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**MEMORANDUM  
AND  
ARTICLES OF ASSOCIATION**

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**RAMCO INDUSTRIES LIMITED**

Regd. Off. : 47, PSK Nagar, Rajapalayam - 626 108



Company Number: 5297

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

In the office of the Registrar of Companies, Tamil Nadu, Madras-6.

(Under the Companies Act, 1956 (I of 1956))

IN THE MATTER OF \* Southern Asbestos Cement Limited

I hereby certify that Southern Asbestos Cement Limited

which was originally incorporated on 27th day of January 1965

under the Companies Act, 1956/1913 and under the name Southern Asbestos Cements Limited

having duly passed the necessary resolution in terms of Section 21/22(1)(a) of the Companies Act, 1956 and the approval of the Central Government signified in writing having been accorded hereto in the Ministry of Industry and Company Affairs, Department of Company Affairs, Registrar of Companies, Madras, Letter No 24/5297 dated 30.6.88 Del (S.21)/88 the name of the said company in this day changed to **RAMCO INDUSTRIES LIMITED**

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

Given under my hand at MADRAS this Thirtieth Day of June Ninth Asadha

One thousand nine hundred and Eighty Eight.

One thousand nine hundred and Ten (Saka)



*K. Palchappakesan*

(K. PALCHAPPAKESAN)  
Addl. Registrar of Companies  
Tamil Nadu

Here give the name of the company as existing prior to the change.

Here give the name of the Act(s) under which the company was originally registered and incorporated.



## Fresh Certificate of Incorporation Consequent on Change of Name

In the Office of the Registrar of Companies, Tamil Nadu, Madras.

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

IN THE MATTER OF: "SOUTHERN ASBESTOS CEMENTS LIMITED"

I hereby certify that SOUTHERN ASBESTOS CEMENTS Limited  
which was originally incorporated on Twenty seventh day of January 1955  
under the Companies Act 1956/1956 and under the name SOUTHERN ASBESTOS  
CEMENTS Limited;

having duly passed the necessary resolution in terms of section 21/~~XXIX~~ of Companies Act,  
1956, and the approval of the Central Government signified in writing having been accorded thereto in  
the Ministry of Law, Justice & Company Affairs, Department of Company Affairs Regional  
for Madras, letter No. F.No. 4/21/M.19/77  
dated 31st October, 1977 the name of the said company is this day changed  
to "SOUTHERN ASBESTOS CEMENT" Limited,  
and this certificate is issued pursuant to section 23 (1) of the said Act.

Given under my hand at M A D R A S this Fourth  
Thirteenth  
day of November (One thousand nine hundred seventy seven)  
Kartika (One thousand eight hundred and ninety nine) (Saka)



*U. Banachandran*  
Asst. Registrar of Companies  
Tamil Nadu, Madras.

One of the company as existing prior to the change.  
Name of the Act's) under which the company was originally registered and incorporated.



Form I. R.

## CERTIFICATE OF INCORPORATION

No. 5297 of 1965

I hereby certify that SOUTHERN ASBESTOS CEMENTS  
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 M A D R A S

this Twentyseventh day of January  
Seventh Magha

One thousand nine hundred and sixtyfive.

One thousand eight hundred and eightysix (Saka).



(J. K. DAL)  
Registrar of Companies.

MCIRTC-515/SC-1240 (C-517)-7.9.63-5,000.



## Certificate for Commencement of Business

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

I hereby certify that the SOUTHERN ASBESTOS CEMENTS  
LIMITED.

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which was incorporated under the Companies Act, 1956, on  
the Twenty Seventh day of January 1965.

and which has this day filed a duly verified declaration in the prescribed  
form that the conditions of section 149 (1) (a) to (d)/149 (2) (a) to (c)  
of the said Act, have been complied with, is entitled to commence  
business.

Given under my hand at Madras

this Twelfth day of March  
Twenty First Phalguna

One thousand nine hundred and Sixty Five.

One thousand Eight hundred and Eighty Six (Saka)

*P. B. Menon*  
Registrar of Companies.



J. S. 313 2410 318 4-10-63-3,000.  
MGIPFC

**MEMORANDUM OF ASSOCIATION**  
**OF**  
**RAMCO INDUSTRIES LIMITED**

- I. The name of the Company is "**RAMCO INDUSTRIES LIMITED**".
- II. The Registered Office of the Company will be situated in the State of Madras.
- III. (A) **The main objects to be pursued by the Company on its incorporation and objects incidental or ancillary to the attainment of its main objects are :**
  1. To carry on the business of manufacturers of and dealers in asbestos, asbestos sheeting and goods of every description made or composed wholly or partly of asbestos.
  2. To carry on the business of mining and working for asbestos and of manipulating, preparing for market, manufacturing and dealing with asbestos and goods connected with the utilisation of asbestos or of any material capable of being used for similar purposes or objects to those for which asbestos goods can be used and any other product derived in the course of dressing, preparation or treatment of asbestos.
  3. (a) To purchase, take on lease or otherwise acquire any lands, mines, mining rights or any other land and any interest therein and to explore, work, exercise, develop and to turn to account the same for the purpose of the Company and to sell those which may not be required by the Company.  
  
(b) To carry on the business of exporters and to promote, organise, develop and effect exports from India of products, goods, commodities and services of all descriptions and to establish offices / depots abroad to carry out trading and agency business and to import and deal in those goods.

Amended with  
the approval of  
Company Law  
Board,  
Southern Regn.  
vide their letter  
dated 15th July  
1985.

- (c) To manufacture, produce, buy, sell, import, provide technical consultancy services or otherwise, deal in all kinds of roofing sheets and accessories, including flat sheets / boards of every description made up of wholly or partly with the use of natural, synthetic, organic, inorganic fibre and cement of all description and in connection therewith to acquire or manufacture machinery and enter into arrangement for technical know-how both from inside and outside the country and to invent, conduct research, set up laboratories.
- (d) To manufacture, produce, refine, process, convert, undertake job work, formulate, buy, sell, collect charges, export, import or otherwise deal in Methylene Chloride Vapour Chemicals.
- (e) To carry on the business of manufacture, refining of salt, iodised salt, chemical salt and other by-products and deal in, sell, import and export the same and for that purpose to purchase or otherwise acquire any salt areas, springs or other area containing brine and to develop, maintain, let out the same to construct, maintain, repair, alter, improve all works that may be required for the manufacture of salt and other by-products including salt based chemicals.
- (f) To carry on business to manufacture, products, treat, process, refine, export, import, buy, sell and generally deal in all kinds of window frames, doors, tiles and electronic components.
- (g) To carry on the business of purchasing and letting on lease or hire in any part of India or abroad all kinds of machinery, plants.
- (h) To manufacture Sugar and to purchase, manufacture, produce, boil, refine, prepare, import, export, sell and generally to deal in sugar, sugar candy, jaggery, sugar-beet, sugar-cane, bagasse, molasses, syrups, Malaga, alcohol, spirits and all sugar products such as confectionery, glucose, canned fruit, golden syrup and aerated waters and / or by products such as alcohol, paper from bagasse and food products generally and in connection therewith to acquire any area by purchase or otherwise and to develop maintain, improve, construct, operate factories for the manufacture of sugar or any of its products or by-products, conduct research and acquire or manufacture machinery for any of the above purposes.
- (i) To manufacture, buy, market, assemble, fabricate, fit, repair, convert, overhaul, alter, maintain and improve all types and every description of electronic components, appliances apparatuses, devices such as wireless EPABX, radio, receivers and transmitters, audio and visual equipment, T.V. receivers, remotely controlled units, cordless telephones, microphones, test equipments, analogue / digital radio relay systems with narrow and wide band voice / data channels and to manufacture plant

Amended with the approval of Company Law Board, Southern Regn. vide their letter dated 13th August 1988.

Amended with the approval of Company Law Board, Southern Regn. vide their letter dated 25.1.89.

Amended with the approval of Company Law Board, Southern Regn. vide their order dated 19.9.89.

and machinery with tools required to manufacture the aforesaid items.

- (j) To manufacture, deal, market, repair and assemble computers, computer peripherals, software etc. and deal in software / technical consultancy services, conduct researches, undertake turnkey projects for installation and to manufacture all plant, machinery and tools required for all the business aforesaid.

- (k) To generate, accumulate, distribute and supply of electricity for the purposes of light, heat motive power and for all other purposes for which electricity can be employed and to manufacture and deal in all apparatus and things required for, or capable of being used in connection with the generation, distribution, supply, accumulation and employment of electricity, including in the term electricity all power that may be directly and indirectly derived therefrom, or may be incidentally hereafter discovered in dealing with electricity and to acquire concessions, licences or orders granted by and enter into contracts.

Amended with the approval of Company Law Board, Southern Regn. vide their order dated 26.6.95.

- (l) (a) (i) To manufacture and produce by means of blowing, extrusion, orientation, formation, knitting, dipping, lamination, moulding, bonding, heat-setting etc. Plastic Storage Tanks / Plastic Containers of any kind and any similar or related products made of plastics, polymers or any such materials etc., and also their derivations, by-products and related products.

Special Resolution approved by the Shareholders on 27.7.06 by way of postal ballot.

- (ii) To manufacture and produce all types of flat or corrugated sheets, panels, claddings for exteriors / interiors and accessories thereto, whether colour-coated or not and made of various types of steel, Plastics, Polymers and all such other materials of which the above products can be produced.

- (b) To buy, sell, market, import, export, act as agents or dealers in all the products enumerated in the sub sub-clauses (a) (i) and (a) (ii) above.

- (c) To provide and consultancy and other services related to all the above products in sub sub-clauses (a) (i) and (a) (ii) above.

- (m) To carry on the business of biotechnology involving the development of biological organisms or their components for commercial or industrial processes including agricultural biotechnology, plant biotechnology, bio-engineering, microbial genetic engineering, plantation, farming, agriculture, horticulture and sericulture in their respective forms and branches and to

Special Resolution approved by Shareholders by way of Postal Ballot on 16.11.2011.



grow, produce, manufacture, process, prepare, refine, extract, manipulate, hydrolize, deodorize, grind, bleach, hydrogenate, buy, sell or otherwise deal in all kinds of agricultural, horticultural, sericulture, farm products including food grains, cereals, seeds, plants, flowers, vegetables, fruits vegetable and edible oils, foods and food products and preparation of any nature of description whatsoever.

