



TUBE INVESTMENTS OF INDIA LIMITED

(formerly, *TI Financial Holdings Limited*)

[CIN:U35100TN2008PLC069496]

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Contact Person: Mr. S Suresh, Company Secretary

Tube Investments of India Limited (Formerly, TI Financial Holdings Limited) was incorporated on 6th October, 2008 as a Public Limited Company. It obtained Certificate for Commencement of Business on 11th May, 2009. The Company changed its name from TI Financial Holdings Limited to Tube Investments of India Limited consequent to sanction of the Scheme of Arrangement (Demerger) by National Company Law Tribunal, Chennai, vide its Order dated 17th July, 2017. Accordingly, the Registrar of Companies, Chennai has approved the change of name and issued a fresh Certificate of Incorporation on 10th August, 2017.

INFORMATION MEMORANDUM FOR LISTING OF 18,74,90,591 EQUITY SHARES OF RE.1/- EACH OF THE COMPANY

THIS INFORMATION MEMORANDUM IS FOR THE PURPOSE OF LISTING OF THE 18,74,90,591 EQUITY SHARES OF RE.1/- EACH FULLY PAID UP ALLOTTED TO THE SHAREHOLDERS OF TI FINANCIAL HOLDINGS LIMITED (FORMERLY, TUBE INVESTMENTS OF INDIA LIMITED VIZ., THE DEMERGED COMPANY) PURSUANT TO THE SCHEME OF ARRANGEMENT (DEMERGER) SANCTIONED BY THE NATIONAL COMPANY LAW TRIBUNAL, CHENNAI VIDE ITS ORDER DATED 17TH JULY, 2017.

NO EQUITY SHARE OF THE COMPANY IS PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM.

GENERAL RISK

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the equity instruments of Tube Investments of India Limited, unless they can afford to take the risks attached to such investments. For taking an investment decision, the investors must rely on their own examination of the Company including the risks involved. Investors are advised to read the Risk Factors carefully before taking an investment decision to invest in the shares of Tube Investments of India Limited. The equity shares of Tube Investments of India Limited have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of the investors is invited to the statement of Risk Factors as set out under Section II of this Information Memorandum.

ISSUER'S ABSOLUTE RESPONSIBILITY

Tube Investments of India Limited having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to Tube Investments of India Limited and the equity shares of Tube Investments

of India Limited, which is material, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions, expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The equity shares of Tube Investments of India Limited are proposed to be listed on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has submitted this Information Memorandum to BSE & NSE and the same has been made available on the Company's website viz. www.tiindia.com. This Information Memorandum would also be made available on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com).

Registrar & Share Transfer Agent



Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot No. 31 & 32 Gachibowli
Financial District, Nanakramguda, Serilingampally
Hyderabad – 560 032.

Tel: 91-44-67162222; Fax: 91-44-23001153 Toll free: 1800-345-4001

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SECTION 1: GENERAL

DEFINITIONS

Act	The Companies Act, 1956, the rules and regulations made thereunder and will include any statutory modification or reenactment thereof for the time being in force and also mean and refer to corresponding sections of the Companies Act, 2013, the rules and regulations made thereunder, as and when such corresponding sections are notified by the Central Government.
Activities	Manufacturing of tubes, strips, tubular components, bicycles and fitness products, chains for automobile sector and industrial applications, roll-formed sections and other metal formed products
Appointed Date	1st April, 2016
Articles	Articles of Association of the Company
Audit Committee	Committee constituted by the Board in compliance with Regulation 18 of the SEBI Listing Regulations
Board	Board of Directors of the Company
Certificate of Incorporation	Certificate dated 6th October 2008 received from the Registrar of Companies (ROC)
Certificate for Commencement of Business	Certificate dated 11th May, 2009 received from the ROC
Demerged Company	TI Financial Holdings Limited (formerly Tube Investments of India Limited)
Designated Stock Exchange	BSE Limited
Resulting Company	The Company viz., Tube Investments of India Limited (formerly TI Financial Holdings Limited)
Directors	Directors on the Board and Director shall mean any one of them
Effective Date	The date on which the Scheme became effective upon filing of the Order of the National Company Law Tribunal, dated 17th July, 2017 sanctioning the Scheme, with the RoC viz., the 1st of August 2017
Equity Share(s)	Fully paid-up Equity Share(s) of Re. 1/- each of the Company
Equity Shareholder(s)	Holder(s) of Equity Shares of the Company
Information Memorandum	This updated Information Memorandum being filed with the Stock Exchanges
Investor Grievance Committee	Committee constituted by the Board in compliance with Regulation 20 of the SEBI Listing Regulations
IT Act	Income Tax Act, 1961 and includes any statutory amendment or re-enactment thereof for the time being in force
Listing Agreements	The Agreements entered into by the Company with the Stock Exchanges
Memorandum or MOA	Memorandum of Association of the Company
Promoter	Persons and entities listed in the section on “Promoter and Promoter Group”
Record Date	28th August, 2017, the date fixed by the Board of Directors of the Demerged Company for the purpose of determining the shareholders of the Demerged Company, eligible for allotment of equity shares of the Resulting Company pursuant to the Scheme

