustees for the holders of such debentures and to all persons entitled to receive notice of General Meeting of the Company.

AUDIT

Audit

130. Once at least in every year the books of accounts of the Company shall be examined by one or more Auditor or Auditors.

Appointment of Auditors

131. The Company at each Annual General Meeting shall appoint an Auditor or Auditors to hold office until the conclusion of next Annual General Meeting and their appointment, remuneration, rights and duties shall be regulated by the provisions of the Act.

Branch audit

132. Where the Company has a branch office, the provisions of Section 228 of the Act shall apply.

Auditor's report to be read

133. The Auditor's Report shall be read before the Company in Annual General Meeting and shall be open to inspection by any member of the Company.

Audited and approved Balance Sheet and Profit and Loss Account to be conclusive evidence.

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

NOTICES AND DOCUMENTS

Right of Auditor to Attend General Meeting

135. All notices of and other communications relating to any General Meeting of the Company or adjourned meeting as the case may be which any Member of the Company or any other person entitled to have sent to him shall also be forwarded to the Auditors of the Company; and each of the Auditors shall be entitled to attend any General Meeting and to be heard at any part of the business which concerns him as Auditor.

Services of Notices on Company

136. A notice may be served on the Company or an officer thereof by delivering it at its Registered Office or by sending it to the Company or officer at the Registered Office of the Company by Registered post or cable confirmed by registered post. The term notice in these Articles shall include summons, notice, requisition, order or legal process and any document in relation to or in the winding up on the Company.

Service of Notice on Members by Company

137. 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, or if he has no registered address in India to the address, if any, within India supplied by him to the Company for giving notice to him.

Persons Entitled to Notice of General Meeting

138. Notice of every General Meeting shall in addition to the Members and Auditors of the Company in accordance with the provisions of the Act, be given to Directors of the Company.

Omission of Notice Not to Invalidate Proceedings

139. Any accidental omission to give notice to, or the non-receipt of notice by any Members or other person to whom it should be given shall not invalidate the proceedings at the meeting.

Service of Documents by Advertisement

140. A document advertised in a newspaper circulating in the neighbourhood of the Registered Office of the Company shall be deemed to be fully served on the day on which the advertisement appears, on every Member of the Company who has no registered address in India or has not supplied to the Company an address within India notice to him.

    Where a document is sent by post, service thereof shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document and to have been effected in the case of a notice of a meeting at the expiration of 48 hours after the letter containing the same is posted and in any other case, the time at which letter would be delivered in the ordinary course of post.

Service of Document on Legal Representatives

141. A document may be served by the Company 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 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 the same might have been served if the death or insolvency had not occurred.

Document of Notice by Company and Signature thereto

142. Any document or notice to be served or given by the Company may be signed by a Director or Secretary or some person duly authorised by the Board of Directors for such purposes and the signature there to may be written, printed or lithographed or stamped.

Authentication of Documents and Proceedings

143. Save as otherwise expressly provided in the Act, or in these Articles a document or proceeding requiring authentication by the Company may be signed by a Director, chief executive officer, the manager, the Secretary or a duly authorised officer of the Company and need not be under its Common Seal.

Transferee etc. Bound by Prior Notices

144. Every person who by operation of Law, transfer or other means whatsoever become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered on the Register has been duly given to the person from whom he derives his title to such share.

Notice Valid though Member Deceased

145. Subject to the provisions of Articles therein mentioned, any notice or document delivered or sent by post to or left at the registered address of any Member in pursuance of these Articles shall, notwithstanding such Member be then deceased and whether or not Company has notice of his demise, be deemed to have been duly served, in respect of any registered share, whether held solely or jointly with other persons by such Member, until some other person be registered in his stead as the holder or joint-holder thereof, and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his or her heirs, executors or administrators and all persons, if any jointly interested with him or her in any such share.

Inspection of Registers Etc.

146. Where under any provision of the Act, any person whether a member of the Company or not, is entitled to inspect any register, return, certificates, deed, instrument or document required to be kept or maintained by the Company, the persons so entitled to inspection shall be permitted to inspect the same during the hours of 11.00 AM to 1.00 PM on such business days, as the Act requires them to be open for inspection subject to such rules and regulations as the Board may prescribe from time to time in this behalf.