4. To build, construct, maintain, alter, enlarge, pull down and remove or replace any houses, buildings, factories, mills, offices, works, wharves, roads, etc., machinery, engines, walls, fences, banks, dams, sluices or water courses and to clear sites for the same or to join with any person, firm or company in doing any of the things aforesaid and to work, manage and control the same or join with others in so doing.
5. To acquire, by purchase or otherwise, such chemicals, spare parts, stores, tools, stationery and machinery as the Company may deem necessary for its business and to sell the same.
6. To purchase, take on lease or in exchange or otherwise acquire either absolutely or by lease, licence, concession, grant or otherwise, any lands, forests, mines, mineral rights, easements, rights and privileges and to search for ores and minerals, mine and grant licences for mining in or over any lands, which may be acquired by the Company and to lease out any such land for building or agricultural use and sell or otherwise dispose of the lands, forests, mines or other property of the Company.
7. To acquire by concession, grant, purchase, amalgamation, barter, lease, licence or otherwise, either absolutely or conditionally and either solely or jointly with others, any houses, lands, farms, quarries, water rights, way leaves and other works, privileges, rights and hereditaments and any machinery, plant, utensils, trademarks and other movable and immovable property of any description.
8. To search for and to purchase or otherwise acquire from any Government, State or Authority, licences, concessions, grants decrees, rights, power and privileges whatsoever which may seem to the Company capable of being turned to account and in particular any water rights or concesssions either for the purposes of obtaining motive power or otherwise, and to work, develop, carry out, exercise and turn to account the same.
9. To cultivate, grow, produce or deal in any agricultural products in the lands that may be vacant for the time being and belonging to the Company.

10. To establish, provide, maintain and conduct, or otherwise subsidize research laboratories and experimental workshops for scientific and technical research and experiments to undertake and carry on with all scientific and technical researchers, experiments and tests of all kinds and to promote studies and research, both scientific and technical, investigation and invention by providing, subsidizing, endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing the remunerations of scientific or technical professors or teachers and by providing for the award of exhibition, scholarship, prizes, grants and bursaries to students or independent students or otherwise and generally encourage, promote and reward studies, researchers, investigation, experiment, tests and invention of any kind that may be considered likely to assist any of the business which the Company is authorised to carry on.
11. To erect, construct, enlarge, alter and maintain buildings and structures of every kind necessary or convenient for the Company's business.
12. To let out on hire all or any of the property of the Company whether movable or immovable including all and every description of apparatus or appliances, and to hold, use cultivate work, manage, improve, carry on and develop the undertaking, land and movable and immovable property and assets of any kind of the Company or any part thereof and to sell the same when not required for the business of the Company.
13. To purchase or otherwise acquire and protect, prolong and renew whether in India or elsewhere, any patents, patent rights, brevets d'invention, licences, protections and concessions which may appear likely to be advantageous or useful to the Company, and to use and turn to account and manufacture under or grant licences or privileges in respect of the same and to spend money in experimenting upon and testing and improving or seeking to improve any patent, inventions or rights which the Company may acquire or propose to acquire.
14. To enter into partnership or into any arrangement for sharing or pooling profits, amalgamations, union of interests, co-operations, joint venture, reciprocal concessions or otherwise with any person, firm or company carrying on or engaged in or about to carry on or engage in, any business or transaction which this Company is authorised to carry on or engaged in, any business undertaking or transaction which may seem capable of being carried on or conducted so as directly or indirectly to benefit this Company.

15. To pay all the costs, charges and expenses, if any, incidental to the promotion, formation, registration and establishment of the Company and the issue of its capital including any underwriting or other commissions, broker's fees and charges in connection therewith, and to remunerate or make donations to (by cash or other assets or by the allotment of fully or partly paid shares or by a call or option on shares, debentures, debenture stock or securities of this or any other company, or in any other manner, whether out of the Company's capital, profits or otherwise) any person, firm or Company, for services rendered / to be rendered in introducing any property or business to the Company, or in placing or assisting to place or guaranteeing the subscription of any shares / debentures, debenture stock or other securities of the Company, or in or about the formation or promotion of the Company or for any other reason which the Company may think proper.
16. To acquire and carry on all or any part of the business or property, and to undertake any liabilities of any person, firm, association or company possessed of property suitable for any of the purposes of this Company or carrying on any business which this Company is authorised to carry on and upon any terms and for any consideration, and in particular for cash or in consideration of the issue of shares, stocks or obligation of the Company.
17. To enter into any arrangements with any Government or authorities municipal, local or otherwise that may seem conducive to the Company's objects or any of them and to obtain from any such Government or authority any rights, privileges and concessions, which the Company may think it desirable to obtain and to carry out, execute and comply with any such arrangements, rights, privileges and concessions.
18. To draw, accept, and make and to endorse, discount and negotiate promissory notes, hundies, bills of exchange, bills of lading and other negotiable or transferable instruments.
19. To borrow, or raise money or to receive money on deposit, (not amounting to Banking business) deposit at interest, or otherwise in such manner as the Company may think fit, and in particular by the issue of debentures or debenture stock perpetual or otherwise including debentures or debenture stock convertible into shares of this Company or perpetual annuities, and in security of any such money so borrowed, raised or received, to mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or 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 any such securities.



20. To accumulate funds and to lend, invest or otherwise employ moneys belonging to or entrusted to the Company upon any shares, securities or investments upon such terms as may be thought proper and from time to time to vary such transactions in such manner as the Company may think fit.
21. To invest and deal with the moneys of the Company in any investments movable or immovable in such manner as may seem expedient and be determined.
22. To sell and in any other manner deal with or dispose of the undertaking of the Company or any part thereof, for such consideration as the Company may think fit, and in particular for shares, debentures and other securities of any other Company having objects altogether or in part similar to those of the Company.
23. To sell, improve, manage, work, develop, lease, mortgage, abandon or to otherwise deal with all or any part of the property, rights, concessions of the Company.
24. To ensure with any person, or company against losses, damages, risks and liabilities of any kind which may affect the Company, either wholly or partially and, if thought fit, to effect any such insurance by joining or becoming a member of any mutual, protection or indemnity association, federation or society and to accept any such insurance, or any part thereof, to the account of the Company.
25. To create any depreciation fund, reserve fund, sinking fund, insurance fund or any special or other fund whether for depreciation, or for repairing, improving, extending or maintaining any of the property of the Company or for redemption of debentures, or redeemable preference shares or for any other purpose whatsoever conducive to the interest of the Company.
26. To guarantee the payment of money unsecured or secured by or payable under or in respect of promissory notes, bonds, debentures, debenture stocks, contracts, mortgages, charges, obligations, instruments, securities of any company or of any authority, supreme municipal, local or otherwise or of any person whomsoever, whether incorporated or not and generally to guarantee or become sureties for the performance of any contracts or obligation.
27. To distribute, except in paying dividends when the Company is not in liquidation, any of the properties of the Company amongst the members of the Company in specie or kind.
28. To provide for the welfare of the employees or ex-employees of the Company and the wives, widows, and families or the dependents or connections of such persons by building or contributing to the building of houses, dwellings, or chawls, or by grants of money, pensions, allowances, bonus or other payments or by creating and from time

to time subscribing or contributing to provident or other associations, institutions, funds or trust; and by providing or, subscribing or contributing towards places of instruction, recreation, hospitals and dispensaries, medical or other attendance and other assistance as the Company shall think fit, and to subscribe or contribute or otherwise to assists or to guarantee money to charitable, benevolent, religious scientific national, political or other institutions, associations, parties, or persons and objects which shall have any moral or other claim to support or aid by the Company either by reason or locality of operation or of public and general utility or otherwise.

29. Subject to the provisions of Section 293A of the Companies Act, 1956 to subscribe or contribute any amount or amounts to any political party or political purposes to any individual or body.
30. Subject to the provisions of Section 78 of the Companies Act, 1956, to palce to reserve or to distribute as dividend or bonus among the members of the Company, or otherwise to apply as the Company may, from time to time, think fit, any moneys received by way of premium on shares or debentures issued at a premium by the Company, any moneys received in respect of dividends accrued on forfeited shares and moneys arising from the sale by the Company of forfeited shares, or from unclaimed dividends.
31. To adopt such means of making known the products of the Company as may seem expedient and in particular to advertising in the press, by circulars, or purchase and exhibition of works or art of interest by publication of books and periodicals and by granting prizes, rewards and donations.
32. To amalgamate with, or absorb, any other Company having objects altogether or in part similar to those of this Company.

To do all or any of the above things and all such other things as are incidental or may be thought conducive to the attainment of the above objects or any of them in any part of India, and as principals, agents, contractors or otherwise, and by or through trustees, agents or otherwise, and either alone or in conjunction with others.

**(B) Other objects of the Company not included in Clause A above :**

1. To carry on the business of ginnors of kappas, spinners and weavers of cotton, silk staple-fibre, rayon, yarn, jute, hemp and other fibrous substances.
2. To carry on, in India or elsewhere in the world, the business of dealers in cotton, kappas, silk, staple-fibre, rayon, yarn, jute hemp and other fibrous substances.
3. To carry on business of erectors of machinery of every description.

4. To carry on business as manufactures, representatives, sales agents, stockists, or distributors of all kinds of goods merchandise and manufactured goods dealt with by the Company.
5. To carry on the business of manufacture of cement or and of their products allied to or incidental in the manufacture of cement like limestone, gypsum etc., and to deal in those products.
6. To carry on the business of planters, cultivators, sellers and dealers of and in rubber, coconuts, coffee, tea, oil, palms, tobacco, sugar, cocoa, spices, rice, fruit, pepper, chinchona, silk, cotton, flax, grain, copra, guana and bone and other artificial manure and agricultural and natural products of any kind and to manufacture, dispose off, buy, sell and deal in products of the same.
7. To carry on all of any of the objects mentioned above that may be deemed to be ancillary to the objects mentioned in Clause A supra.
8. All the ancillary clauses for the main objects mentioned in Clause A will also be ancillary clauses to the objects mentioned in Clause B.
9. And it is hereby declared that the word Company in Clause A and B hereof, except when used in reference to this Company only, shall be deemed to include any authority, partnership or other body of persons whether incorporated or not and whether domiciled in India or elsewhere.

IV. The liability of the members is Limited.

V. The Authorised Share Capital of the Company is Rs. 20 Crores (Rupees Twenty Crores only) dividend into 20,00,00,000 (Twenty Crore) Shares of Re. 1/- each.