Registrar/Share Transfer Agent	Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No. 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 560 032
Scheme	Scheme of Arrangement between TI Financial Holdings Limited (formerly Tube Investments of India Ltd – Demerged Company), Tube Investments of India Limited (formerly TI Financial Holdings Limited – Resulting Company) and their respective shareholders as approved by the National Company Law Tribunal, Chennai on 17th July, 2017 and which became effective from the Effective Date viz. 1st August, 2017 upon the filing of the Certified copy of the NCLT Order the Registrar of Companies.
SEBI Act	Securities and Exchange Board of India Act, 1992 includes any statutory amendment or re-enactment thereof for the time being in force
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the time being in force
Stock Exchange	BSE or NSE and Stock Exchanges shall mean BSE and NSE

ABBREVIATIONS

BSE	BSE Limited
NSE	National Stock Exchange of India Limited
CDSL	Central Depository Services (India) Limited
NSDL	National Securities Depository Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIN	Corporate Identity Number
DIN	Director Identification Number
DR	Depository Receipts
DSE	Designated Stock Exchange
EPS	Earnings per Share
NA	Not Applicable
ROC	Registrar of Companies, Tamil Nadu, Chennai
SEBI	Securities and Exchange Board of India

In the Information Memorandum, all reference to one gender also refers to the other gender and the word “lakh” or “lac” means “one hundred thousand” and the word “million” means “ten lacs” and the word “Crore” means “ten million”.

Certain conventions; Use of Market data

Unless stated otherwise, the financial data in the Information Memorandum is derived from the Company’s financial statements pursuant to the Scheme. The fiscal year commences on April 1 and ends on March 31 of each year, so all references to a particular “fiscal year” are to the twelve-month period ended March 31 of that year. In the Information Memorandum, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off of such amounts.

All references to “India” contained in the Information Memorandum are to the Republic of India. All references to “Rupees” or “Rs.” are to Indian rupees, the official currency of India.

For additional definitions, please see the Section titled “Definitions/ Abbreviations” of the Information Memorandum.

Unless stated otherwise, industry data used in the Information Memorandum has been obtained from the published data and industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured.

Although the Company believes that industry data used in the Information Memorandum is reliable, it has not been independently verified.

The information included in the Information Memorandum about various other companies is based on their respective audited annual reports for the latest financial years and information made available by the respective companies.

FORWARD LOOKING STATEMENTS

Statements in the Information Memorandum which contain words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” “will help”, “will develop”, “will be sustained” and similar expressions or variations of such expressions, are “forward looking statements”. Similarly, statements that describe the Company’s objectives, plans or goals also are forward-looking statements, actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with the Company’s expectations with respect to, but not limited to:

- General economic and business conditions in India and other countries;
- Regulatory changes and the Company’s ability to respond to them;
- Ability to successfully implement the Company’s strategy, growth and expansion plans;
- Ability to meet the Company’s capital expenditure requirements;
- Technological changes;
- Exposure to market risks, general economic and political conditions in India which have an impact on the Company’s business activities or investments;
- The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in the industry;
- Fluctuations in operating costs;
- The Company’s ability to attract and retain qualified personnel;
- Changes in political and social conditions in India or in countries that the Company may enter, and
- Any adverse outcome in the legal proceedings in which the Company is involved.