WINDING UP

Distribution of Assets

147. Subject to the provisions of the Act, and these Articles, if the Company shall be wound up and the assets available for distribution among the members as such shall not 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 a winding up, the asset 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 shares held by them respectively. This clause is, however, without prejudice to the rights or the rights of the holders of shares issued upon preferential or special terms and conditions.

Distribution in Specie or Kind

148. Subject to the provisions of the Companies Act, 1956, if the Company is wound up, whether voluntarily or otherwise, the liquidator may, with the sanction of a special resolution, divide amongst the contributors, in specie or kind, the whole or any part of the assets of the Company and may, with the like sanction, vest the whole or any part of the assets of the Company trustees upon such trusts for the benefit of the contributories, or any of them as the liquidation with the like sanction, shall think fit.

SECRECY CLAUSE

Secrecy

149. Every Director, manager, Auditor, trustee, member of committee, officer, agent, accountant or other person employed in the business of the Company shall, if so required by the Board, before entering upon his duties, sign a declaration pledging himself or observe a strict secrecy respecting all transactions of the Company with the customers and the state of accounts with individuals and in matters relating thereto, and shall by such declarations pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Board or by any meeting or by a court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

No Share-Holder to Enter the premises of the Company Without Permission

150. Unless otherwise provided herein, no Member or other person (other than a director) shall be entitled, to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or communicate.

INDEMINITY

151. Subject to Section 201 of the Act every officer or agent for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any *bona fide* proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Act, in which relief is granted to him by the Court.

Subject to Section 201 of the Act, no Director or other officer of the Company shall be liable for any acts, receipts, neglects, or defaults of any other Directors 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 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 with whom any moneys, securities or effects shall be deposited or for any loss occasioned by any error of judgement or oversight on his part, or for any other loss damage or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto.

Sl. No.	Name, description, address and occupation of each subscriber	Signature of subscriber	Signature, Name, description, address and occupation of witness or witnesses
1.	**House of Pearl Fashions Limited** (Acting through Managing Director Pulkit Seth) A-3, Community Centre Naraina Industrial Area, Ph-II New Delhi - 110028 *Body Corporate (Garments)* 9, Avenue Ashok, Rajokri, New Delhi - 38	For House of Pearl Fashions Ltd. Sd/- Managing Director	I hereby witness the signatures of all the Subscribers in my presence at New Delhi Sd/- (Sandeep Sabharwal) S/o Late Sh. R. C. Sabharwal Company Secretary M. No. ACS 8370 Flat No. 30, SFS, Shakti Apts., Ashok Vihar, Phase-3 New Delhi - 110052
2.	**Deepak Seth** S/o Late Sh. M. L. Seth 9, Avenue Ashok, Rajokri, New Delhi - 110038 As Nominee of House of Pearl Fashions Ltd. *Business*	Sd/-	
3.	**Pallak Seth** S/o Sh. Deepak Seth 9, Avenue Ashok, Rajokri, New Delhi - 110038 As Nominee of House of Pearl Fashions Ltd. *Business*	Sd/-	
4.	**Payel Seth** W/o Sh. Deepak Seth 9, Avenue Ashok, Rajokri, New Delhi - 110038 As Nominee of House of Pearl Fashions Ltd. *Business*	Sd/-	
5.	**Ashutosh Prabhudas Bhupatkar** S/o Late Sh. P. R. Bhupatkar C-864, Sushant Lok-I, Gurgaon-122002 As Nominee of House of Pearl Fashions Ltd. *Service*	Sd/-	
6.	**Kusum Malik** W/o Late Sh. B. K. Malik H. No. 15/5, Sarvapriya Vihar New Delhi - 110016 As Nominee of House of Pearl Fashions Ltd. *Business*	Sd/-	
7.	**Deepak Seth & Sons (HUF)** (Through its Karta Deepak Seth) 9, Avenue Ashok, Rajokri, New Delhi - 110038 As Nominee of House of Pearl Fashions Ltd. *Business*	For Deepak Seth & Sons (HUF) Sd/- Karta	

Place : New Delhi Date : 24-03-2011

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IN THE HIGH COURT OF DELHI AT NEW DELHI

ORDINARY ORIGINAL JURISDICTION

COMPANY PETITION NO. 590 OF 2013

IN

COMPANY APPLICATION (M) NO.100 OF 2013

For Private Use
Examiner Judicial Depn
High Court of Delhi

IN THE MATTER OF:
The Companies Act, 1956

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

AND

IN THE MATTER OF:

Pearl Global Industries Limited

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

AND

PDS Multinational Fashions Limited

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

MEMO OF PARTIES

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

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

C

AND

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

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

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

NEW DELHI
DATED : 21.10.2013

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

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

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

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

CORAM:
HON'BLE MR JUSTICE VIBHU BAKHRU

ORDER

% **10.03.2014**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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compliance with any other requirement which may be specifically required under any law.