Amended with  
the approval of  
Shareholders at  
the EGM held  
on 03.09.2009.

We, the several persons, whose names and addresses are subscribed hereto 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.	Signature, Name, Address, Description and Occupation of the Subscribers	No. of Equity Shares taken by each Subscriber
1.	Sd/- <b>P.R. RAMASUBRAMANIA RAJA</b> S/o. Sri. P.A.C. Ramasamy Raja, Land Lord, "Ramamandiram", Rajapalayam.	501
2.	Sd/- <b>H.K. RAMASWAMI</b> S/o. Sri. H. Krishnasastri, Businessman, For and on behalf of Seshasayee Bros. (P) Ltd., "Sita Sadan", 4, Williams Road, Tiruchirapalli - 1.	101
3.	Sd/- <b>K. THIRUVENGADAM</b> S/o. Sri. K.T. Krishna Mudaliar. Business, "Kottur House", Satyanarayana Avenue, Madras - 600 028.	111
4.	Sd/- <b>V.G. SUNDARAM</b> S/o. Sri. V.G. Gopala Iyer, Land Lord, Viravanallur Thirunelveli Dt.	101
5.	Sd/- <b>S.R. NARAYANA RAJA</b> S/o. Sri. S.N. Ramasamy Raja, Land Lord, Rajapalayam.	101
6.	Sd/- <b>N.R. KRISHNAMA RAJA</b> S/o. Sri. N.A. Ramaswamy Raja Merchant, Rajapalayam.	151

Sl. No.	Signature, Name, Address, Description and Occupation of the Subscribers	No. of Equity Shares taken by each Subscriber
7.	Sd/- <b>P.S. SUBBA RAJA</b> S/o. Sri. Poosapadi Sanjeeva Raja Merchant, Rajapalayam.	101
8.	Sd/- <b>S.S. RAMACHANDRA RAJA</b> S/o. Sri. S.N.R. Raja, Business, "Ramamandiram", Rajapalayam.	101
9.	Sd/- <b>S. ARJUNA RAJA</b> S/o. Sri. P.S. Sanjeevi Raja, Businessman, "Ramalakshmi Nivas", Rajapalayam.	101
10.	Sd/- <b>S. KANDASAMY</b> S/o. Sri. Sankaralingam Chettiar, Lord Lord, Chettiar Street, Rajapalayam.	106
11.	Sd/- <b>P.A. JAGANATHA RAJU</b> S/o. Sri. P.A.P. Alaga Raju, Land Lord, Pudupalayam, Rajapalayam.	101
12.	Sd/- <b>M.R.S. RADHAKRISHNA RAJA</b> S/o. Sri. M.S. Ramaswamy Raja, Business, P.S.K. Nagar, Rajapalayam.	101



Sl. No.	Signature, Name, Address, Description and Occupation of the Subscribers	No. of Equity Shares taken by each Subscriber
13.	Sd/- <b>R. CHITTAMMAL</b> W/o. Sri. S.S. Ramachandra Raja House Wife, "Ramamandiram" Rajapalayam.	101
14.	Sd/- <b>R. SUDARSANAM</b> W/o. Sri. P.R. Ramasubramania Raja House Wife, "Ramamandiram" Rajapalayam.	101
	Total	1,879

Dated : 22 - 1 - 1965

Witness  
to all the signatures,  
from No. 1 to 14

Sd/-  
A.N. RADHAKRISHNAN  
S/o. Sri. A.V. Nagarajan,  
C/o. Rajapalayam Mills Ltd.  
Rajapalayam.

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**Scheme of Arrangement  
approved by the Hon'ble High Court of Madras Vide  
Order dated 24.12.1999**

**(Forming Part of the Memorandum of Association)**

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CO. NO. 5297 / PC - I / Aaml / 2000  
GOVERNMENT OF INDIA  
MINISTRY OF LAW JUSTICE & COMPANY AFFAIRS  
DEPARTMENT OF COMPANY AFFAIRS  
O/o. THE REGISTRAR OF COMPANIES, SHASTRY BHAVAN  
II FLOOR, 26, HADDOWS ROAD, CHENNAI - 600 006

CERTIFICATE OF REGISTRATION OF ORDER AMALGAMATION  
UNDER SECTION 394 OF THE COMPANIES ACT, 1956

IN THE MATTER OF : RAMCO INDUSTRIES LIMITED

IN COMPANY PETITION NO. 278 OF 1999

Pursuant to the provisions contained in Section 394 of the Companies Act, 1956, I hereby certify that the Form No. 21 dated 12.1.2000, enclosed the order passed by the Honourable High Court of Madras on 24.12.1999 providing for the De-Merger of Software business undertaking of

**M/s. Ramco Industries Limited**

to

**M/s. Ramco Systems Limited**

has this day been registered.

Given under my hand at CHENNAI this 29<sup>th</sup> day of FEBRUARY TWO THOUSAND.

Sd/-  
(V.A. VIJAYAN MENON)  
REGISTRAR OF  
COMPANIES  
TAMIL NADU, CHENNAI.

IN THE HIGH COURT OF JUDICATURE AT MADRAS  
(Original Jurisdiction)

Friday, the 24<sup>th</sup> day of December 1999

The Hon'ble Mr. Justice R. Jayasimha Babu

Company Petn. Nos. 278 & 279 of 1999

C.P. No. 278 of 1999

..... In the matter of the Companies Act, 1956  
AND  
In the matter of Ramco Industries Ltd.

M/s. Ramco Industries Ltd., A Company registered  
Under the Companies Act, 1956 and having Regd.  
Office at 47, P S K Nagar, Rajapalayam - 626 108  
rep. by its Director

..... Petitioner

Company Petition praying this Court to pass an order that the said scheme of Arrangement. Viz. De-merger of the Software business undertaking of Ramco Industries Limited to Ramco Systems Limited with effect from 1<sup>st</sup> April 1999, be sanctioned by this Court so as to be binding on all the Equity shareholders and creditors of the said Company with effect from 1<sup>st</sup> April 1999.

C.P. No. 279 of 1999

..... In the matter of Companies Act, 1956  
AND  
In the matter of Ramco Systems Ltd.

M/s. Ramco Systems Limited, A Company  
Registered under the Companies Act,  
1956 and having Regd. Office at  
47, P.S.K. Nagar, Rajapalayam - 626 108  
rep. by its Director

..... Petitioner

Company petition praying this Court to pass an order that the said Scheme of Arrangement viz., De-merger of the Software business undertaking of Ramco Industries Limited to Ramco Systems Limited with effect from 1<sup>st</sup> April, 1999 be sanctioned by this Court so as to be binding on all the equity shareholders and creditors of the said Company with effect from 1<sup>st</sup> April, 1999.

These Company petitions coming on this day before this Court for hearing in the presence of Mr. T.K. Seshadri, Advocate for the petitioner in both the Company petitions and Mr. M.T. Arunan, Additional Central Government Standing Counsel appearing for the Regional Director, Department of Company Affairs and upon reading the common order dated 9<sup>th</sup> July 1999 made in Company Application No. 841 & 842 of 1999, whereby the said Company, namely Ramco Industries Limited, the petitioner Company in Company Petition No. 278 of 1999 herein, was directed to convene a meeting of the shareholders of the said Company for the purpose of considering and, if thought fit, approving with or without modification the Scheme of Arrangement, viz., De-merger of the Software business undertaking of the said Company to Ramco Systems Limited, with Ramco Systems Limited, the petitioner Company in Company Petition No. 279 of 1999 and advertisement having been

made in The New Indian Express dated 27<sup>th</sup> July, 1999 and Dinamani dated 27<sup>th</sup> July, 1999, each containing the advertisement of the said meeting and the Report of the Chairman of the said meeting as to the result of the meeting and it is appearing from the said report that the Scheme of Arrangement (De-merger) has been approved unanimously by the shareholders and upon reading the affidavit of the petitioner Company dated 15<sup>th</sup> November, 1999 duly served on the Regional Director, Department of Company Affairs, wherein the petitioner Company had filed the various no objections / Approvals received from its creditors for the above said Scheme of Arrangement (De-merger) and upon reading the common order dated 9<sup>th</sup> July, 1999 made in the Company Application No. 842 of 1999, whereby the said Company, namely Ramco Systems Limited, the petitioner Company in Company Petition No. 279 of 1999, herein, was directed to convene a meeting of the shareholders of the said Company for the purpose of considering and, if thought fit, approving with or without modification the Scheme of Arrangement, viz., De-merger of the Software Business Undertaking of Ramco Industries Limited, the petitioner Company in Company Petition No. 278 of 1999 with the said Company and advertisement having been made in The New Indian Express dated 27<sup>th</sup> July, 1999 and Dinamani dated 27<sup>th</sup> July, 1999, each containing the advertisement of the said meeting and the Report of the Chairman of the said meeting as to the result of the meeting and it is appearing from the said report that the Scheme of Arrangement (De-merger) has been approved unanimously and upon reading the affidavit of the petitioner Company dated 15<sup>th</sup> November, 1999, duly served on the Regional Director, Department of Company Affairs, wherein the petitioner Company had furnished details of the equity allotments made / to be made in that Company and upon reading the affidavit filed by the Regional Director, Department of Company Affairs, on behalf of the Central Government, wherein the Scheme of Arrangement was not opposed by the Central Government and upon noting that no other person has opposed the Scheme of Arrangement despite the advertisement of the petitioner in the newspapers, subject to the condition mentioned in Clause 1 infra this court doth hereby sanction the Scheme of Arrangement (De-merger) as set out in the Schedule here under with effect from 1<sup>st</sup> April, 1999, and declare the same to be binding on all the shareholders and creditors of the said Companies and on the said Companies, and doth further order as follows :

1. That M/s. S. Viswanathan, Chartered Accountants, Chennai one of the Auditors of the Company be and is hereby directed to audit the books and records of the Company's Software division and submit a report to this Court within four weeks as to whether its affairs has been conducted in a manner not prejudicial to the interest of members or public.
2. That the petitioner Companies herein do file with the Registrar of Companies, Chennai a Certified Copy of the Order within 30 days from this date; and
3. That the parties to the Scheme of Arrangement (De-merger) or other persons interested shall be at liberty to apply to this Court for any direction that may be necessary in regard to carrying out of the scheme hereunder :

**SCHEME OF ARRANGEMENT (DEMERGER)  
BETWEEN  
RAMCO INDUSTRIES LIMITED  
AND  
RAMCO SYSTEMS LIMITED  
AND  
THEIR RESPECTIVE SHAREHOLDERS**

**PREAMBLE**

1. Ramco Industries Limited (RIL), whose corporate particulars are hereinafter given in Clause 1 of Definitions has been engaged in
  - a) Manufacture and sale of Asbestos Cement Sheets, Pressure Pipes and Accessories.
  - b) Manufacture and export of Cotton Yarn.
  - c) Research and Development of Enterprisewide Resource Planning (ERP) software and other computer application software, marketing of software and dealing in computer related hardware and software, and rendering professional services, in India ("Software Business Undertaking"); and
  - d) Marketing of Software and rendering professional services outside India through its Overseas Subsidiaries, namely, Ramco Systems Corporation, U.S.A., Ramco Systems Limited, Switzerland, Ramco Systems SDN BHD, MALAYSIA and Ramco Systems Pte. Ltd., Singapore ("Overseas Operations").