For further discussion of factors that could cause the Company's actual results to differ, see Section II: "Risk Factors" and also Section III: "Industry Outlook" "Analysis" of this Information Memorandum respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

The Company does not have any obligation to, and does not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not materialize. In accordance with SEBI requirements, the Company will ensure that investors are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

SECTION II: RISK FACTORS

RISKS INTERNAL TO THE COMPANY

Volatility in the Auto Industry

As the Company's Engineering and Metal Formed Products segments cater predominantly to the automotive industry, the Company's business fortunes depend on the performance of this industry. There have been substantial changes in the Indian automobile industry in the last few years leading to consolidation, entry of new players and technological changes. Even though the industry has registered substantial growth over the past few years, the industry is susceptible to cyclical downturns. Substantial contraction in demand in the automobile industry could have an adverse impact on the Company's operations and financial conditions.

Dependence on Original Equipment Manufacturers (OEM)

The Company's Engineering and Metal Formed Products segments have been traditionally focused on supply of components and intermediary products to OEM's of passenger cars and utility vehicles, commercial vehicles, two wheelers and off-road vehicles. Arising out of intense competition, OEMs generally strive for continuous price reduction. The major input costs consist of steel, employee cost, power and fuel. The Company may not be able to pass on the increase in the cost of inputs in full to the customers and this could have an adverse impact on financial condition and operations of the Company.

Project Implementation Risk

The Company from time to time embarks upon expansion programs involving sizeable investments and gestation period. Increase in cost on these projects or non-completion of the projects in time could result in delay in the returns from the project and consequently, could have an adverse impact on the Company's operations and financial conditions.

Contingent Liabilities

The Company has Contingent Liabilities of Rs.40.36 Cr. as on 31st March, 2017 towards disputed Income Tax, Service Tax, Excise and Customs duty demand under appeal pending before various authorities/tribunal and other claims against the company.

Litigations

The Company is involved in certain legal proceedings and the Company cannot assure that all the proceedings pending against the Company may be decided in its favour.

RISKS EXTERNAL TO THE COMPANY

Macro-Economic Conditions

The fortunes of Indian automobile industry, its components industry and the bicycle industry are largely dependent on the growth of the economy. Hence, slowdown of the Indian economy could adversely affect the financial performance of the Company.

Increased Competition from Overseas

In line with the trend in globalization, India has been opening up its trade and commerce to overseas competition and the entry barriers in all the product segments of the Company have become minimal. India has already signed Free Trade Agreements (FTAs) with a number of countries and is also in the process of negotiating FTA with other countries / regions. This has opened further opportunities for the overseas players to bring in products from those countries at competitive prices. Local importers are also using the low duty structure for importing products at attractive price points.

Changes in Government Policies and Regulations

Any significant change in India's economic liberalization and deregulation policies could affect business and economic conditions generally and consequently the Company's business also. Further, potential changes in environmental and other regulations by the Central and State Governments could adversely affect our business and financial conditions.

SECTION III: INTRODUCTION AND ABOUT THE COMPANY

GENERAL INFORMATION

BRIEF PARTICULARS

Tube Investments of India Limited (Formerly TI Financial Holdings Limited) was incorporated on 6th October, 2008 as a Public Limited Company. It obtained Certificate for Commencement of Business on 11th May, 2009.

As envisaged under Clause 18 of the Scheme of Arrangement sanctioned by the National Company Law Tribunal, Chennai vide its Order dated 17th July, 2017, the Main Objects Clause of the Company's Memorandum of Association was amended through the insertion of objects to facilitate the carrying on of manufacturing business by the Company post demerger. Further as envisaged under Clause 17 of the Scheme, the name of the Company was also changed to 'Tube Investments of India Limited', which was taken on record/approved by the Registrar of Companies, Chennai vide the Fresh Certificate of Incorporation pursuant to Change of Name dated 10th August, 2017.