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

25. The petition is allowed in the above terms.

Order *dasti*.

— Sd/—

VIBHU BAKHRU, J

MARCH 10, 2014
RK/NA

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

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

OF

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

IN THE MATTER OF :

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

AND

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

BEFORE HON'BLE MR. JUSTICE VIBHU BAKHRU.
DATED THIS THE 10TH DAY OF MARCH , 2014.

ORDER UNDER SECTION 394 OF THE COMPANIES ACT 1956

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

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

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

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

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

AND THIS COURT DOTH FURTHER ORDER:

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

2. That in terms of the Scheme, all the liabilities and duties of the Demerged Undertaking of Transferor Company be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to section 394(2) of the Companies Act,1956 be transferred to and become the liabilities and duties of Transferee Company; and

3. That all the proceedings now pending by or against the Transferor/ Demerged Company be continued by or against the Transferee/ Resulting Company; and

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

5. That the Petitioner Companies do within 30 days after the date of this order shall cause a certified copy of this order to be delivered to the Registrar of Companies for registration; and

6. It is clarified that this order will not be constructed as an order granting exemption from payment of stamp duty or taxes or any other charges, if payable in accordance with any law or permission/ compliance with any other requirement which may be specifically required under any law.

7. That any person interested shall be at liberty to apply to the court in the above matter for any directions that may be necessary.

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(5)

ANNEXURE -A

39

SCHEDULE -I

SCHEME OF ARRANGEMENT

UNDER SECTIONS 391 TO 394

OF THE COMPANIES ACT, 1956

BETWEEN

PEARL GLOBAL INDUSTRIES LIMITED

("Transferor Company/Demerged Company")

AND

PDS MULTINATIONAL FASHIONS LIMITED

("Transferee Company/Resulting Company")

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Pearl Global Industries Limited

Company Secretary

For PDS Multinational Fashions Ltd.

Director

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PREAMBLE

(A) Description of the Companies:

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

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

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

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

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

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For PDS Multinational Fashions Ltd.

(B) Purpose of the Scheme

1. This Scheme of Arrangement is presented under Section 391 to Section 394 of the Companies Act, 1956 and other applicable laws for the demerger of Demerged Undertaking from PGIL and its subsequent merger/amalgamation with and into PDS.

2. This scheme provides for the issue and allotment of shares of PDS to the shareholders of PGIL, as consideration for the transfer of the Demerged Undertaking from PGIL to PDS, and the subsequent listing of such shares on the Stock Exchanges.

3. This scheme also provides for various other matters consequential or otherwise integrally connected with the transfer and vesting of the Demerged Undertaking from PGIL to PDS.

(C) Rationale of the Scheme

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

1. The Sourcing Distribution & Marketing business of PGIL is a growing business, having the capability of attracting different set of investors, strategic partners, lenders and stakeholders. In the view of the same, it is proposed to demerge the said business and subsequently merge it into PDS.

2. Considering the size of PGIL and its significant growth in its business operations, it would be advantageous to re-organize it by demerging the Demerged Undertaking of PGIL and subsequently amalgamating the said Demerged Undertaking with and into PDS.

3. The re-organization will ensure better operational management and focus on accelerated growth of individual units, with higher returns to the shareholders, creditors, employees and also to the public in general.

4. Demerger of the said business of PGIL will enable having focused management attention on the said business.

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For PDS Multinational Fashions Ltd.

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

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

(D) Parts of the Scheme

The scheme is divided into the following parts:

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

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

Pearl Global Industries Limited

Company Secretary

For PDS Multinational Fashions Ltd.

Director

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PART I

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

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

1.1. "Act" means the Companies Act, 1956, and shall include any statutory modification, re-enactment or amendments thereof for the time being in force;

1.2. "Appointed Date" means for the purpose of this scheme, 1st April, 2012 or such other date as the Hon'ble High Court of New Delhi may direct or approve;

1.3. "Board of Directors" shall have the same meaning as under the Act;

1.4. "Book Value(s)"means the value(s) of the assets and the liabilities of the Demerged Undertaking as appearing in the books of accounts of PGIL at the close of the business as on 31st March, 2012;

1.5. "Demerged Company/Transferor Company" means Pearl Global Industries Limited, a limited company incorporated under the Companies Act, 1956 having its registered office situated at A-3, Community Center, Naraina Industrial Area, Phase-II New Delhi, Delhi – 110028.