The shares of RIL are listed on the Madras and National Stock Exchanges. About 46.89% is held by the Ramco Group (Promoter Group) with the balance held by the public.
2. Considering the size of the Company and its component units, the Director feel that for greater focus on and synergy in the different activities of the Company to ensure accelerated growth and improved profitability, it would be advantageous to re-organise the Company by vesting the Software Business Undertaking of RIL, in Ramco Systems Limited, whose corporate particulars are hereinafter given in Clause 2 of Definitions. The Directors are of the opinion that the re-organisation, essentially to ensure better operational management and focus on accelerated growth of individual units, will ensure benefit to the shareholders, creditors, debenture holders, employees and is in the general public interest.

**DEFINITIONS**

1. The TRANSFEROR COMPANY, RAMCO INDUSTRIES LIMITED (RIL) is the Demerged Company, which was incorporated under the Companies Act, 1956 under the name Southern Asbestos Cements Ltd., on 27<sup>th</sup> Janaury, 1965, which name was changed to Southern Asbestos Cement Ltd., on 4<sup>th</sup> November, 1977, and subsequently to Ramco Industries Limited, with effect from 30<sup>th</sup> June, 1988; its Registered Office is at 47, P.S.K. Nagar, Rajapalaiyam, Tamilnadu, PIN - 626 108. The Authorised Capital of RIL is Rs. 5,00,00,000/- divided into 50,00,000 equity shares of Rs. 10/- each. The present issued, subscribed and paid-up capital is Rs. 4,33,31,530/- divided into 43,33,153 equity shares of Rs. 10/- each and Rs. 4,33,31,030/- divided into 43,33,103 equity shares of Rs. 10/- each respectively.

2. The TRANSFEREE COMPANY, RAMCO SYSTEMS LIMITED (RSL) is the Resulting Company, which was incorporated under the Companies Act, 1956 on 19<sup>th</sup> February, 1997. It has its Registered Office at 47, P.S.K. Nagar, Rajapalaiyam - 626 108. the Authorised Capital is Rs. 15,00,00,000/- divided into 1,50,00,000 equity shares of Rs. 10/- each. The present issued, subscribed and paid-up capital is Rs. 16,19,000/- consisting of 28,200 shares of Rs. 10/- each fully paid-up and 13,37,000 equity shares of Rs. 10/- each partly paid-up to the extent of Re. 1/- per share.
3. a) "Software Business Undertaking" means the business of Research, Development and Marketing of Software and other Computer Application Software, dealing in Computer related hardware and software, and Consultancy / Professional Services undertaken by the TRANSFEROR COMPANY, for which separate books of accounts are being maintained by the TRANSFEROR COMPANY.
- b) All assets (including intellectual property assets), whether movable or immovable, current assets, inventories, receivables, cash balances, bank balances with overseas banks, earnest moneys, deposits with agents, customers, and third parties, advances, consents, registrations, authorities, allotments, approvals, contracts, engagements, arrangements, title, interest, benefits, arrangement, telephones, telexes, facsimile, internet connections, leased lines, electrical connections, certificates from International bodies, contracts, rights and benefits under insurance policies, claims, advantages of whatsoever nature and where-so-ever situate, trademarks, patents, copyrights, privileges, goodwill and all other rights including lease rights, licenses, powers and facilities of every kind, nature and description whatsoever appertaining / allocated to the Software Business Undertaking by the TRANSFEROR COMPANY as on the EFFECTIVE DATE as per records of the TRANSFEROR COMPANY.
- c) All necessary records, files, papers, engineering and process information, computer programmes, data, catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customers credit information, customer pricing information and other records in connection with or relating to the Software Business Undertaking.
- d) All liabilities including rupee loans, contingent liabilities, debts, current liabilities and provisions, duties and obligations appertaining / allocated to be TRANSFEROR COMPANY on the EFFECTIVE DATE.
4. ACT means The Companies Act, 1956.
5. The EFFECTIVE DATE means the Commencement of 1<sup>st</sup> April, 1999.
6. COMPLETION DATE means the date or the last dates on which the certified copies of the order passed by the Honourable High Court sanctioning this Scheme of Arrangement are filed with the Registrar of Companies, Tamil Nadu by the TRANSFEREE COMPANY and the TRANSFEROR COMPANY.
7. RECORD DATE means the date to be fixed by the Board of Directors or a Committee thereof the TRANSFEROR COMPANY for the purpose of determining the members of the TRANSFEROR COMPANY to whom shares will be allotted pursuant to this Scheme.
8. REMAINING BUSINESS means all the business and divisions of the TRANSFEROR COMPANY other than those transferred to and vested in the TRANSFEREE COMPANY pursuant to this scheme.
9. SCHEME means this Scheme of Arrangement.

**PART – I : THE SCHEME OF ARRANGEMENT (DEMERGER) :**

1. a) With effect from the EFFECTIVE DATE the Software Business Undertaking of the TRANSFEROR COMPANY, shall pursuant to Sections 391 to 394 and other applicable provisions, if any, of the ACT and without any further, act or deed, stand transferred to and be vested in the TRANSFEREE COMPANY.
- b) The transfer / vesting as aforesaid shall be subject to existing charges / hypothecation / mortgage (if any, as may be subsisting) over or in respect of the Software Business Undertaking or any part thereof; provided, however, any reference in any security documents or arrangement, to which the TRANSFEROR COMPANY is a party, wherein the assets of the TRANSFEROR COMPANY are offered as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Software Business Undertaking as are vested in the TRANSFEREE COMPANY by virtue of the sub-clause (a) hereto to the end and intent that such security, mortgage and charge shall not extend or deemed to extend to any of the other assets, units or divisions of the TRANSFEROR COMPANY, unless specifically agreed to and subject to necessary consents and approvals.

**PART – II : TRANSFER OF ASSETS AND LIABILITIES :**

2. For the purpose of transfer and vesting of the Software Business Undertaking in the TRANSFEREE COMPANY as per Clause 1 above :

- a) Land and buildings, 38,383 sq.ft. undivided share of land comprised in TS No. 45/1, 45/2, 45/4, 45/5 and Block 12 and TS No. 2s, Block No. 14, located in Nos. 3 to 5 Sardar Patel Road, Taramani, Chennai - 600 113, within the Registration district of Madras South; and a multi-storey building on the above land with super built-up area of 104,380 sq.ft. of office space between ground floor and 10 upper floors, 9,602 sq.ft. of basement area, rooms housing the generators and electrical installations.

All amenities in the above said multi-storey building including but not limited to furnitures and fixtures, Air-Conditioning equipments, generators, electrical installations, EPABX Systems, telephones, partitions, false ceilings, water and sewer connections, borewells, name boards, lifts, car parking space, fire fighting equipments, Digital alarm Systems, sanitary fittings, etc.

The above Land and Buildings shall be transferred at their book value, i.e. for Rs. 3,44,72,975/- and Rs. 14,70,84,820/- respectively.

Other fixed assets as per list in Schedule A including intellectual property assets shall be transferred at the aggregate book value of Rs. 24,36,69,559/-.

- b) The Secured Loan comprising of items as per list in Schedule B, representing the loans raised, incurred and utilised solely for the Software Business Undertaking, shall be transferred at book value of Rs. 43,55,42,322/-.
- c) The Unsecured Loan comprising of items as per list in Schedule C, representing the specific staff housing loan of Rs. 2,14,60,149/- taken from Housing Development Finance Corporation Limited in respect of the Software Business Undertaking, and the general or multi-purpose borrowings amounting to Rs. 28,71,66,824/- of the TRANSFEROR COMPANY as identified by the Board of Directors of the TRANSFEROR COMPANY and



which in the aggregate, stand in the same proportion, which the value of assets transferred to the TRANSFEREE COMPANY bear to the assets of the TRANSFEROR COMPANY on the EFFECTIVE DATE. Such Loans shall be transferred at Rs. 30,86,26,973/-, being the book value.

The Transfer of general of multi-purpose borrowings in terms of the above para, shall be without prejudice to any agreements or arrangements including in respect of security entered into between the TRANSFEROR COMPANY and the lenders on the EFFECTIVE DATE which shall continue in full force notwithstanding that the liability for repayment of principal and payment of interest is taken over by the TRANSFEREE COMPANY. The TRANSFEROR COMPANY shall make repayments of such principal amounts and payments of interest thereon on behalf of the TRANSFEREE COMPANY, and the TRANSFEREE COMPANY shall be under an obligation to place the TRANSFEROR COMPANY, in funds at the relevant time so as to enable the TRANSFEROR COMPANY to make payments to the lenders.