ISSUER INFORMATION

Registered Office of the Issuer:-

Tube Investments of India Limited
(formerly TI Financial Holdings Limited)
CIN:U35100TN2008PLC069496
"Dare House", 234 N S C Bose Road,
Chennai - 600 001, India

Corporate Office of the Issuer:-

Tube Investments of India Limited
(formerly TI Financial Holdings Limited)
"Dare House", 234 N S C Bose Road,
Chennai - 600 001, India

BOARD OF DIRECTORS

The Board of Directors as on the date of filing of this Information Memorandum is:

	Name	Designation
1	Mr. M M Murugappan	Chairman
2	Mr. S Sandilya	Independent Director
3	Mr. Pradeep V Bhide	Independent Director
4	Mr. Hemant M Nerurkar	Independent Director
5	Ms. Madhu Dubhashi	Independent Director
6	Mr. L Ramkumar	Managing Director
7	Mr. Vellayan Subbiah	Managing Director (Designate)

The Profile of the Board of Directors and other related details as on the date of filing of this Information Memorandum are follows:

Mr. M M Murugappan, Non-Executive Chairman

Mr. M M Murugappan (61 years) holds Masters degree in Chemical Engineering from the University of Michigan, USA. He is currently the Chairman of Carborundum Universal Limited, Shanthi Gears Ltd and Wendt (India) Limited. He is also on the Board of various companies, including Mahindra and Mahindra Ltd and Cholamandalam Investment and Finance Company Limited. Post the demerger and with the Scheme becoming effective, he was appointed Additional Director on 1st August, 2017, liable to retire by rotation. He is also the Chairman of the Board of Directors. He is not related to other Directors and Key Managerial Personnel of the Company and their relatives.

Mr. L Ramkumar, Managing Director

Mr. L Ramkumar (61 years) is a Cost Accountant and has a Post Graduate Diploma in Management from Indian Institute of Management, Ahmedabad. He has over 36 years of rich and varied experience in management including 25 years in the Demerged Company in various capacities. He joined the Board in October, 2008. Post the demerger and with the Scheme becoming effective, he was appointed as the Managing Director of the Company with effect from 1st August, 2017 until the Annual General Meeting of the Company in 2018. He is not related to other Directors and Key Managerial Personnel of the Company and their relatives.

Mr. Hemant M Nerurkar, Independent Director

Mr. Hemant M Nerurkar (68 years) is a Graduate in Metallurgical Engineering and has over three and half decades of rich experience in the steel industry. He has served as Managing Director (India and South-East Asia) of Tata Steel Limited between 2009 and 2013. He is currently Chairman of TRL Krosaki Refractories Ltd. He is also on the Board of various companies including NCC Limited and Igarshi Motors India Limited. Post the demerger and with the Scheme becoming effective, he was appointed as Additional Director (Independent Director) with effect from 1st August, 2017. He is not related to other Directors and Key Managerial Personnel of the Company and their relatives.

Ms. Madhu Dubhashi, Independent Director

Ms. Madhu Dubhashi (66 years) is an Economics (Hon.) Graduate and has a Post Graduate Diploma in Management from Indian Institute of Management, Ahmedabad. She has a experience of about four decades in the financial / financial services sector, having worked for various institutions like ICICI Ltd., Standard Chartered Bank etc. She is on the Board of various companies including Axis Finance Ltd and SBI Funds Management Private Limited. Post the demerger and with the Scheme becoming effective, she was appointed as Additional Director (Independent Director) with effect from 1st August, 2017. She is not related to other Directors and Key Managerial Personnel of the Company and their relatives.

Mr. Pradeep V Bhide, Independent Director

Mr. Pradeep V Bhide, I.A.S. (Retd) (67 years) is a Graduate in Science and Law. He also holds a Master degree in Business Administration with specialisation in Financial Management. In a career spanning 37 years in the Indian Administrative Service, Mr. Bhide has held senior positions at the State and Central levels. He is on the Board of various companies including GlaxoSmithKline Pharmaceuticals Limited, Heidelberg Cement India Ltd, NOCIL Ltd and L&T Finance Limited. Post the demerger and with the Scheme becoming effective, he was appointed as Additional Director (Independent Director) with effect from 1st August, 2017. He is not related to other Directors and Key Managerial Personnel of the Company and their relatives.

Mr. S Sandilya, Independent Director

Mr. S Sandilya (69 years) is a Commerce Graduate and has a Post Graduate Diploma in Management from Indian Institute of Management, Ahmedabad. He is the Group Chairman, Eicher Group. He is on the Board of various companies including Rane Brake Lining Ltd and Mastek Ltd. Post the demerger and with the Scheme becoming effective, he was appointed as Additional Director (Independent Director) with effect from 1st August, 2017. He is not related to other Directors and Key Managerial Personnel of the Company and their relatives.

