
MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

TALBROS ENGINEERING LIMITED



वाक्य-पार्क-पार-

Form 1, B.

निगमन का प्रमाण-पत्र

Certificate of Incorporation

सं० 25703.....शक.....1908.....

No. 25703.....of 19.....86-87.....

मै एतद् द्वारा प्रमाणित करता हूँ कि साज टैलर्योस सुपर सील्स एण्ड
लिमिटेड

कम्पनी अधिनियम 1956 (1956 का नं०) के अधीन नियमित की गई है जोर यह
कम्पनी परिगीमित है।

I hereby certify that TALROS...SUPERSEALS...SEARK...FLAGS...
LIMITED

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

17 अक्टूबर, 1908

मेरे हस्ताक्षर में साज तैलर्योस को दिया गया।

Given under my hand at NEW DELHI.....this.....NINTH.....

day of OCTOBER.....one thousand nine hundred and EIGHTY...SIX.....



Handwritten signature and date: 17/10/80

1 अरज अरु 1
कम्पनी रजिस्ट्रार

(SECRETARY FOR)
Registrar of Companies
DELHI & HARYANA

FRESH CERTIFICATE OF INCORPORATION
CONSEQUENT ON CHANGE OF NAME

COMPANY NO...55-25703.....

In the Office of the Registrar of Companies, ^{NCT OF} Delhi & Haryana
(under the Companies Act, 1956 (1 of 1956))

IN THE MATTER OF.....T. ENGINEERING COMPONENTS LIMITED.....

I hereby certify that.....T. ENGINEERING COMPONENTS LIMITED.....

....., which was originally incorporated on NINTH.....
day of.....OCTOBER.....One Thousand Nine Hundred EIGHTY SIX.....

under the Companies Act, 1956 (Act 1 of 1956) under the name.....TALBROS SUPERSEALS.....

.....S.PARK PLUGS LIMITED..... having duly passed the necessary resolution in terms of Section 21 of the Companies Act, 1956 and the approval of the Central Government signified in writing having been accorded thereto under Section 21 read with Government of India, Department of Company Affairs Notification No. G.S.R. 507(E) dated 24-6-1985 by Registrar of Companies, Delhi & Haryana, New Delhi vide letter No. 21/55-25703/874, dated.....31-10-94.....the name of the said Company is this day changed to.....

.....TALBROS ENGINEERING LIMITED..... and this Certificate is issued pursuant to Section 23(1) of the said Act.

Given under my hand at NEW DELHI this.....EIGHTH.....
day of.....NOVEMBER.....One Thousand Nine Hundred and Ninety FOUR .



(P. SHEELA)

ASSTT. REGISTRAR OF COMPANIES,
NCT OF DELHI AND HARYANA

COMPANY No. 55-25703.



Certificate for Commencement of Business

व्यापार प्रारम्भ करने का प्रमाण-पत्र

Pursuant to section 149 (3) of the Companies Act, 1956

कम्पनी अधिनियम १९५६ की धारा १४९ (३) के अनुसरण में

I hereby certify that the T. ENGINEERING COMPONENTS LIMITED

में एतद द्वारा प्रमाणित करता हूँ कि टी. इन्जिनियरिंग कम्पोनेन्ट्स लिमिटेड।

which was incorporated under the Companies Act, 1956 on

जो कि कम्पनी अधिनियम, १९५६ के अन्तर्गत पंजीकृत की गई थी दिनांक 17. अक्टूबर, 1988

the NINTH day of OCTOBER 1988

and which has filed a duly verified declaration in the

और जिस ने कि वधावत् निर्धारित प्रपत्र में सत्यापित घोषणा पत्र प्रस्तुत

prescribed form that the conditions of section

कर दिया है कि उस ने धारा १४९ (२) (क) से (ग)

149 (2) (a) to (c) of the said Act. have been complied with is entitled

को सभी शर्तों का अनुपालन कर दिया है, अतः व्यापार आरम्भ करने का

to commence business.

अधिकारी है।

Given under my hand at NEW DELHI

मेरे हस्ताक्षर से आज दिनांक 19 अगस्त, 1984

this TENEH day of DECEMBER

One thousand nine hundred and Ninty TWO

को जारी किया गया।



(Handwritten Signature)

। जी.एन. तक्षेना ।

सहायक कम्पनी रजिस्ट्रार

दिल्ली एवं हरियाणा

(R.N. SAXENA)

Asstt. Registrar of Companies

DELHI & HARYANA

COMPANY NO. 05-33018.

(SECTION 18(3) OF COMPANIES ACT, 1956)

The TALBROS ENGINEERING LIMITED,
having by Special Resolution altered the provisions
of its Memorandum of Association with respect to
place of the Registered Office by changing it from the
NCT of Delhi to the State of Haryana and such
alteration having been confirmed by an order of
CLB, Northern Region C.P. No. 338/17/95-CLB bearing
the date 5th February, 1996.

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

Given under my hand at NEW DELHI this SEVENTH
day of MARCH One thousand nine hundred and NINETY SIX.