- d) The current assets as per list in Schedule D shall be transferred at book value i.e., Rs. 51,73,19,812/-.
- e) The Loans and Advances as per list in Scheule E shall be transferred at book value i.e., Rs. 7,83,61,934/-.
- f) The Deferred Revenue Expenditure shall be transferred at book value i.e., Rs. 38,65,84,429/-.
- g) The Current liabilities as per list in the Schedule F shall be transferred at Book Value i.e., Rs. 21,16,47,467/-.
- h) The deficit amounting to Rs. 45,16,76,767/- (representing the excess of the amount representing the surplus of assets ove the liabilities) of the TRANSFEROR COMPANY shall be adjusted in the books of accounts of the TRANSFEROR COMPANY against the balance standing to the credit of the Share Premium Account by corresponding reduction thereof and the balance if any, against the General Reserve Account (in that order) in the books of accounts of the TRANSFEROR COMPANY.
- i) It is clarified that all debts, liabilities and obligations of the TRANSFEROR COMPANY relating to and arising out of the activities of the Software Business Undertaking as on the EFFECTIVE DATE, whether provided or not in the Books of Accounts of the TRANSFEROR COMPANY, whether disclosed or undisclosed in the Balance Sheet, shall be the debts, liabilities, duties and obligations of the TRANSFEREE COMPANY and the TRANSFEREE COMPANY undertakes to meet, discharge and satisfy the same.
- j) It is further clarified that all non-specific liabilities (other than borrowings), that is liabilities which do not relate to the operations of any particular business undertakings, for the period upto the EFFECTIVE DATE and arising after the EFFECTIVE DATE against the TRANSFEROR COMPANY, shall be borne by the TRANSFEROR COMPANY.
- k) Where any of the liabilities and obligations of the TRANSFEROR COMPANY as on the EFFECTIVE DATE deemed to be transferred to the TRANSFEREE COMPANY have been discharged by the TRANSFEROR COMPANY after the EFFECTIVE DATE and prior to the COMPLETION DATE, such discharge shall be deemed to have been for and on account of the TRANSFEREE COMPANY and all loans raised and used and all liabilities

and obligations incurred by the TRANSFEROR COMPANY for the operations of the Software Business Undertaking after the EFFECTIVE DATE and prior to the COMPLETION DATE shall be deemed to have been raised, used or incurred for and on behalf of the TRANSFEREE COMPANY and to the extent they are outstanding on the COMPLETION DATE, shall also without any further act or deed be and stand transferred to the TRANSFEREE COMPANY and shall become the liabilities and obligations of the TRANSFEREE COMPANY which shall undertake to make, discharge and satisfy the same.

### **PART – III : EMPLOYEES :**

3. All the executives, staff, workmen, and other employees in the service of the Software Business Undertaking of the TRANSFEROR COMPANY, immediately before the EFFECTIVE DATE, under this Scheme shall become the executives, staff, workmen, and other employees of the TRANSFEREE COMPANY, on the basis that :
  - a) their services shall have been continuous and shall not have been interrupted by reason of such transfer as if such transfer is effected under Section 25 FF of the Industrial Disputes Act, 1947;
  - b) the terms and conditions of service applicable to the said staff, workmen, and other employees after such transfer shall not in any way be less favourable to them than those applicable to them immediately before the transfer;
  - c) in the event of retrenchment of such staff, workmen, or other employees, TRANSFEREE COMPANY shall be liable to pay compensation in accordance with law on the basis that the services of the staff, workmen, or other employees shall have been continuous and shall not have been interrupted by reason of such transfer; and
  - d) in so far as the existing provident fund trusts, gratuity fund and pension and / or superannuation fund trusts created by the TRANSFEROR COMPANY for its employees (including employees of the Software Business Undertaking) are concerned, the part of the funds referable to the employees who are being transferred shall be continued for the benefit of the employees who are being transferred to the TRANSFEREE COMPANY pursuant to this Scheme in the manner provided hereinafter. In the event that the TRANSFEREE COMPANY has its own funds in respect of any of the funds referred to above, the amounts in such funds in respect of contributions pertaining to the employees of the Software Business Undertaking, subject to the necessary contributions pertaining to the employees of the Software Business Undertaking shall, subject to the necessary approvals and permissions, be transferred to the relevant funds of the TRANSFEREE COMPANY. In the event that the TRANSFEREE COMPANY does not have its own fund, in respect of any of the aforesaid matters, the TRANSFEREE COMPANY may, subject to necessary approvals and permissions, continue to contribute in respect of the employees engaged in the Software Business Undertaking to the relevant funds of the TRANSFEROR COMPANY, until such time that the TRANSFEREE COMPANY creates its own fund, at which time the contributions pertaining to the employees of the Software Business Undertaking shall be transferred to the funds created by the TRANSFEREE COMPANY.

### **PART – IV : LEGAL PROCEEDINGS :**

4. All suits, actions and proceedings of whatsoever nature by or against the Software Business Undertaking of the TRANSFEROR COMPANY on the COMPLETION DATE shall be continued

and enforced by or against the TRANSFEREE COMPANY. In the event of any difference or difficulty on whether any specific legal or other proceeding relates to the Software Business Undertaking or not, a certificate jointly issued by the TRANSFEROR COMPANY and the TRANSFEREE COMPANY as to whether such proceeding relates to the Software Business Undertaking or not, shall be conclusive evidence of the matters.

If proceedings are taken against the TRANSFEROR COMPANY in respect of matters referred to above, it shall defend the same in accordance with the advice of and cost of the TRANSFEREE COMPANY and the latter shall reimburse and indemnify the TRANSFEROR COMPANY against all liabilities and obligations incurred by the TRANSFEROR COMPANY in respect thereof.

The TRANSFEREE COMPANY undertakes to have all legal or other proceedings initiated by or against the TRANSFEROR COMPANY in respect of matters referred above transferred into its name and to have the same continued, prosecuted and enforced by or against the TRANSFEREE COMPANY to the exclusion of the TRANSFEROR COMPANY.

The transfer and vesting of the assets, liabilities and obligations of the TRANSFEROR COMPANY under clauses 1 and 2 and the continuance of proceedings by or against the TRANSFEREE COMPANY under clause 4 hereof shall not affect any transactions or any proceedings already completed by the TRANSFEROR COMPANY on and after the EFFECTIVE DATE to the end and intent that, subject to clause 13, the TRANSFEREE COMPANY accepts all acts, deeds and things done and executed by and / or on behalf of the TRANSFEROR COMPANY as acts, deeds and things done and executed by and on behalf of the TRANSFEREE COMPANY.

#### **PART – V : CONTRACTS :**

5. Subject to the provisions of this Scheme, all contracts (including but not limited to Software licensing, implementation, maintenance, professional services contracts) deeds, bonds, agreements, arrangements and other instruments of whatsoever nature, pertaining to the Software Business Undertaking of the TRANSFEROR COMPANY, to which the TRANSFEROR COMPANY is a party or to the benefit of which the TRANSFEROR COMPANY may be eligible and which are subsisting or having effect immediately before the EFFECTIVE DATE, shall be in full force and effect against or in favour of the TRANSFEREE COMPANY as the case may be, and may be enforced as fully and effectually as if, instead of the TRANSFEROR COMPANY, the TRANSFEREE COMPANY had been a party or beneficiary thereto. The TRANSFEREE COMPANY shall enter into and / or issue and / or execute deeds, writings or confirmation or enter into any multipartite agreements, arrangements, confirmations or novations to which the TRANSFEROR COMPANY will, if necessary also be a party in order to give formal effect to the provisions of this Clause, if so required or becomes necessary.

#### **PART – VI : INCOME / PROFITS :**

6. Income and profits accruing to or losses incurred by the Software Business Undertaking of the TRANSFEROR COMPANY on and from the EFFECTIVE DATE upto the COMPLETION DATE shall, for all purposes, be treated as the income, profits and / or losses, as case may be, of the TRANSFEREE COMPANY.

**PART – VII : ALLOTMENT OF SHARES :**

7. (a) In consideration of the transfer of Software Business Undertaking, the shareholders of the TRANSFEROR COMPANY, on the RECORD DATE, will be allotted on a proportionate basis, one Equity Share of Rs. 10/- each of the TRANSFEREE COMPANY credited as fully paid-up, for one Equity Share of Rs. 10/- each held by them in the TRANSFEROR COMPANY.
- (b) The shares so issued by the TRANSFEREE COMPANY shall be in certificate form.
- (c) The TRANSFEREE COMPANY, if required may enter into an agreement with a Depository for Dematerialisation of the shares of the TRANSFEREE COMPANY. In such an event and in so far as the issue of shares pursuant to this clause is concerned, each member of the TRANSFEROR COMPANY shall have the option exercisable by notice in writing to the TRANSFEROR COMPANY on or before such date as may be determined by the Board of Directors of the TRANSFEROR COMPANY to receive the shares, either in the certificate form or in the dematerialised form. In the event that such notice has not been received by the TRANSFEROR COMPANY in respect of any of the members, the shares shall be issued to such members in certificate form. In respect of these members who exercise the option to receive the shares in dematerialised form, such members shall have opened and maintained an account with a Depository participant and shall provide such other confirmation and details as may be required.
- (d) The equity shares of the TRANSFEREE COMPANY issued in terms of this clause shall, subject to the execution of the listing agreement and payment of appropriate fee and subject to other approvals as may be required in that connection, be listed on the relevant Stock Exchanges, where the existing equity shares of the TRANSFEROR COMPANY are listed.
- (e) The said equity shares to be issued and allotted by the TRANSFEREE COMPANY shall rank pari passu in all respects from the date of allotment in terms of this Scheme, with the existing equity shares of the TRANSFEREE COMPANY, with all rights attached thereto.
- (f) The said equity shares to be issued and allotted by the TRANSFEREE COMPANY shall be entitled to full dividend, if any, which may be declared by the TRANSFEREE COMPANY, in respect of the financial year commencing on the first day of 1<sup>st</sup> April, 1999.

**PART – VIII : REMAINING BUSINESS :**

8. The TRANSFEROR COMPANY shall be entitled to and continue to carry on the REMAINING BUSINESS other than those transferred to and vested in the TRANSFEREE COMPANY pursuant to this scheme.

**PART – IX : GENERAL TERMS AND CONDITIONS :**

9. The TRANSFEROR COMPANY and the TRANSFEREE COMPANY shall obtain the requisite consents, approvals or permissions of any authority as may be required or which by law may be necessary.
10. The TRANSFEROR COMPANY and the TRANSFEREE COMPANY shall, with reasonable despatch, make applications to the High Court of judicature at Madras for necessary orders or

directions for holding meetings of the members of the TRANSFEROR COMPANY and the TRANSFEREE COMPANY for sanctioning this Scheme of Arrangement under Sections 391 to 394 and other applicable provisions, if any of the ACT.