1.6. "Demerged Undertaking" means the sourcing, distribution and marketing business of the Demerged Company as a going concern (as on the Appointed Date and as modified and altered from time to time till the Effective Date) and shall include but not limited to:-

a. all movable and immovable assets through which the Demerged Company carries on the said business activities and operations pertaining to Sourcing Distribution & Marketing;

b. all debts, liabilities, duties and obligations including reserves, contingent liabilities if any, appertaining or allocated to the Sourcing Distribution & Marketing business of the Demerged Company on the Appointed Date;

c. all agreements, contracts, engagements, permits, rights, registrations, entitlements, bids, all assignments and grants thereof, tenders, letter of intent,

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

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

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

Explanation:

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

a. *The liabilities which accrue or arise out of the activities or operation of the Demerged Undertaking;*

b. *Specific loans and borrowings (including debentures) raised, incurred and utilized solely for the activities or operation of the Demerged Undertaking; and*

c. *Liabilities (including debentures, if any) other than those referred to in sub-clauses (a) and (b) above, if any, being the amounts of general or multipurpose borrowings of PGIL, for the business operations carried out by the Demerged Undertaking in the scientific method as approved by the Board of Directors immediately preceding the Appointed Date.*

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

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

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

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

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

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

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

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

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

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

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

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

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

2. SHARE CAPITAL

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

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

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

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

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Company Secretary

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Director

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PART II

DEMERGER AND SUBSEQUENT MERGER OF THE DEMERGED UNDERTAKING

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

3.1 GENERAL

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

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

3.2 TRANSFER OF ASSETS

Without prejudice to the generality of the above clause:

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

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

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

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

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

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

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

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

3.3 TRANSFER OF LIABILITIES

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

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

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

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

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

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

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

Demerged Undertaking shall be discharged by the Resulting Company.

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

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

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

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

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

3.4 SAVING OF CONCLUDED TRANSACTIONS

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

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

3.5 RESIDUAL UNDERTAKING

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

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

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

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

3.6 TRANSFER AT BOOK VALUES

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

3.7 CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

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

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

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

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

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

3.8 CONTINUATION OF LEGAL PROCEEDINGS

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

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

3.9 STAFF, WORKMEN AND EMPLOYEES OF DEMERGED UNDERTAKING

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

i. their service should have been continuous and should not have been interrupted by reason of the demerger; and

ii. the terms and conditions of service applicable to the said staff, workmen or employees after such transfer, shall not in any way be less favorable to them than those applicable to them immediately before the transfer;

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

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

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Company Secretary

For PDS Multinational Fashions Ltd.

Director

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PART III

4. ALTERATION TO THE MEMORANDUM OF ASSOCIATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Company Secretary

For FDS Multinational Fashions Ltd.

Director

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PART IV

6. GENERAL TERMS AND CONDITIONS

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

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

a. if the same is in its ordinary course of business; or

b. if the same is expressly permitted by this Scheme; or

c. if the prior written consent of the Board of Directors of the Resulting Company has been obtained.

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

i. Shall carry on and shall be deemed to have carried on all its business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the Demerged Company in relation to the Demerged Undertaking on account of, and for the benefit of and in trust for the Resulting Company.

ii. All the profits or incomes accruing or arising to the Demerged Company in relation to the Demerged Undertaking, or expenditure or losses arising or incurred (including but not limited to the effect of advance tax, tax deducted at source, Minimum Alternate Tax credit, taxes withheld/paid in a foreign country, etc.), thereon by the Demerged Company in relation to the Demerged Undertaking shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses or effect of taxes as the case may be, of the Resulting Company.

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Company Secretary

For PDS Multinational Fashions Ltd.

Director

iii. Any of the rights, powers, authorities, privileges, attached, related or pertaining to or exercised by the Demerged Company, in respect of the Demerged Undertaking, shall be deemed to have been exercised by the Demerged Company, for and on behalf of, and in trust for and as an agent of the Resulting Company. Similarly, any of the obligations, duties, commitments attached, related or pertaining to the Demerged Company that have been undertaken or discharged by the Demerged Company, shall be deemed to have been undertaken for and on behalf of and in trust for and as an agent for the Resulting Company.