P. Sheela
(P. SHEELA)
ASSTT. REGISTRAR OF COMPANIES
NCT OF DELHI & HARYANA.

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

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

The Talsons Engineering Ltd having by special resolution altered the provision of its Memorandum of Association with respect to the place of the registered office by changing it from the state of NCT of Delhi to the state of Haryana and such alteration having been confirmed by an order of the Bench of the company Law Board at their setting at New Delhi vide C.P. No. 338/17/95 C.A. bearing dated the 5-8-96

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

Given under my hand at New Delhi this 7th day of March One Thousand Nine Hundred and Ninety Six



Att.
NCT of

(P. Shekhar)
REGISTRAR OF COMPANIES
DELHI & HARYANA

(THE COMPANIES ACT, 2013)

(COMPANY LIMITED BY SHARES)

MEMORANDUM OF ASSOCIATION
OF
TALBROS ENGINEERING LIMITED

- I. The name of the company is **TALBROS ENGINEERING LIMITED**
- II. The Registered office of the company will be situated in the state of **HARYANA**
- III. The objects to be pursued by the company on its incorporation are:

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

1. To carry on the business of manufactures of Spark Plugs, Glow Plugs and other related accessories for the automotive or mechanical industries and to buy, sell, manufacture, repair, convert, alter, let on hire and deal in Spark Plugs, Glow Plugs and other related accessories of all kinds.
2. To carry on the business of manufacturers, Importers, exporters and otherwise dealers either in wholesale or in retail, of accessories and spare parts of all kinds of vehicles and automobile.
3. To carry on the business of manufacturers and dealers of internal compression engine components and other automobile components and ancillaries of all kinds including Electronic Ignition Devices, Distributors, Magnets, ignition Coils, Dynamos and Alternators, Starters, Wiring Systems, Wiper Motors Arms and Blades, Batteries, Plugs, Lights, Bulbs, Instrumentation and Switches, Fuel Pumps, Fuel Delivery Systems, exhaust emission and other pollution control devices, Water and Oil Pumps, Braking Systems and Components, Engine Cooling Systems and Components, Pipes, Hoses, Belts and Engine, Transmission and Body Parts of all kinds.
4. To carry on the Business of Manufacturers of Gaskets, Rear Axle Shafts, Spline Shafts, King Pins and other related components for the Engineering Mechanical or Automobile Industries including the manufacture of machinery of all descriptions and to buy, sell, manufacture, repair, convert, alter, let on hire and deal in Gaskets, Rear Axle Shafts, Spline Shafts, King Pins and other related components of all kinds.

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

1. To buy all kinds of plant, equipment, machinery, apparatus, tools, utensils, commodities, substances, articles and things necessary or useful for carrying on the objects of the Company.
2. To enter into agreement with any company or persons for obtaining by grant of licence or on such other terms of all types, formulae and such other rights and benefits, technical information, know-how and expert guidance and equipment and machinery and things mentioned herein above and to arrange facilities for training of technical personnel by them.
3. To establish, provide, maintain and conduct or otherwise, subsidise research laboratories and experimental workshops for scientific and technical research and experiments and to undertake and carry on with all scientific and technical research, experiments and tests of all kinds and to promote studies and research both scientific and technical investigation and invention by providing, subsidising, endowing or assisting laboratories, workshops, libraries, lectures,

meetings and conferences and by providing the remuneration to scientific and technical professors and teachers and to award, scholarships, prizes, grants and bursaries to students and to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind that may be considered likely to assist the objects of the Company.

4. To acquire by concession, grant, purchase, licence or otherwise either absolutely or conditionally and either alone or jointly with others land, buildings, machinery, plants, utensils, works, conveniences and such other movable and immovable properties of any description and any patents, trademarks, concessions, privileges, brevets, d'invention, licences, protections and concessions conferring any exclusive or limited rights to any inventions, information which may seem necessary for any of the objects of the Company and to construct, maintain and alter any building or work, necessary or convenient for the business of the Company and to pay for such land, buildings, works, property or rights or any such other property and rights purchased or acquired by or for the Company by shares, debentures, debenture stock, bonds or such other securities of the Company or otherwise and manage, develop or otherwise dispose of in such manner and for such consideration as may be deemed proper or expedient to attain the main objects of the Company.
5. Subject to the provisions of the Companies Act, 2013 to amalgamate with any other Company having objects altogether or in part similar to those of this Company.
6. To enter into any arrangement with any Government or Authorities Municipal, local or otherwise or any person or company in India or abroad, that may seem conducive to the objects of the company or any of them and to obtain from any such Government, Authority persons or company any rights, privileges, charters, contracts, licences and concessions including in particular rights in respect of waterways, roads and highways, which the Company may carry out, exercise and comply therewith.
7. To apply for and obtain any order of Central/State or such other Authority for enabling the Company to carry on any of its objects into effect or for effecting any modifications of the Company's constitution or any other such purpose, which may seem expedient and to make representations against any proceedings or applications which may seem calculated directly or indirectly to prejudice the company's interests.
8. To enter into partnership or into any arrangement for sharing profits, union of interests, co-operation, joint-venture, reciprocal concessions or otherwise with any person, or company carrying on or engaged in any business or transaction which this Company is authorised to carry on.
9. To purchase or otherwise acquire and undertake the whole or any part of the business, property, rights and liabilities of any company, firms or person carrying on business which this Company is authorised to carry on or is possessed of rights suitable for the objects of this Company.
10. To do all or any of the above things as principals, agents, contractors, trustees or otherwise and by or through trustees, agents or otherwise and either alone or in conjunction with others and to do all such other things as are incidental or as may be conducive to the attainment of the objects or any of them.
11. To promote, form and register, aid in the promotion, formation and registration of any company or companies, subsidiary or otherwise for the purpose of acquiring all or any of the properties, rights and liabilities of this Company and to transfer to any such company any property of this company and to be interested in or take or otherwise acquire, hold, sell or otherwise dispose of shares, stock, debentures and such other securities of all types in or of any such company, subsidiary or otherwise for all or any of the objects mentioned in this Memorandum of Association and to assist any such company and to undertake the management and secretarial or such other work, duties and business on such terms as may be arranged.