11. a) The TRANSFEROR COMPANY (by its Directors) and the TRANSFEREE COMPANY (by its Directors).
  - (i) may assent to any modification or amendment to the Scheme which the Court and / or any other authorities under law may deem fit to direct or impose, and / or
  - (ii) may assent to any terms and / or conditions which the Court and / or any other authorities under law may deem fit to direct or impose, and / or
  - (iii) may give such directions and / or may assent to any modification or amendment which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and / or carrying out the Scheme and / or
  - (iv) may do all acts, deeds and things as may be necessary, desirable or expedient for giving effect to the Scheme, and the aforesaid modifications, amendments and terms and conditions.
- b) For the purpose of giving effect to the Scheme after it is sanctioned by the Honourable High Court of judicature at Madras, the Directors of the TRANSFEROR COMPANY and the TRANSFEREE COMPANY are authorised to identify / allocate / apportion the assets and liabilities covered under the Scheme.
12. The Scheme shall be operative with effect from the EFFECTIVE DATE.
13. From the EFFECTIVE DATE until the COMPLETION DATE, the TRANSFEROR COMPANY
  - a) shall in so far as it is necessary for the implementation of this Scheme, stand possessed of all property and assets of Software Business Undertaking whatever nature for and on account of the TRANSFEREE COMPANY, and shall account and be entitled to be indemnified accordingly;
  - b) shall be deemed to carry on all the business activities of Software Business Undertaking be for and on account of the TRANSFEREE COMPANY;
  - c) all accretions and depletion to the Software Business Undertaking shall be for and on account of the TRANSFEREE COMPANY;
  - d) The TRANSFEROR COMPANY hereby undertakes to carry on business with proper prudence and shall not, without the prior written consent of the TRANSFEREE COMPANY, alienate, charge or otherwise deal with or dispose off part or whose of the Software Business Undertaking, except to matters arising in the usual course of business or to undertake substantial expansion of its existing business pertaining to the Software Business Undertaking of the TRANSFEROR COMPANY.
  - e) It is agreed that wherever the loans have been / are availed by the TRANSFEROR COMPANY for, or in connection with the business of the Software Business Undertaking, against the security of the assets of the Software Business Undertaking which are sought

to be vested with the TRANSFEREE COMPANY pursuant to the Scheme, the TRANSFEREE COMPANY shall discharge such liabilities and obtain release of the securities from the creditors. The liabilities so created on the assets of the Software Business Undertaking are listed in the Schedule hereto.

- f) The liabilities accrued and secured by the assets retained by the TRANSFEROR COMPANY are to be discharged by the TRANSFEROR COMPANY, but in so far as the part of whole of such liabilities have been utilised in connection with and for the performance of the Software Business Undertaking, the TRANSFEREE COMPANY has agreed to assume such liabilities and discharge the said liabilities; the liabilities so assumed and agreed to be discharged by the TRANSFEREE COMPANY are set out in the Schedules hereto.
- g) Pursuant to the Scheme, the TRANSFEROR and TRANSFEREE COMPANIES have agreed to pay their respective liabilities / loans so assumed, with interest, costs, charges and expenditure as and from the EFFECTIVE DATE, and shall otherwise comply with all other conditions on which such loans have been granted, with such modifications as the creditors may stipulate.
- h) The TRANSFEROR and TRANSFEREE COMPANIES have agreed that in any event, to create independent security of the fixed assets of the respective business undertakings, the security created on the land and building allocated to the Software Business Undertaking under this Scheme in favour of the financial institutions, banks, creditors etc., shall be in substitution of the existing security created by the TRANSFEROR COMPANY as the composite company; subject to such conditions as the financial institutions, banks, creditors may stipulate in respect of the individual companies.
- i) The unsecured loans as appearing in the books of the TRANSFEROR COMPANY shall be so adjusted in the books of the TRANSFEROR COMPANY and the TRANSFEREE COMPANY, that the respective companies shall assume such liabilities and discharge the same as apportioned in accordance with Sec. 2(19AA) of Income Tax Act, 1961.
- j) In the event of the creditors not being able to agree to or look to the TRANSFEREE COMPANY and require the TRANSFEROR COMPANY to discharge the said liabilities, the TRANSFEROR COMPANY hereby agreed that it shall so discharge the said liabilities on the indemnity of the TRANSFEREE COMPANY and the TRANSFEREE COMPANY shall pay to the TRANSFEROR COMPANY such sums so paid to the creditors of the TRANSFEREE COMPANY.
- k) The issue and allotment of Equity Shares under the provisions of this Scheme to the Non-Resident Shareholders, Institutional Investors (including Foreign Institutional Investors), shall be made subject to the approval of the Reserve Bank of India (RBI) under the Foreign Exchange Regulation Act, 1973, and such other terms and conditions as the RBI may impose.

#### **PART – X : EXPENSES IN CONNECTION WITH THE SCHEME :**

- 14. All costs, charges and expenses of the TRANSFEROR COMPANY and TRANSFEREE COMPANY in relation to or in connection with this Scheme and of carrying out and completing the terms of provisions of this Scheme shall be borne and paid by the TRANSFEROR COMPANY.

**PART – XI : SCHEME CONDITIONAL UPON :**

15. a) This Scheme is conditional upon and subject to the sanction of the majority of members of the TRANSFEROR and TRANSFEREE COMPANIES, the sanction of the Court, and such other sanctions and approvals as may be required by law being obtained, all necessary certified copies of the orders referred to in the Scheme being filed with the Registrar of Companies, Chennai.
- b) In the event of the Scheme failing to take finality, the Scheme shall become null and void and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter-se by the parties or their shareholders or their creditors or employees or any other person.
- c) In the event of non-fulfillment of any or all obligations under the Scheme, by one Company towards the other company inter-se, or to third parties, the non-performance of which will put the other Company under any obligation, then such company will indemnify all costs, interests, etc., in the other Company.

WITNESS, the Hon'ble Thiru. KONAKUPPAKATTIL GOPINATHAN BALAKRISHNAN, the Chief Justice at Madras aforesaid, this 24th day of December, 1999.

Sd/-

V. PADMAVATAHI  
[Deputy Registrar (O.S.)]

Certified to be a true Copy :

Dated this 11<sup>th</sup> day of January, 2000.

Sd/-

Court Officer

**SCHEDULES**

(in Rs.)

**SCHEDULE A :****OTHER FIXED ASSETS :**

Plant & Machinery	13,06,75,240
Electrical Fittings	4,43,05,096
Furniture and Office Equipments	6,56,07,975
Vehicles	30,81,248
	<u>24,36,69,559</u>

**SCHEDULE B :****SECURED LOANS :**

Industrial Finance Corporation of India Ltd., Building Loan	12,05,25,000
Industrial Finance Corporation of India Ltd., Equipment Credit	1,80,68,298
Hire Purchase Loan	16,40,106
IndusInd Bank, Non Convertible Debentures	2,00,00,000
Industrial Development Bank of India, Bank Debentures	5,00,00,000
Industrial Investment Bank of India	15,00,00,000
Working Capital Loans from Banks	7,53,08,918
	<u>43,55,42,322</u>

**SCHEDULE C :****UNSECURED LOANS :**

a. SPECIFIC	
Housing Development Finance Corporation Ltd.	2,14,60,149
Staff Housing Loan	
b. GENERAL / MULTI-PURPOSE	
Industrial Development Bank of India	25,00,00,000
Kothari Mutual Non Convertible Debentures	3,00,00,000
Loans from Directors	71,66,824
	<u>28,71,66,824</u>

**GRAND TOTAL (a) + (b)****30,86,26,973****SCHEDULE D :****CURRENT ASSETS :**

Stores and Spares	3,71,453
Resale Materials	4,90,53,907
Sundry Debtors	42,33,46,117
Cash in hand	8,59,014
Bank Balance	4,36,89,321
	<u>51,73,19,812</u>



**SCHEDULE E :****LOANS AND ADVANCES :**

Deposits	66,76,114
Advances	6,03,17,212
Pre-paid expenses	<u>1,13,68,608</u>
	<u>7,83,61,934</u>

**SCHEDULE F :****CURRENT LIABILITIES :**

Liabilities for Purchases	11,79,93,411
Liabilities for Expenses	7,74,30,918
Other Liabilities	<u>1,62,23,138</u>
	<u>21,16,47,467</u>

(1 + 5)

C.P. No. 278 &amp; 279 of 1999

**ORDER**

DATED : 24.12.1999  
The Hon'ble Mr. Justice  
R. JAYASIMHA BABU

For Approval on : 11.1.2000  
Approved on : 11.1.2000

High Court, Madras

Original Side

C.A. No. : 38 / 2000

Applied : 4.1.2000

Stamp Called for  
Stamps put in  
Ready

11.1.2000

C.O. (O.S.)

**ARTICLES OF ASSOCIATION**  
**OF**  
**RAMCO INDUSTRIES LIMITED**

1. Subject to what is hereinafter provided, the regulations contained in Table A in the Schedule I to the Companies Act, 1956 shall apply to the Company.
2. Subject to the provisions of the Companies Act, the Company may, at any time, issue Preference Shares with such rights attached to them as the Board may from time to time deem fit.
3. The Company may pay a commission to any person in consideration of :
  - (a) his subscribing or agreeing to subscribe whether absolutely or conditionally, for any shares, or debentures of the company, or
  - (b) his procuring or agreeing to procure subscriptions whether absolute or conditional, for any shares, in, or debentures of the Company if the following conditions are fulfilled, namely :
    - (i) The commission paid or agreed to be paid does not exceed in the case of shares five per cent of the price at which the shares are issued, and in the case of debentures, two and half per cent of the price at which the debentures are issued :
    - (ii) The amount or rate per cent of the commission paid or agreed to be paid is, in the case of shares or debentures offered to the Public for subscription, disclosed in the prospectus, and in the case of shares or debentures not offered to the public for subscription, disclosed in the statement in lieu of prospectus, or in a statement in the prescribed form signed in the manner as a statement in lieu of prospectus and filed before the payment of the commission with the Registrar and where a circular or notice, not being a prospectus inviting subscription for shares or debentures, is issued, also disclosed in that circular or notice, and

(iii) The number of shares or debentures which persons have agreed for a commission to subscribe absolutely or conditionally is disclosed in the manner aforesaid.

4. The Company may pay a brokerage, not exceeding one and a half per cent of the nominal value of the shares or debentures where subscription is procured or that are subscribed for.
5. If any Certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof 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 lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate, under the Article shall be issued without payment of fees if the Directors 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 in 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.

Substituted the  
Old Clause by  
a Special  
Resolution  
passed on  
9.8.2000.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulations or requirements of any Stock Exchange or the Rules made under the Act or the Rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

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

- (A) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Directors may prescribe or approve, provided that in respect of a 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 of shares to one of several joint holders shall be sufficient delivery to all such holders.