Mr. Vellayan Subbiah, Managing Director (Designate)

Mr. Vellayan Subbiah, 47 years, is a Bachelor of Technology in Civil Engineering from IIT Madras and holds a Masters in Business Administration from the University of Michigan. He has over 23 years of work experience in consulting, technology and financial services. He was the Managing Director of Cholamandalam Investment and Finance Company Limited. He is one the Board of various companies including SRF

Limited and Havells India Limited. Post the demerger and with the Scheme becoming effective, he was appointed as Managing Director (Designate) of the Company, with effect from 19th August, 2017. He will assume the office of Managing Director of the Company on completion of term by the present Managing Director, Mr. L Ramkumar, for a term of appointment of 5 (five) years viz. from 19th August, 2017 to 18th August, 2022 (both days inclusive). He is not related to other Directors and Key Managerial Personnel of the Company and their relatives.

The Issuer confirms that none of its Current Directors appear in the RBI defaulter list and/or ECGC default list.

COMMITTEES OF THE BOARD

The Board of Directors has constituted Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee effective 1st August, 2017. These Committees have specific scope and responsibilities.

(A) AUDIT COMMITTEE

The role of the Audit Committee, in brief, is to review financial statements, internal controls, accounting policies, internal audit report, related party transactions, risk management systems and functioning of the Whistle Blower mechanism.

The Audit Committee of the Board as constituted has the following as its Members:

1. Mr. S Sandilya, Chairman, (Independent Director)
2. Mr. Pradeep V Bhide, Member (Independent Director)
3. Mr. Hemant M Nerurkar, Member (Independent Director)

The terms of reference of the Committee, as approved by the Board, are as follows:

- (1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) To recommend the appointment, remuneration and terms of appointment of auditors of the Company;
- (3) To approve the payment to statutory auditors for any other services rendered by them;
- (4) To examine the financial statement(s) of the Company and the auditor's report thereon;
- (5) To meet the statutory auditors:
 - (a) Before the commencement of annual statutory audit and to discuss the scope of the audit; &
 - (b) At the conclusion of the annual statutory audit to review the financial statements and major findings on internal control before submission of such statements to the Board.

- (6) To meet from time to time, the Chief Financial Officer and Chief Internal Auditor to review:
 - (a) Coordination of efforts between internal and statutory auditors;
 - (b) Internal audit plans;
 - (c) Major findings of internal and statutory auditors.
- (7) To review, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of Sub-section 3 of Section 134 of the Companies Act, 2013;
 - b) Changes, if any, in accounting policies and practices and reasons for the same and also about impact of such changes, if any, of the accounting, auditing and any regulatory rules on the Company's activities that may affect the audit;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions; &
 - g) Qualifications in the draft audit report.
- (8) To review the management discussion and analysis of financial conditions and results of operations;
- (9) To review statement of significant related party transactions submitted by management;
- (10) To review management letters/letters of internal control weaknesses issued by statutory auditors;
- (11) To review internal audit reports relating to internal control weaknesses;
- (12) To review, with the management, the quarterly financial statements before submission to the Board for approval;
- (13) To review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (14) To review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (15) To approve transactions of the Company with related parties or any subsequent modification to such transactions;

- (16) To scrutinize inter-corporate loans and investments;
- (17) To carry out valuation of undertakings or assets of the Company, wherever it is necessary;
- (18) To evaluate internal financial controls and risk management systems;
- (19) To review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (20) To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (21) To discuss with internal auditors of any significant findings and follow up there on;
- (22) To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (23) To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (24) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (25) To review the functioning of the Whistle Blower mechanism;
- (26) To approve the appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate; &
- (27) To carry out any other function as the Board may consider appropriate for inclusion, from time to time, in the terms of reference of the Audit Committee.

(B) NOMINATION AND REMUNERATION COMMITTEE

The role of the Nomination and Remuneration Committee is in accordance with the requirements of Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations.