12. To open accounts with any bank or financial institution and to draw make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, hundies, bills of lading, warrants, debentures and such other negotiable or transferable instruments of all types and to buy the same.
13. Subject to the provisions of the Companies Act, 2013 including the rules and regulations made therein and the directions issued by Reserve Bank of India to borrow, raise or secure the payment of money or to receive money as loan, at interest for any of the objects of the company and at such time or times as may be expedient, by promissory notes, bills of exchange, hundies, bills of lading, warrants or such other negotiable instruments of all types or by taking credit in or opening current accounts or over-draft accounts with any person, firm, bank or company and whether with or without any security or by such other means, as may deem expedient and in particular by the issue of debentures or debenture stock, perpetual or otherwise and in security for any such money so borrowed, raised or received and of any such debentures or debenture stock so issued, to mortgage, pledge or charge the whole or any part of the property and assets of the Company both present and future, including its uncalled capital, by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders power of sale and other powers as may seem expedient and to purchase, redeem or pay off such securities provided that the Company shall not carry on the business of banking within the meaning of the Banking Regulation Act, 1949.
14. To advance money not immediately required by the Company or give credit to such persons, firms or companies and on such terms with or without security as may seem expedient and in particular to customers of and such others having dealings with the Company and to give guarantees or securities of any such persons, firms, companies as may appear proper or reasonable provided that the Company shall not carry on the business of banking, within the meaning of Banking Regulation Act, 1949.
15. To improve alter, manage, develop, exchange, mortgage, enfranchise and dispose of, any part of the land, properties, assets and rights and the resources and undertakings of the Company, in such manner and on such terms as the Company may determine.
16. To remunerate any person or company, for services rendered or to be rendered in or about the formation or promotion of the Company or the conduct of its business, subject to the provisions of the Companies Act, 2013.
17. To create any depreciation fund, reserve fund, sinking fund, provident fund, super-annuation fund or any other such special fund, whether for depreciations, repairing, improving, extending or maintaining any of the properties and assets of the Company or for redemption of debentures or redeemable preference shares, worker's welfare or for any other such purpose conducive to the interest of the Company.
18. To provide for the welfare of employees or ex-employees (including Directors and other officers) of the Company and the wives and families or the dependents or connections of such persons, by building or contributing to the building of houses, or dwellings or chawls or by grants of money, pensions, allowances, bonus or other such payments or be creating and from time to time, subscribing or contributing to provident fund and other associations, institutions, funds or trusts, and/or by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and such other attendances and assistance as the Company shall determine.
19. To undertake and execute any trusts, the undertaking of which may seem desirable, either gratuitously or otherwise, for the attainment of the main objects of the Company.
20. To procure the incorporation, registration or such other recognition of the Company in the Country, State or place outside India and to establish and maintain local registers and branch places of the main business in any part of the world.

21. To adopt such means of making known the business of the Company as may seem expedient and in particular by advertising over the internet or any other electronic media and also in print media in the press by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards or organising exhibitions.
 22. The company would obtain approval of the concerned authorities to carry on the objects of the company and the matters which are necessary for furtherance of the objects of the Company as given in this memorandum of association wherever required.
- IV.** The liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.
- V.** **The Authorised Share Capital of the company is Rs. 5,10,00,000/- (Rupees Five Crores Ten Lakhs Only) divided into 51,00,000 (Fifty One Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each.**

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

Sl. No.	Names, addresses, descriptions and occupations	Number of Shares taken by each Subscriber	Signature of the Subscriber	Name, address and description of witness
1.	WISHWA NATH TALWAR S/o Late R.S. Permanand Talwar 152, Malcha Marg, New Delhi Industrialist	Ten (10)	Sd/- Wishwa Nath Talwar	I hereby witness the signature of all the subscribers Sd/- (P.K. Taluja) 170, Anand Vihar, Pitampura, Delhi – 110 034
2.	RAG NATH TALWAR S/o Late R.S. Permanand Talwar Industrialist	Ten (10)	Sd/- Rag Nath Talwar	
3.	NARESH TALWAR S/o Shri W.N. Talwar D-1/36, Vasant Vihar, New Delhi Industrialist	Ten (10)	Sd/- Naresh Talwar	
4.	PRAN TALWAR S/o Shri K.N. Talwar 2, Malcha Marg, New Delhi Industrialist	Ten (10)	Sd/- Pran Talwar	
5.	ANIL TALWAR S/o Sh. R.N. Talwar 173, Jor Bagh, New Delhi Industrialist	Ten (10)	Sd/- Anil Talwar	
6.	DEEPAK TALWAR S/o Shri R.N. Talwar 132-F, Malcha Marg, New Delhi Industrialist	Ten (10)	Sd/- Deepak Talwar	
7.	RAJESH TALWAR S/o Late Shri B.N. Talwar W-80, Greater Kailash Part-II, New Delhi Industrialist	Ten (10)	Sd/- Rajesh Talwar	
	Total shares taken	Seventy (70)		

Place: New Delhi

Dated this 29th Day of September, 1986

(THE COMPANIES ACT, 2013)

(COMPANY LIMITED BY SHARES)