Substituted the  
Old Clause by  
a Special  
Resolution  
passed on  
9.8.2000.

## (B) 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, 6% per annum, as may be agreed upon between the Board and the member paying the sum in advance.

Provided that any such amount paid-up in advance of calls shall not in respect thereof confer a right to dividend or to participate in profits.

- (C) Subject to the provisions of Section 111 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the shares. Transfer of shares / debentures in whatever lot shall not be refused.

Substituted the  
Old Clause by  
a Special  
Resolution  
passed on  
9.8.2000.

- (D) No fees shall be charged by the Company for registration of transfers, transmission of shares, or for registration of any probate, letters of administration, certificate of death or marriage, power of attorney or any other instrument.

(E) (a) **FURTHER ISSUE OF SHARES**

1. Where at the 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 Capital of the Company by allotment of further shares either out of the unissued capital or out of the increased share capital then :

- (i) 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 near as circumstances admit, to the capital paid-up on those shares at the date.
- (ii) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than thirty days from the date of the offer and the offer if not accepted, will be deemed to have been declined.

Inserted by a  
Special  
Resolution  
passed on  
9.8.2000.

- (iii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right. PROVIDED THAT the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him.
  - (iv) After expiry of the time specified in the aforesaid notice on or receipt of earlier intimation from the person to whom such notice is given that he declined to accept the shares offered, the Board of Directors may dispose off them in such manner and to such person(s) as they may think, in their sole discretion, fit.
2. Notwithstanding anything contained in sub-clause (1) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof in any manner whatsoever.
- (i) If a Special Resolution to that effect is passed by the Company in General Meeting, or
  - (ii) Where no such Special 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 the resolution moved in the General Meeting (including the casting vote, if any, of the Chairman) by the 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 of Directors in this behalf that the proposal is most beneficial to the Company.
3. Nothing in sub-clause (c) of (1) hereof shall be deemed :
- (i) To extend the time within which the offer should be accepted; or
  - (ii) To authorise 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 debenture issued or loans raised by the Company :
- (i) To convert such debentures or loans into shares in the Company; or
  - (ii) To subscribe for shares in the Company (whether such option is conferred in these Articles or otherwise).

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 the debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and
- (b) In the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a Special Resolution passed by the Company in General Meeting before the issue of the debentures or raising of the loans.

**(b) SHARES AT THE DISPOSAL OF THE DIRECTORS :**

Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the Company for the time being 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 or (subject to the compliance with the provisions of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid-up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

**(c) INSTRUMENT OF TRANSFER :**

The instrument of transfer shall be in writing and all provisions of Section 108 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly complied within respect of all transfer of shares and registration thereof.

**(d) COMPANY'S LIEN ON SHARES / DEBENTURES :**

The Company shall have a first and paramount lien upon all the shares / debentures (other than fully paid-up shares / debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares / debentures and no equitable interest in any share shall be

created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares / debentures. Unless otherwise agreed the registration of a transfer of shares / debentures shall operate as a waiver of the Company's lien if any, on such shares / debentures. The Director may at any time declare any shares / debentures wholly or in part to be exempt from the provisions of this clause.

**(e) TERMS OF ISSUE OF DEBENTURE :**

Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

**(f) UNPAID OR UNCLAIMED DIVIDEND :**

Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect whereof has not been posted within 42 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 42 days, open a special account in that behalf in any scheduled bank called, "Unpaid Dividend of RAMCO INDUSTRIES LIMITED" and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

Any money transferred to the unpaid dividend account of the Company, which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Education & Protection Fund of the Central Government.

No unclaimed or unpaid dividend shall be forfeited by the Board.

**5. (F) (a) DEMATERIALISATION OF SECURITIES :**

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.

Inserted by a  
Special  
Resolution  
passed on  
9.8.2000.

**(b) OPTIONS FOR INVENTORIES :**

Every person subscribing to the Securities offered by the Company shall have the option to receive the 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 the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within



the time prescribed, issue to the beneficial owner the required certificates of the securities.

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 records the name of the allottee as the beneficial owner of the Security.

**(c) SECURITIES WITH DEPOSITORIES TO BE IN FUNGIBLE FORM :**

All securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187A, 187B, 187C and 372 and such other applicable provisions, if any, of the Companies Act, 1956 shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

**(d) RIGHTS OF DEPOSITORIES AND BENEFICIAL OWNERS :**

(i) Notwithstanding anything to the contrary contained in the Companies Act, 1956 or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of securities on behalf of the beneficial owners.

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

(iii) Every person holding the securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be the 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 the securities held by a Depository on behalf of a beneficial owner.

**(e) SERVICE OF DOCUMENTS :**

Notwithstanding anything contained in the Companies Act, 1956 or these Articles to the contrary, where securities are held with a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode of delivery of floppies or discs.

**(f) TRANSFER OF SECURITIES :**

Nothing contained in Section 108 of the Companies Act, 1956 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.

**(g) ALLOTMENT OF SECURITIES DEALT WITHIN A DEPOSITORY :**

Notwithstanding anything contained in the Companies Act, 1956 or these Articles, where securities are dealt with a Depository the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

(h) **DISTINCTIVE NUMBERS OF SECURITIES HELD WITH DEPOSITORY :**

Nothing contained in the Companies Act, 1956 or these Articles regarding a necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.

(i) **REGISTER AND INDEX OF BENEFICIAL OWNERS :**

The Register and the index of the beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of members and security holders for the purposes of these Articles.

(G) (a) **NOMINATION OF SHARES :**

Every holder of shares in, or holder of Debentures, of the Company may, at any time nominate a person, to whom his shares in, or debentures of, the Company shall vest in the event of his death in the manner prescribed in the Act.

Where the shares in or debentures of the Company are held by more than one person jointly the joint holders may together nominate a person to whom all the rights in the shares in or debentures of the Company shall vest in the event of death of all the joint holders in the manner prescribed in the Act.

Notwithstanding anything contained in any other law for the time being in force or any disposition whether testamentary or otherwise in respect of such shares in or debentures of the Company, where a nomination is made in the manner prescribed in the Act, purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall on the death of the shareholder or holder of debentures of the Company or as the case may be, on the death of the joint holders become entitled to all the rights in the shares or debentures of the Company or as the case may be all the joint holders in relation to such shares in or debentures of the Company to the exclusion of all other persons unless the nomination is varied or cancelled in the manner prescribed in the Act.

Where nominee is a minor, it shall be lawful for the holder of the shares or holder of the debentures to make the nomination to appoint in the manner prescribed in the Act any person to become entitled to shares in or debentures of the Company in the event of his death during the minority.

(b) **TRANSMISSION OF SHARES :**

- (i) Any person, who becomes a nominee by virtue of the provisions of Section 109A of the Act, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either

Inserted by a  
Special  
Resolution  
passed on  
9.8.2000.

- (a) To be registered himself as holder of the shares or debentures as the case may be; or
- (b) To make such transfer of share or debenture as the case may be, as the deceased shareholder or debenture holder as the case may be could have made.
- (ii) If the person being a nominee, so becoming entitled, elects to be registered as holder of the shares or debentures himself as the case may be, he shall deliver or send to the Company the notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder as the case may be.
- (iii) All the limitation, restrictions and provisions of the Act relating to the right to transfer and the registration of transfer of the shares or debentures shall be applicable to any such notice or transfer as aforesaid, if the death of the members had not occurred and the notice of transfer where a transfer signed by the shareholder or debenture holder as the case may be.
- (iv) A person being a nominee, becoming entitled to a share or debenture by reason of the death of the holder, shall be entitled to the same dividend and other advantages to which he would be entitled were he the registered holder of the share or debenture except that he shall not, before being registered as a member in respect of his shares or debenture be entitled in respect of it to exercise any right conferred by membership in relation to meeting 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 or debenture 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 or debenture until the requirements of the notice have been complied with.

- 6. The number of Directors shall be not less than three and not more than fifteen.
- 7. The following shall be the first Directors of the Company :
  - 1. **Sri. P.R. Ramasubramania Raja**
  - 2. **Sri. H.K. Ramaswami**
  - 3. **Sri. K. Thiruvengada Mudaliar**
  - 4. **Sri. S.R. Narayana Raja**
  - 5. **Sri. V.G. Sundaram**
  - 6. **Sri. N.R. Krishnama Raja**
- 8. Qualification of a Director : Deleted by Resolution passed on 21.12.1984.

9. Every Director of the Company shall be entitled to receive sitting fees as may be fixed by the Board of Directors subject to the limits, provisions prescribed under the Companies Act, 1956 and Rules / Amendments made thereunder from time to time and in excess thereof with the approval of Central Government, for every meeting of the Board or a Committee of Directors or the Company's General Meeting attended by him in addition to reasonable travelling, hotel and other out of pocket expenses incurred by him for attending and returning from meetings of the Board or any Committee thereof or the General Meetings of the Company.
10. Subject to the provisions of Sections 198, 309 and 314 of the Companies Act, 1956, if any Director shall be called upon to perform and shall perform extra services or make special exertions for any of the purposes of the Company then and in any such cases the Company may remunerate the Director so doing, either by a percentage of the profits, or fixed sum annual or otherwise, and such remuneration may, at the discretion of the Board of Directors, be either in addition to or in substitution for, all or any part of any other remuneration to which such Director may be entitled under any other of these Articles.
11. In the event of the Company entering into an agreement or agreements for the purchase of machinery and for procuring technical assistance etc. in connection with the installation of machinery and or manufacture of the Company's products as well as for the sale and distribution of the Company's products, and if the terms of the agreement provide for the appointment of a person or persons as Directors, the Company shall appoint such persons as Directors, subject to Section 255 of the Act, and such of those regulations in these presents as to holding qualification shares or retirement by rotation shall not be applicable to the Directors so appointed. The person or persons or the corporate body having the right to appoint Directors as above shall have the right to remove at any time any Director or Directors so appointed and to appoint another person or persons as Directors in the place of Directors so removed or in the place vacated by resignation of the Directors appointed by them.
12. Subject to the provisions of Section 255 of the Companies Act, 1956, if and when the Company borrows any money from any Finance Corporation, including M/s. Industrial Finance Corporation of India, and if such Corporation so stipulates as a condition for the advancing of such loan that it should have the right of appointing one or more individuals as Director / Directors of the Company to act as such during the period of loan. The Finance Corporation may at any time remove any Director or Directors so appointed and appoint any other Director or Directors in his place or their places. The Finance Corporation may also appoint any Director in the place of one previously appointed by it, in cases of vacation of office by resignation or otherwise. The individuals so appointed by the Corporation shall be known as Corporation Directors, and they shall not be subject to those regulations of the Company that pertain to Qualification Shares and retirement by rotation of Directors of the Company.
13. Subject to the provisions of Section 255 of the Companies Act, 1956, any Finance Institution shall, in the event of their taking up any shares in the Company for a

Substituted the  
Old Clause by  
a Special  
Resolution  
passed on  
18.7.1973.