The Nomination and Remuneration Committee of the Board as constituted has the following as its Members:

1. Mr. Hemant M Nerurkar, Chairman, (Independent Director)
2. Mr. S Sandilya, Member (Independent Director)
3. Mr. M M Murugappan, Member

The terms of reference of the Committee, as approved by the Board, are as follows:

1. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and to carry out evaluation of every director's performance;
2. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees, after ensuring that:
 - (1) level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
 - (2) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (3) remuneration to directors, key managerial personnel and senior management of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals:
3. To formulate the criteria for evaluation of independent directors and the Board;
4. To look into various aspects of corporate governance and make suggestions to the Board on improving the governance standards taking into consideration the regulatory changes from time to time and global best governance practices;
5. To devise a policy on Board's diversity;
6. To ensure disclosure of the Remuneration Policy and evaluation criteria in the Company's Annual Report;
7. Further to do the following:
 - (i) Recommend to the Board any new appointment(s) including re-appointment(s) and the tenure of office, whether of Executive or of Non-Executive Directors (NEDs);
 - (ii) Recommend the remuneration package, including the pension benefits and any compensation payment, of the Managing/Whole-time Director(s);
 - (iii) Recommend to the Board the amount of commission payable to each of the NEDs, based on the efforts and contribution at the Board and certain Committee meetings as well as time spent on operational matters other than at the meetings;
 - (iv) Determine the increments in salary of the Managing/Whole-time Director(s);
 - (v) Determine the annual incentives of the Managing/Whole-time Director(s);

- (vi) Determine the minimum remuneration of the Managing/Whole-time Director(s), in the event of inadequacy of profits.
- (vii) Implementation, administration and superintendence of the Employees' Stock Option Plan/Scheme(s) ('the ESOP Schemes') and also, to formulate the detailed terms and conditions of the ESOP Schemes including but not limited to –
 - (1) The quantum of Options to be granted under an ESOP Scheme per employee and in aggregate.
 - (2) The conditions under which Options vested in employees may lapse in case of termination of employment for misconduct.
 - (3) The exercise period within which the employee should exercise the Option and that the Option would lapse on failure to exercise the Option within the exercise period.
 - (4) The specified time period within which the employee shall exercise the vested Options in the event of termination or resignation of an employee.
 - (5) The right of an employee to exercise all the Options vested in him at one time or at various points of time within the exercise period.
 - (6) The procedure for making a fair and reasonable adjustment to the number of Options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard, the following shall be taken into consideration by the Nomination & Remuneration Committee:
 - (a) the number and the price of the Options under the Scheme(s) shall be adjusted in a manner such that the total value thereof remains the same after the corporate action;
 - (b) for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad shall be considered; &
 - (c) the vesting period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Option holders.
- (viii) The grant, vest and exercise of Option in case of employees who are on long leave;
- (ix) The procedure for cashless exercise of Options;
- (x) Such other matters as may be necessary for the purpose of effectively administering the Scheme; &
- (xi) Exercise any other powers as may be conferred by the Board in future.

(C) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) Committee is constituted in accordance with the requirements of the Companies Act, 2013 and the Rules thereunder.

The CSR Committee consists of the following:

- 1) Mr. S Sandilya, Chairman
- 2) Ms. Madhu Dubhashi, Member
- 3) Mr. L Ramkumar, Member

The terms of reference/scope for the Committee, as approved by the Board, are as under:

- (a) To formulate and recommend to the Board a Corporate Social Responsibility Policy, which shall indicate the activities to be undertaken by the Company as specified under Schedule VII of the Companies Act, 2013, as may be amended from time to time;
- (b) To recommend the amount of expenditure to be incurred on the activities referred to above;
- (c) To monitor the Corporate Social Responsibility Policy of the Company from time to time; &
- (d) To exercise any other powers as may be conferred by the Board in future.

(D) STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee is constituted in accordance with the requirements of the Companies Act, 2013 and the SEBI Listing Regulations.

The said Committee consists of the following as its Members:

- 1) Mr. M M Murugappan, Chairman
- 2) Mr. L Ramkumar, Member

The Committee has the following as its terms of reference:

- (a) To consider and resolve grievances of security holders of the Company including complaints relating to transfer of shares, non-receipt of balance sheet and non-receipt of declared dividends etc.
- (b) To formulate shareholders servicing plans and policies in line with the Company's Corporate Governance plans and policies and develop the standards therefor;
- (c) To monitor and review the mechanism of share transfers, dividend payments, dematerialization process, sub-divisions, consolidations, issue of duplicate certificates etc., and to determine and set standards for processing of the same; and
- (d) To decide on any other matter or give such directions as may be required in connection with investor servicing.

(E) RISK MANAGEMENT COMMITTEE

The role of the Risk Management Committee, in brief, is to review the Risk Management Policy developed by the Management, risk framework and its implementation thereby ensuring that an effective risk management system is in place.