ARTICLES OF ASSOCIATION OF TALBROS ENGINEERING LIMITED

Interpretation

- I. (1) In these regulations—
- (a) “the Act” means the Companies Act, 2013,
 - (b) “the seal” means the common seal of the company.
- (2) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

Share capital and variation of rights

- II. 1. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
2. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—
- (a) one certificate for all his shares without payment of any charges; or
 - (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
- (ii) Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two directors or by a director and the Company Secretary, wherever the company has appointed a company secretary.
- Provided that in case the company has a common seal it shall be affixed in the presence of the persons required to sign the certificate.
- (iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
3. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

- (ii) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.
4. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
 5.
 - (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
 - (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40
 - (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
 6.
 - (i) If at any time the share capital is divided into different classes of shares, the 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 section 48, 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 meeting of the holders of the shares of that class.
 - (ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
 7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.
 8. Subject to the provisions of section 55, any preference shares may, with the sanction of an resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

Lien

9.
 - (i) The company shall have a first and paramount lien—
 - (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
 - (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
 - (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
10. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made—

- (a) unless a sum in respect of which the lien exists is presently payable; or
 - (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
11. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
- (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
12. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

Calls on shares

13. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:
- Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.
- (ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.
- (iii) A call may be revoked or postponed at the discretion of the Board.
14. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
16. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.
- (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
17. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

- 18.** The Board—
- (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
 - (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

Transfer of shares

- 19.** (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
- (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
- 20.** The Board may, subject to the right of appeal conferred by section 58 decline to register—
- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
 - (b) any transfer of shares on which the company has a lien.
- 21.** The Board may decline to recognise any instrument of transfer unless—
- (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
 - (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
 - (c) the instrument of transfer is in respect of only one class of shares.
- 22.** On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

Transmission of shares

- 23.** (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives 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.
- (ii) Nothing in clause (i) 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.
- 24.** (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
- (a) to be registered himself as holder of the share; or
 - (b) to make such transfer of the share as the deceased or insolvent member could have made.

- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
- 25.** (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
- 26.** A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise 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 or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.
- 27.** In case of a One Person Company—
- (i) on the death of the sole member, the person nominated by such member shall be the person recognised by the company as having title to all the shares of the member;
 - (ii) the nominee on becoming entitled to such shares in case of the member's death shall be informed of such event by the Board of the company;
 - (iii) such nominee shall be entitled to the same dividends and other rights and liabilities to which such sole member of the company was entitled or liable;
 - (iv) on becoming member, such nominee shall nominate any other person with the prior written consent of such person who, shall in the event of the death of the member, become the member of the company.

Forfeiture of shares

- 28.** If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
- 29.** The notice aforesaid shall—
- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
 - (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
- 30.** If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

31. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
32. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
- (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
33. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
- (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
- (iii) The transferee shall thereupon be registered as the holder of the share; and
- (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
34. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment 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.

Alteration of capital

35. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
36. Subject to the provisions of section 61, the company may, by ordinary resolution,—
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
37. Where shares are converted into stock,—
- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
 - (c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stockholder” respectively.
- 38.** The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—
- (a) its share capital;
 - (b) any capital redemption reserve account; or
 - (c) any share premium account.

Capitalisation of profits

- 39.** (i) The company in general meeting may, upon the recommendation of the Board, resolve—
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
 - (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—
- (A) paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - (B) paying up in full, unissued shares of the company to be allotted and distributed credited as fully paid-up, to and amongst such members in the proportions aforesaid;
 - (C) partly in the way specified in sub-clause (A) and partly in that specified in subclause (B);
 - (D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
 - (E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
- 40.** (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—
- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
 - (b) generally do all acts and things required to give effect thereto.

- (ii) The Board shall have power—
 - (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
 - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (iii) Any agreement made under such authority shall be effective and binding on such members.

Buy-back of shares

41. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

General meetings

42. All general meetings other than annual general meeting shall be called extraordinary general meeting.
43. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
- (ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

Proceedings at general meetings

44. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
45. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
46. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
47. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
48. In case of a One Person Company—
- (i) the resolution required to be passed at the general meetings of the company shall be deemed to have been passed if the resolution is agreed upon by the sole member and communicated to the company and entered in the minutes book maintained under section 118;
 - (ii) such minutes book shall be signed and dated by the member;
 - (iii) the resolution shall become effective from the date of signing such minutes by the sole member.

Adjournment of meeting

49. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting rights

50. Subject to any rights or restrictions for the time being attached to any class or classes of shares, —
- (a) on a show of hands, every member present in person shall have one vote; and
- (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
51. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
52. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
53. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
54. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
55. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
56. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

Proxy

57. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
58. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

59. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Board of Directors

60. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.
61. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
- (ii) In addition to the remuneration payable to them in pursuance of the Act, the director may be paid all travelling, hotel and other expenses properly incurred by them—
- (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
- (b) in connection with the business of the company.
62. The Board may pay all expenses incurred in getting up and registering the company.
63. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
64. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
65. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
66. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
- (ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

Proceedings of the Board

67. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
68. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

- (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
69. The continuing directors may act notwithstanding any vacancy in the Board; but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
70. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
71. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
72. (i) A committee may elect a Chairperson of its meetings.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
73. (i) A committee may meet and adjourn as it thinks fit.
- (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
74. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person 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.
75. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.
76. In case of a One Person Company—
- (i) where the company is having only one director, all the businesses to be transacted at the meeting of the Board shall be entered into minutes book maintained under section 118;
 - (ii) such minutes book shall be signed and dated by the director;
 - (iii) the resolution shall become effective from the date of signing such minutes by the director.