Substituted for  
the Old Clause  
by a Special  
Resolution  
passed on  
27.01.94.

nominal value of not less than Rupees Five Lakhs and so long as they continue to be a shareholder of the Company, have the right of appointing an individual as a Director of the Company. Such Finance Institution may, at any time, remove any Director so appointed and appoint another Director in the place of a Director so appointed who resigns or otherwise vacates his office. The Director so appointed shall not be subject to those regulations of the Company that pertain to qualification shares and retirement by rotation of Directors of the Company.

14. The Board of Directors may, when any Director has left or is about to leave the State of Madras, for not less than three months, appoint any person to be an Alternate Director during the absence of the Original Director 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 Directors and to attend and vote thereat accordingly; but he shall not require any qualification and shall *ipso facto* vacate office if and when the Original Director vacates office as a Director.

15. An Alternate Director appointed under the proceedings Article need not be a member of the Company

16. The Director for the time being may, subject to the amended provision of Section 269 of the Companies Act, 1956, and subject to further amendments, if any, appoint one or more of their Body to be a Managing Director or Managing Directors, or whole-time Director or whole-time Directors of the Company for a term not exceeding five years. The Directors may also appoint a Manager. The remuneration of the Managing Director, whole-time Director, Manager appointed under the Companies Act, shall not exceed the limits stipulated under Schedule XIII to the Companies Act.

Substituted for  
the Old Clause  
by a Special  
Resolution  
passed on  
30.3.1990

- 16A. The Board of Directors may appoint one or more amongst them including Chairman/Vice Chairman of the Board as Managing Director of the Company to carry on the management of the Business and affairs of the Company on such terms and conditions including remuneration as the Board may, from time to time determine, subject to the approval of the members, in accordance with the provisions of Schedule V read with sections 196 and 197 of the Companies Act, 2013 and the rules in force.

Inserted by a  
Special  
Resolution  
passed on  
28.7.2014



17. A Managing Director and or Whole-time Director shall not, while he continues to hold that office be subject to retire by rotation but (subject to the provisions of any contract or agreement between him and the Company and to the foregoing provisions) he shall be subject to the same provisions (as to resignation and removal) as the other Directors of the Company, and if he ceases to hold the office of Director from any cause, shall *ipso facto* and immediately cease to be a Managing Director.

18. The Management of the whole affairs of the Company shall, subject to the supervision, control and direction of the Board of Directors, be in the hands of the Managing Director.

19. The remuneration of a Managing Director or Whole-time Director, subject to Sections 198 and 309 of the Companies Act, 1956, shall, from time to time be fixed by the Board of Directors, subject to the approval of the Company in General Meeting and the approval of the Central Government.

20. The Directors may from time to time entrust to and confer upon a Managing Director, whole-time Director or Manager appointed pursuant to Section 269 of the Companies Act, 1956, such of the powers exercisable under these presents by the Directors as they think fit and confer upon such powers for such time, and to be exercised for subject object and purposes, and upon such terms and conditions and with such restrictions as they think expedient, and may, from time to time, revoke, withdraw, alter or vary all or any of such powers.

Substituted for the Old Clause by a Special Resolution passed on 30.3.1990.

21. The Managing Director of the Company may on his own initiative and shall on the written requisition of any two Directors of the Company, convene meetings of the Board.

22. Consultancy Arrangement : Deleted by Special Resolution passed on 25.6.1970.

23. The Board shall have the right of convening general meetings of the Company and of fixing the date and agenda of the meetings. The Board shall exercise the right subject to the provisions of Sections 166 and 169 of the Act.

24. Subject to the provisions of the Act, no Director of the Company shall be disqualified by his office from holding any office or place of profit under the Company or under any Company in which this Company shall be a shareholder or otherwise interested, or from contracting with the Company either as vendor or purchaser, or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director of the Company shall be in any way interested, be avoided nor shall any Director of the Company be liable to account to the Company for any profit arising from any such office or place of Profit or realised by any such contract or arrangement by reason only of such Director holding that Office or of the fiduciary relations thereby established.

25.\* The Board may, from time to time, at its discretion, borrow and secure the payment of any sum or sums of moneys for the purpose of the Company, provided that the Board shall not, except with the consent of the Company in general meeting borrow moneys, where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the Ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say reserve not set apart for any specific purposes of the Company.

\*RESOLVED that in suppression of the earlier resolution passed at the Extraordinary General Meeting held on 6th February, 1995, consent of the Company be and is hereby accorded to the Board of Directors under Section 293(1)(d) of the Companies Act, 1956, to borrow money or monies with or without security for the purpose of the Company, upto a limit of Rs. 125 Crores (Rupees One Hundred and Twenty Five Crores) (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) in excess of the paid-up Share Capital and Free Reserves of the Company.

\* Ordinary Resolution passed under Section 293(1)(d) of the Companies Act, 1956 on 28.8.1996.

26. Subject to the provisions of the preceding Article, the Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it think fit, by the issue of bonds, perpetual or redeemable, debentures or debenture stock, or any mortgage or charge or other security on the undertaking, of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being. Any bonds, debentures, debenture stock or other securities issued or to be issued by the Company shall be under the control of the Board, which may issue them upon such terms and conditions and in such manner and for such consideration as it shall consider to be for the benefit of the Company. The Board may, upon the issue of any bonds, debentures, debenture stock, or other securities, confer on the creditors of the Company holding the same or any trustee or other persons acting on their behalf, a voice in the management of the Company, whether by giving them the right of attending, but not voting at general meetings of the Company or by empowering them to appoint a person to be a Director of the Company, or otherwise as may be agreed. If the uncalled capital of the Company is, at any time, secured for the repayment of any loan raised by the Company, the creditor can make the call of the unpaid share capital so charged only when the Company in general meeting authorise him to do so.
27. The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding, five per cent per annum) as may be agreed upon between the Members paying the sum in advance and the Board of Directors and shall not, while carrying such interest have any right to dividend or participate in the profits of the Company.
28. Any dividend, interest, or other moneys payable in cash in respect of shares or debentures may be paid by the Company by cheque or warrant drawn on the Company's bankers and sent through post directly to the registered address of the holder or in the case of joint holders, to the registered address of one of the joint holders who is first named on the register of Members or to such persons and to such address as the holders or joint holders may in writing direct.
29. The Board shall provide for the safe custody of the Common Seal of the Company.

The Common Seal shall not be affixed to any instrument except by authority of a resolution of the Board or of a committee and, unless the Board or otherwise determines, every deed or other instrument to which the Common Seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company, be signed by one Director or other duly authorised officer in whose presence the Common Seal shall have been affixed and countersigned by the Secretary, or such other person as may, from time to time, be authorised by the Board, provided nevertheless that any instrument bearing the Common Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity; touching the authority to issue the same.

Inserted by a  
Special  
Resolution  
passed on  
14.09.1995.

Sl. No.	Signature, Name, Address, Description of Occupation of the Subscribers
1.	Sd/- <b>P.R. RAMASUBRAMANIA RAJA</b> S/o. Sri. P.A.C. Ramasamy Raja, Land Lord, "Ramamandiram", Rajapalayam.
2.	Sd/- <b>H.K. RAMASWAMI</b> S/o. Sri. H. Krishnasastri, Businessman, For and on behalf of Seshasayee Bros. (P) Ltd., "Sita Sadan", 4, Williams Road, Tiruchirapalli - 1.
3.	Sd/- <b>K. THIRUVENGADAM</b> S/o. Sri. K.T. Krishna Mudaliar Business, "Kottur House", Satyanarayana Avenue, Madras - 600 028.
4.	Sd/- <b>V.G. SUNDARAM</b> S/o. Sri. V.G. Gopala Iyer, Land Lord, Viravanallur Thirunelveli Dt.
5.	Sd/- <b>S.R. NARAYANA RAJA</b> S/o. Sri. S.N. Ramasamy Raja, Land Lord, Rajapalayam.
6.	Sd/- <b>N.R. KRISHNAMA RAJA</b> S/o. Sri. N.A. Ramaswamy Raja Merchant, Rajapalayam.



Sl. No.	Signature, Name, Address, Description of Occupation of the Subscribers
7.	Sd/- <b>P.S. SUBBA RAJA</b> S/o. Sri. Poosapadi Sanjeeva Raja Merchant, Rajapalayam.
8.	Sd/- <b>S.S. RAMACHANDRA RAJA</b> S/o. Sri. S.N.R. Raja, Business, "Ramabhavanam", Rajapalayam.
9.	Sd/- <b>S. ARJUNA RAJA</b> S/o. Sri. P.S. Sanjeevi Raja, Businessman, "Ramalakshmi Nivas", Rajapalayam.
10.	Sd/- <b>K. KANDASAMY</b> S/o. Sri. P.A. Sankaralingam Chettiar, Lord Lord, Chettiar Street, Rajapalayam.
11.	Sd/- <b>P.A. JAGANATHA RAJA</b> S/o. Sri. P.A.P. Alaga Raju, Land Lord, Pudupalayam, Rajapalayam.
12.	Sd/- <b>M.R.S. RADHAKRISHNA RAJA</b> S/o. Sri. M.S. Ramaswamy Raja, Business, P.S.K. Nagar, Rajapalayam.

Sl. No.	Signature, Name, Address, Description of Occupation of the Subscribers
13.	Sd/- <b>R. CHITTAMMAL</b> W/o. Sri. S.S. Ramachandra Raja House Wife, "Ramamandiram" Rajapalayam.
14.	Sd/- <b>R. SUDARSANAM</b> W/o. Sri. P.R. Ramasubramania Raja House Wife, "Ramamandiram" Rajapalayam.

Dated : 22 - 1 - 1965

Witness  
to all the signatures,  
from No. 1 to 14

Sd/-  
A.N. RADHAKRISHNAN  
S/o. Sri. A.V. Nagarajan,  
C/o. Rajapalayam Mills Ltd.  
Rajapalayam.