The Risk Management Committee consists of the following:

- 1) Mr. Pradeep V Bhide, Chairman
- 2) Mr Hemant V Nerurkar
- 3) Mr L Ramkumar

The terms of reference/scope for the Committee, as approved by the Board, are as under:

1. Review the Risk Management Policy developed by the Management and to ensure that they are comprehensive and well developed.
2. Review the Annual Risk Management Framework Document (including the actions planned for the year in relating to existing and anticipated emerging risks).
3. Review the progress of implementation of the actions planned in the Annual Risk Framework Document.
4. Review periodically the process for systematic identification and assessment of the business risks.
5. Monitor periodically the critical risk exposures by specialized analysis and quality reviews and report to the Board the details of any significant developments relating to these and the action taken to manage the exposures.
6. Review periodically the Company's Risk Management Policy and associated Guidelines and approve any revisions thereto.
7. Identify and make recommendations to the Board, to the extent necessary on resources and staffing required for effective Risk Management.
8. Carry out any other function or activity as may be considered in order to ensure that an effective risk management system is in place.

LEADERSHIP TEAM

Mr. L Ramkumar, Managing Director

L Ramkumar is the Managing Director of the Company. He holds a Bachelor's Degree in Commerce, an MBA from IIM- Ahmedabad and is also a qualified Cost Accountant. He started his career with Ashok Leyland in the Finance stream and later joined the Murugappa Group in Tube Investments of India Ltd and worked in various capacities as Head of Finance of SBUs as well as CFO of the Company. Subsequently he headed the Bicycles business and contributed significantly to the growth and profitability of the business. He has more than 3 decades of rich experience in various facets of management. He is also the Managing Director of TI Tsubamex Private Limited, the Company's automotive die-making joint venture with Tsubamex Company Limited, Japan.

Mr. Vellayan Subbiah, Managing Director (Designate)

Mr. Vellayan Subbiah, is the Managing Director (Designate) of the Company. He holds a Bachelor of Technology in Civil Engineering from IIT Madras and holds a Masters in Business Administration from the University of Michigan. He has over 23 years of work experience in consulting, technology and financial services. He was the Managing Director of Cholamandalam Investment and Finance Company Limited.

Mr. Kalyan Kumar Paul, President – Tube Products of India

Kalyan Kumar Paul is the President of Tube Products of India, a unit of the Company, effective July 01, 2012. He is a Bachelor of Science with Honors from Presidency College, Kolkata and holds an MBA in Sales & Marketing from Indian Institute of Social Welfare and Business Management, Kolkata. He has over 3 decades of experience in managing Domestic and International Operations, Sales and Marketing across diverse industries.

Mr. P Ramachandran, President –TIDC India

P Ramachandran is the President of TIDC India, an unit of the Company. He is an Engineering graduate from the Madras Institute of Technology and holds a post graduate diploma in Management from IIM, Ahmedabad. He has over 25 years of experience in the field of marketing, business development and general management.

Mr. K R Chandrasekaran President – TI Cycles of India

K R Chandrasekaran is the President of TI Cycles of India, an unit of the Company. He holds a B.E. degree (Mechanical Hons.) and also a post graduate diploma in Management from IIM, Kolkata. He has over 30 years of experience in business development, sales and marketing and general management.

Mr. K R Srinivasan, Executive Vice President –TI Meal Forming

K R Srinivasan is the Executive Vice President of TI Metal Forming, an unit of the Company. He is an Engineering graduate with Honours from REC-Trichy with specialization in Mechanical Engg., and also a postgraduate in Business Administration from the University of Madras. He is a Fulbright Fellow in Leadership in Management from the Carnegie Mellon University, Pittsburgh, USA. He has over 26 years of experience in various functions viz., Sales, Marketing, Application Engineering, Product Management, Manufacturing and other plant operations, Process Re-engineering, Project Management and Information Technology.

Mr. R Narayanan, Executive Vice President –Strategic Sourcing

R Narayanan is the Executive Vice-President, Strategic Sourcing of the Company. He is a B.Sc. graduate from the University of Madras and also a qualified Chartered Accountant. He has over 31 years of experience across various group companies in the areas of Financial accounting, Management accounting, Finance, Materials, Supply Chain Management, Commercial and Strategic Sourcing.