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

77. Subject to the provisions of the Act,—
- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit;

and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

- (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

78. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

The Seal

- 79.** (i) The Board shall provide for the safe custody of the seal.
- (ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

Explanation: For the purposes of this sub-paragraph it is hereby clarified on and from the commencement of the Companies (Amendment) Act, 2015 (21 of 2015), i.e. with effect from the 29th May, 2015, Company may not be required to have the seal by virtue of registration under the Act and if a company does not have the seal, the provisions of this sub-paragraph shall not be applicable.”

Dividends and Reserve

- 80.** The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
- 81.** Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
- 82.** (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit 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 equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.
- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
- 83.** (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend

is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

84. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
85. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
86. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
87. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
88. No dividend shall bear interest against the company.

Accounts

89. (i) 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.
- (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

Winding up

90. Subject to the provisions of Chapter XX of the Act and rules made thereunder—
- (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity

91. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

Sl. No.	Names, addresses, descriptions and occupations	Signature of the Subscriber	Name, address and description of witness
1.	WISHWA NATH TALWAR S/o Late R.S. Permanand Talwar 152, Malcha Marg, New Delhi Industrialist	Sd/- Wishwa Nath Talwar	I hereby witness the signature of all the subscribers Sd/- (P.K. Taluja) 170, Anand Vihar, Pitampura, Delhi – 110 034
2.	RAG NATH TALWAR S/o Late R.S. Permanand Talwar Industrialist	Sd/- Rag Nath Talwar	
3.	NARESH TALWAR S/o Shri W.N. Talwar D-1/36, Vasant Vihar, New Delhi Industrialist	Sd/- Naresh Talwar	
4.	PRAN TALWAR S/o Shri K.N. Talwar 2, Malcha Marg, New Delhi Industrialist	Sd/- Pran Talwar	
5.	ANIL TALWAR S/o Sh. R.N. Talwar 173, Jor Bagh, New Delhi Industrialist	Sd/- Anil Talwar	
6.	DEEPAK TALWAR S/o Shri R.N. Talwar 132-F, Malcha Marg, New Delhi Industrialist	Sd/- Deepak Talwar	
7.	RAJESH TALWAR S/o Late Shri B.N. Talwar W-80, Greater Kailash Part-II, New Delhi Industrialist	Sd/- Rajesh Talwar	

Place: New Delhi

Dated the 29th day of September, 1986

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

IN THE MATTER OF COMPANIES ACT, 1956
AND

IN THE MATTER OF SCHEME OF ARRANGEMENT
BETWEEN

COMPANY PETITION NO. 68/95

CONNECTED WITH

COMPANIES APPLICATION NO. 3/95

IN THE MATTER OF TALBROS AUTOMOTIVE COMPONENTS LTD.

Having its registered Office at 13-D, Sagar Apartments, 6- Tilak Marg, New Delhi.

.....PETITIONER COMPANY

AND

COMPANY PETITION NO. 69/95

CONNECTED WITH

COMPANIES APPLICATION NO. 2/95

IN THE MATTER OF TALBROS ENGINEERING LTD.

Having its registered Office at 13-D, Sagar Apartments, 6- Tilak Marg, New Delhi.

.....PETITIONER COMPANY

BEFORE THE HON'BLE MR. JUSTICE DAL VEER BHANDARI

DATED THIS THE 28TH DAY OF JULY 1995

ORDER ON PETITIONS

The above petitions coming on for hearing on 28/7/95 upon reading the said petitions the orders dated 20/1/95 and 31/1/95 whereby the above said petitioner companies were ordered to convene meetings of their shareholders and creditors for the purpose of considering and if thought fit approving with or without modification the Scheme of Arrangement proposed to be made between Talbros Automotive Components Ltd. (hereinafter referred to as the T A C L) and Talbros Engineering Ltd. (hereinafter referred to as the T E L) and annexed to the affidavits of Sh. Rajesh Talwar in CA 2/95 and Sh. W.N. Talwar in CA 3/95 filed on 19/12/94 respectively and "Statesmen" (English) and "Veer Arjun" (Hindi) both dated 09/02/95 in CA 2/95 and CA 3/95 each containing the advertisement of said notices convening the said meeting directed to be held by the said orders dated 20/1/95 and 31/1/95 the affidavits of Chairpersons in CA 2/95 and 3/95 showing the publication and despatch of notices convening the said meetings. The reports of Chairpersons filed on 10/3/95 in

C.A. 2/95 and 3/95, as to the result of said meetings and upon hearing Mr. P.V. Kapoor, Advocate with Mr. A.K. Chhabra, Advocate for the petitioners and it appearing from the report of the Chairpersons that the proposed Scheme of Arrangement has been approved unanimously by the said share holders and creditors of TACL and TEL present and voting in person or by proxy. The affidavits dated 17/7/95 of Dr. A.K. Doshi, Regional Director, Northern Region, Department of Company Affairs, Kanpur on behalf of the Central Government interalia stating that the affairs of the companies do not appear to have been conducted in a manner prejudicial to the interest of their members or public interest. The Official Liquidator also having not opposed the Scheme of Arrangement.