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

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

i. All assets and properties which are acquired by the Demerged Company in relation to the Demerged Undertaking, on or after the Appointed Date, in accordance with the Scheme, shall be deemed to be the assets and properties of the Resulting Company.

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

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Company Secretary

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For PDS Multinational Fashions Ltd.

Director

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

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

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

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

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Company Secretary

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High Court of Delhi
Authorised Under Section 76
Indian Evidence

For PDS Multinational Fashions Ltd.

Director

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

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

7. ACCOUNTING TREATMENT

7.1 Treatment in the books of Demerged Company

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

i. The Demerged Company shall upon the Scheme becoming effective, record the deletion of the assets and liabilities of the Demerged Undertaking transferred to and vesting in the Resulting Company, pursuant to this Scheme at their respective book values as appearing in its books as at the close of business of a day (i.e. 31st March, 2012), immediately preceding the Appointed Date.

ii. The difference between the book value of the assets (net of diminution/depreciation, if any) and the book value of the liabilities of the Demerged Company that is transferred to the Resulting Company pursuant to the Scheme, if any, would be debited to the Share Premium Account in accordance with the provisions of Section 100 of the Act and the balance, if remaining thereafter, would be adjusted against the General Reserve Account.

iii. The application and consequential reduction of Share Premium Account, as per sub-clause (ii) above, shall form an integral part of the Scheme itself, as the same does not involve any diminution of liability in respect of unpaid Share Capital or payment, to any shareholder of paid-up Share Capital and the order of the Hon'ble High Court sanctioning the Scheme, shall be deemed to be an order under Section 102 of the Act, confirming the reduction in the Share Premium Account of the Demerged Company.

7.2 Treatment in the books of Resulting Company

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

i. The Resulting Company shall, record the assets and liabilities (difference between the assets and liabilities hereinafter referred to as "Net Assets") vested in it pursuant to this Scheme, at the respective book values thereof, as appearing in the books of the Demerged Company, at the close of business of the day immediately preceding the Appointed Date;

ii. The Resulting Company shall credit to its Share Capital Account in its books of accounts, the aggregate face value of the new equity shares issued by it to the members of the Demerged Company pursuant to Clause 5.1 of this Scheme.

iii. The difference between the Net Asset and amount credited to the Share Capital account shall be credited in to "Capital Reserve Account".

8. DIVIDENDS, PROFITS, BONUS/RIGHTS SHARES

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

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

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

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

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

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

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

9. TRANSFER OF THE DEMERGED UNDERTAKING OF THE DEMERGED COMPANY

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

10. TREATMENT OF TAXES

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

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11. APPLICATION TO HON'BLE HIGH COURT

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

12. SCHEME CONDITIONAL UPON AND SUBJECT TO

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

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

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

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

13. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

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

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

14. OPERATIVE DATE OF THE SCHEME

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

Pearl Global Industries Limited

Company Secretary

For PDS Multinational Fashions Ltd.

Director

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Judicial Department
Court of Delhi of
Authorised Under Section
Indian Evidence Act

PART V

OTHER TERMS AND CONDITIONS

15 APPROVALS AND MODIFICATIONS

15.1 MODIFICATION OR AMENDMENT TO THE SCHEME

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

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

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

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For PDS Multinational Fashions Ltd.

Director

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

15.2 CONSENT OF MEMBERS AND DIRECTORS

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

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

15.3 COST, CHARGES & EXPENSES

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

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

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

Pearl Global Industries Limited

Company Secretary

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High Court of Delhi

For PDS Multinational Fashions Ltd.

Director

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

Part-I

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

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

Pearl Global Industries Limited

Company Secretary

Pearl Global Industries Limited
(Formerly House of Pearl Fashions Limited)
Corp. Office : 446, Udyog Vihar, Phase-V, Gurgaon-122016 Haryana (INDIA)
Tel.: +91-124-4651000; Fax : +91-124-4651010. Website: www.pearlglobal.com

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

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Part-II

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

S. No.	Description	Area	Location
NIL	NIL	NIL	NIL

Pearl Global Industries Limited

Company Secretary

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Part-III

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

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

— Sd/—

Dated this the 10TH Day of March, 2014.
By order of the Court.

Joint Registrar (Co.)
For Registrar General.

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