THIS COURT DOTH HEREBY SANCTION THE MODIFIED SCHEME OR ARRANGEMENT setforth in Schedule-I hereto and DOTH HEREBY DECLARE the same to be binding on all the shareholders and creditors of TACL and TEL and their all concerned and doth approved the said Scheme of Arrangement from the "Date of Arrangement" i.e. 1/4/95 as mentioned in the Scheme)?

THIS COURT DOTH FURTHER ORDER:

1. That all property, rights and powers of the Engineering division of TACL specified in the first, second and third parts of the Schedule II hereto and all other property, rights and powers of the Engineering division of TACL be transferred without further act or deed to TEL and accordingly the same shall pursuant to section 394(2) of the companies Act, 1956 be transferred to and rest in TEL for the all the estate and interest of TACL therein but subject nevertheless to all charges now affecting the same;
2. That all the liabilities and duties of the Engineering Division of TACL be transferred without further act or deed to TEL and accordingly the same shall pursuant of Section 394(2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of TEL; and
3. That all proceedings now pending by or against the Engineering Division of TACL be continued by or against TEL; and
4. That TEL do without further application allot to such members of the Engineering Division of TACL as have not given such notice of dissent as is required by clause given in the Scheme of Arrangement herein the shares in TEL to which they are entitled under the said arrangement; and
5. That the Engineering Division of TACL do within 30 days after the date of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration and the Registrar of Companies shall place all documents relating to Engineering Division of TACL and registered with him on the file kept by him in relation to TEL and the files relating to the said two companies i.e. Engineering Division of TACL and TEL shall be consolidated accordingly; and
6. That any person interested shall be at liberty to apply to the Court in the above matter for any directions that may be necessary.

SCHEDULE - I

PART - I

DEFINITIONS

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

- A. "The Act" means the Companies Act, 1956.
- B. "The Date of Arrangement" means the date beginning with the business hours on the 1st (First) day of April, 1995 (One Thousand Nine Hundred and Ninety Five).
- C. "The Effective Date" means the day on which the last of the approvals specified in Clause 4 of Part III of this Scheme shall have been obtained.
- D. "TEL" means Talbros Engineering Limited an existing Company within the meaning of Companies Act, 1956, having its Registered Office at 13-D, Sagar Apartments, 6, Tilak Marg, New Delhi.
- E. "TACL" means Talbros Automotive Components Limited, an existing Company within the meaning of Companies Act, 1956, having its Registered Office at 13-D, Sagar Apartments, 6, Tilak Marg, New Delhi.
- F. "Engineering Division" means the business Undertaking of Engineering Division established for manufacture, inter-alia, of engineering components for automotive industry as a division of TACL and shall mean and include, all the undertakings, properties and liabilities of TACL pertaining to Engineering Division including:
- a) all properties and assets, moveable and immovable, real and personal, corporal and incorporate, in possession, or in reversion, present and future, contingent or of whatsoever nature, wheresoever situate, as on the Date of Arrangement including all lands located at 74-75, Sector VI, Faridabad, Haryana alongwith buildings, plant & machinery vehicles, equipments, furniture, sundry debtors, investments, inventories, cash and bank balances, bills of exchange, deposits, loans and advances as appearing in the books of account of TACL and appertaining to the Engineering Division, leases, tenancy rights and agency of TACL pertaining to the Engineering Division and all other interests or rights in or arising out of or relating to such properties together with all rights, powers, interests, charges, privilege, benefits, entitlement, industrial and other licences, registrations, quotas, trade marks, patents, copyrights, liberties, easements and advantages, appertaining to the said Engineering Division and/or to which TACL is entitled to in respect of the said Engineering Division of whatsoever kind, nature or description held, applied for or may be obtained thereafter or to which TACL is entitled to in respect of the Engineering Division together with the benefit of all contracts and engagements and all books, papers, documents and record relating to the said Engineering Division.
 - b) all debts, liabilities, duties and obligations of TACL pertaining to and/or arising out of the said Engineering Division as on the Transfer Date as appearing in the books of account of TACL and appertaining to the Engineering Division including liabilities on account of unsecured loans, sundry creditors, bonus, sales tax, excise and other taxation and contingent liabilities and additional liability for bonus whether or not provided for in the books of account of TACL except as hereinafter stated in Part II.
 - c) all permanent employees of TACL engaged in or in relation to the Engineering Division at its factory and branch and other office and all other assets and liabilities of TACL as hereinafter stated in Clause 2 of Part III.

WHEREAS TACL has three Division, viz, Engineering Division, Materials Division and the Gaskets Division. The Gaskets Division is located at 14/1, Delhi Mathura Road, Faridabad, Haryana and at Sidco Industrial Estate, Ambattur, Madras whereas the Engineering Division is located at 74-75, Sector VI, Faridabad and Materials Division at Village ATTA, Sohna, Gurgaon-122 001.

AND WHEREAS TEL was set up, inter-alia, for the purpose of manufacturing automotive engineering products and has yet to commence business.

AND WHEREAS

- a) The Foreign Collaborators of TACL have interest only in the Gasket Division and are considering bringing fresh equity and technology into India and otherwise enhancing their presence provided TACL's activities are confined to manufacture of Gaskets, allied materials or items.
- b) TACL on the strength of confining itself to Gasket manufacturing activities can become a major player in this segment particularly if the Foreign Collaborators enhance their presence.
- c) In this era of liberalisation, on Company without the backing of quality and brand name can continue to remain a market leader unless it upgrades its technology periodically. For this reason it has become absolutely necessary to carry out this Scheme for purposes explained.

PART II

1. With effect from the Date of Arrangement the Engineering Division of TACL shall pursuant to Section 394(2) of the Act and without any further act, deed or thing be vested by operation of law in or be deemed to have been vested in TEL for all the estate and interest of TACL therein free from all charges, liens, lise pendens, mortgages and encumbrances, if any affecting the same or any part thereof, subject to existing charges in favour of, the Company's Bankers and Financial Institutions, namely ICICI, UTI, HSIDC, Bank of India, ANZ Grindlays Bank, Sanwa and Exim Bank as may be modified, readjusted, apportioned and reallocated by them.
2. All debts, liabilities and obligations of TACL relating to the Engineering Division as on the close of business on the day immediately preceding the Date of Arrangement, whether provided for or not in the books of account of TACL and all other liabilities relating to the Engineering Division which may accrue or arise from the Date of Arrangement, but which relate to the period upto the day immediately preceding the Date of Arrangement shall become the debts, liabilities, and obligations of TEL and TEL undertakes to meet, discharge and satisfy the same to the exclusion of TACL including liability for bonus for the period upto 31st March 1995, to the extent not provided in the books.
3. TACL undertakes to deal with the liabilities stated in Clause 2 hereof which are not vested into TACL and keep TEL indemnified from and against all liabilities, obligations, actions, claims and demands in respect thereof. In the event any such liability is required to be met and paid by TEL, TEL undertakes to deal with all proceedings in respect thereof in consultations with TACL and to deal with the same as per advice of TACL and at the costs of TACL and TACL will indemnify and keep indemnified TEL from and against all liabilities, obligations, actions, claims and demands in respect thereof.
4. Similarly, all incomes, receipts and gains of whatsoever nature not accounted for but pertaining to the period upto the Date of Arrangement shall be to the account of TACL and TEL will hold the same in trust for TACL till it is satisfied in favour of TACL.
5. All legal or other proceedings by or against TACL whether pending on the Effective date or any matter arising before the Date of Arrangement and relating to the Engineering Division (including those relating to any property, right, power, liability, obligation or duty of TACL in respect of Engineering Division) shall be continued and enforced by or against TACL only. If proceedings

are taken against TEL, TEL will defend on notice or as per advice of TACL at the costs of TACL and TACL will indemnify and keep indemnified TEL from and against all liabilities, obligations, actions, claims and demands in respect thereof.

6. With effect from the Date of Arrangement and upto and including the Effective Date:
 - a) TACL shall be deemed to have been carrying on or to be carrying on all business and activities relating to Engineering Division and stand possessed of the properties so to be vested in TEL for and on account of and in trust for TEL.
 - b) All profits accruing to TACL or losses arising or incurred by it relating to Engineering Division shall for all purposes, be treated as the profits or losses, as the case may be of TEL.
7. TACL hereby undertakes from the Date of Arrangement upto and including the Effective Date:
 - a) To carry on business of the Engineering Division in the ordinary course of business and not (without the prior written consent of TEL) to alienate, charge or otherwise deal with or dispose off the Engineering Division or any part thereof except in the usual course of business; and
 - b) Not to utilise the profits, if any, relating to the Engineering Division for the purpose of declaring or paying any dividend in respect of the period falling on and after the Date of Arrangement;
8.
 - a) TEL undertakes to engage, on and from the Effective Date, all the permanent employees of TACL engaged in the Engineering Division on the same terms and conditions on which they are engaged as on the Effective Date by TACL without any interruption of service as a result of the transfer. TEL agrees that the services of all such employees with TACL upto the Effective Date shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits;
 - b) The accumulated balances, if any, standing to the credit of the employees and officers of the Engineering Division in the existing Provident Fund, Gratuity Fund and Superannuation Fund, of which they are members, will be transferred to such Provident Fund, Gratuity Fund and Superannuation Fund nominated by TEL and/or such new Funds to be established and caused to be recognised by the concerned authorities by TEL. Pending the transfer as aforesaid, the Provident Fund, Gratuity Fund and Superannuation Fund dues to the said employees and Officers of the Engineering Division would be continued to be deposited in the existing Provident, Gratuity and Superannuation Funds respectively;
 - c) TEL undertakes to pay, discharge and satisfy all debts, liabilities, duties and obligations of TACL relating to the Engineering Division on the close of business on the day immediately preceding the Date of Arrangement and all liabilities, debts, obligations relating to the Engineering Division which may accrue or arise after the Date of Arrangement but which relates to the period prior to the Transfer Date save and except the liabilities to be met and discharged by TACL in terms of Clause 2 hereof.
9. The vesting of properties and liabilities of the Engineering Division under Clause 1 hereof and the continuance of the proceedings by or against TEL under Clause 5 hereof shall not affect any transaction or proceeding already completed by TACL on and after the Date of Arrangement to the end and intent that TEL accepts all acts, deeds and things done and executed by and/or on behalf of TACL as acts, deeds and things done and executed by and on behalf of TACL.

10. Subject to the other provisions contained in this scheme all contracts, deeds, bonds, agreements and other instruments of whatsoever nature relating to the Engineering Division to which TACL is a party subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favour of TEL and may be enforced as fully and effectively as if instead of TACL, TAL had been a party thereto.
11. For the purpose of this Scheme, a Statement of Account as on the date preceding the Date of Arrangement shall be drawn up in respect of the assets and liabilities of the Engineering Division to be vested in TEL as per this scheme. The said Statement of Account shall be drawn up on the basis of the books of account of TACL relating to the Engineering Division on the day immediately preceding the Date of Arrangement, i.e. as on 31st March, 1995 as audited by Auditors after incorporating any additional liability for bonus pertaining to the Engineering Division for the year April 1994 to March 1995, as may crystallise after the Date of Arrangement. All assets and liabilities shall be taken at the values as appearing in the books of account of TACL as on the day immediately preceding the Date of Arrangement and shall be reflected in the books of TEL at such values as aforesaid.
12. Upon the vesting of the Engineering Division to TEL pursuant to Clause 1 hereof and upon the Scheme becoming effective, TEL shall;

Issue and allot to the Equity Shareholders of TACL bearing distinctive Nos. 1 to 1400000 i.e. shares issued and allotted as on the date of the approval of this Scheme by the Board of the Directors of the two Companies without further application one Equity Share of Rs. 10/- each credited as fully paid up in TEL for every two Equity Shares of Rs. 10/- each held by such Equity Shareholders in TACL as on a record date to be fixed by the Board of Directors of TEL.
13. Upon the Scheme becoming effective and on the transfer and vesting of Engineering Division to TEL, existing charges shall continue in favour of the Company's Bankers & Financial Institutions namely ICICI, UTI, HSIDC, Bank of India, ANZ Grindlays Bank, Sanwa Bank and Exim Bank as may be modified, readjusted apportioned and reallocated by them.
14. Even after the Effective Date, TEL shall be entitled to realise all money and complete and enforce all pending contracts and transactions in respect of the Engineering Division in the name of TACL in so far as may be necessary until the transfer of rights and obligations of TACL to TEL under this scheme is formally accepted by all concerned.

PART - III

1. TACL and TEL shall make necessary application before the Hon'ble Delhi High Court, for the sanctions of this Scheme of Arrangement.
2. Save and except the Engineering Division of TACL and as expressly provided in this Scheme of Arrangement nothing contained in this Scheme of Arrangement shall affect the rest of the assets, liabilities and business of TACL which shall continue to belong to and be vested in and be managed by TACL.
3. TACL and TEL (through their respective Board of Directors) and in their full and absolute discretion, assent to any alteration or modification to this Scheme which the Court and/or any other Authority may deem fit to approve or impose and may further give such directions as they may consider necessary to settle any question or difficulty arising under this Scheme or in any manner connected therewith.
4. The Scheme is conditional upon and subject to the following:

- a) The Scheme being approved by the respective requisite majorities of the members of TACL and TEL and it being sanctioned by the Delhi High Court ;
 - b) The approvals of lenders and trustees for debenture holders, wherever necessary, under any contract entered into with them by TACL and/or TEL.
 - c) The certified copies of the Orders of the Delhi High Court being filed with the Registrar of Companies, concerned by both TACL and TEL.
6. TACL and/or TEL each be at liberty to withdraw from this Scheme of Arrangement in case any condition or alteration imposed by any Authority is unacceptable to them.

All costs, charges and expenses incurred in carrying out and implementing the terms and provisions of this Scheme and incidental thereto including those incurred during negotiations leading to the Scheme to be borne equally by TACL and TEL.

7. If any doubt or difference or issue shall arise between the parties hereto or any of their shareholders, creditors, employees and/or any other person as to the construction hereof or as to any account, valuation or apportionment to be taken or made of any asset or liability transferred under this Scheme or as to the construction hereof or as to any account, valuation or apportionment to be taken or made of any asset or liability transferred under the Scheme or as to the accounting treatment thereof or as to anything else contained in or relating to or arising out of this Scheme, the same shall be referred to arbitration and the law of arbitration as in force shall apply.

SCHEDULE II

PART I

(Freehold property of the transferor company)

- i) All land measuring 4985.20 Sq. yards situated at Plot No. 74, Indl. Area, Sector 6, Faridabad (Haryana) with factory shed and building, boundry walls thereon and bounded as follows:

East :- Dividing Road Sector 6 & Sector 7
West :- Haryana Stamping Pvt. Ltd. Plot No. 79, Sector 6, Faridabad
North :- TACL OE Plant, Plot No. 75, Sector 6, Faridabad
South :- Suprim Plastic, Plot No. 73, Sector 6, Faridabad

Together with plant & machinery, tubewell appurtemment rights, tenaments & here-ditaments as well as electric installations, fixtures, fittings & office equipments etc., installed therein.

- ii) All land measuring 5000 sq. yards situated at Plot No. 75 Indl. Area, Sector 6, Faridabad (Haryana) with factory shed and building, boundry walls thereon and bounded as follows :

East :- Dividing Road of Sector 6 & Sector 7
West :- Numex Industries, Plot No. 78, Sector 6, Faridabad
North :- Helex Engineering, Plot No. 76, Sector 6, Faridabad
South :- TACL ED, Plot No. 74, Sector 6, Faridabad

Together with plant & machinery, appurtemment rights, tenaments & here-ditaments as well as electric installations, fixtures, fittings & office equipments etc., installed therein.

PART II

(Leasehold property of the Transferor Company)

— NIL —

PART III

(Description of the Stocks, Shares, debentures of the Transferor Company)

— NIL —

C.P. 68/95 & C.P. 69/95

Given under my hand and the seal of this Court dated the 28th July, 1995

(By order of this Court)

(M.A. Khan)
REGISTRAR

Certified true copy

Sd/-

Examiner Judicial Deptt.

High Court of Delhi.