Mr. N Prasad, Executive Vice President –Human Resources

N Prasad is the Executive Vice President – HR of the Company. He is a commerce graduate

from the R.K.M. Vivekanada College, Chennai and holds a Masters' degree specializing in Personnel Management and Industrial Relations from the University of Madras. He has over two decades' experience in the HR & IR roles.

Mr. K Mahendra Kumar, Chief Financial Officer

K Mahendra Kumar is the Chief Financial Officer of the Company. He is a qualified Chartered Accountant from the Institute of Chartered Accountants of India and also a Management Accountant from the Chartered Institute of Management Accountants (CIMA), UK. He has over two decades of experience in the finance function having worked in diverse sectors such as chemicals, automotive, information technology, wind energy and elevators.

Designated Stock Exchange

The Designated Stock Exchange is BSE Limited.

Demat Credit

Our Company has executed tripartite agreements with the Registrar and Share Transfer Agent and the Depositories i.e. NSDL and CDSL, respectively, for admitting our Company's Equity Shares in demat form. The ISIN allotted is INE974X01010.

Compliance Officer of the Issuer

Mr. S. Suresh,
Tube Investments of India Limited
(formerly TI Financial Holdings Limited)
"Dare House", 234 N S C Bose Road,
Chennai - 600 001, India
Ph: 044-4228 6711; E-mail: sureshs@tii.murugappa.com

Chief Financial Officer of the Issuer

Mr. K. Mahendra Kumar,
Tube Investments of India Limited
(formerly TI Financial Holdings Limited)
"Dare House", 234 N S C Bose Road,
Chennai - 600 001, India

Registrar and Transfer Agents

Karvy Computershare Pvt Limited
Karvy Selenium Tower B, Plot 31-32 Gachibowli
Financial District, Nanakramguda
Hyderabad 500 032, India

Auditors of the Issuer

S.R. Batliboi & Associates LLP,
Tidel Park, No.4, Rajiv Gandhi Salai,
Taramani, Chennai 600 013, India

BRIEF SUMMARY OF THE BUSINESS/ACTIVITIES OF THE ISSUER AND ITS LINE OF BUSINESS

Tube Investments of India Limited (formerly TI Financial Holdings Limited – [TI]) is a public limited company (CIN:U35100TN2008PLC069496) forming part of the Murugappa

Group engaged in the manufacture of bicycles, precision steel tubes, cold rolled steel strips, fine blanked products, automotive and industrial chains and cold rolled formed sections for automobiles and railways.

The Company's equity shares are proposed to be listed on the National Stock Exchange of India Limited and the BSE Limited. In FY 2017, the Company recorded a revenue of Rs.4415.89 Cr. with a Profit after Tax of Rs.158.95 Cr.

The Company has three segments and brief summary on each of the segment is given below:

Cycles and Components Segment

As a part of this segment, the Company manufactures a range of standard and special bicycles. The Company is the second largest manufacturer of bicycles in the country. It sold 3.95 million bicycles during FY 2017. The Company is a market leader in the "specials" segment. The Company is known for its innovation and new product launches. There are three plants - at Ambattur in Tamil Nadu, Nashik in Maharashtra and Rajpura in Punjab. TI is a leading player in the bicycle segment by virtue of its brand equity, product development capability and proximity to the markets. During the last few years, the Company pioneered the retail thrust for bicycles and has expanded its retail outlets. These outlets offer customers a contemporary buying experience and cater to all segments from kids to the bicycling enthusiast.

Leveraging on the strength of its BSA / Hercules brand, the Company is also engaged in the Fitness business. Under Fitness business, it offers personal fitness equipment such as motorized treadmills, recumbent bikes, ellipticals etc.

In FY 2017, the Revenue of this segment stood at Rs.1358.69 Cr. and the Profit before Interest & Tax was at Rs.35.73 Cr.

Engineering Segment

As a part of Engineering Segment, the Company manufactures Cold Rolled Steel Strips and Electric Resistance Welded and Cold Drawn Welded tubes. In the Cold Rolled Steel Strips business, the Company focuses on the Special Grades of steel strips for the Southern market. The ability to supply multiple grades in the required quantities to the customers together with its engineering capabilities has earned the Company a good reputation among its customers.

In the Tubes segment, TI is the market leader in precision tubes by virtue of its quality and application engineering capabilities. The tubes made by the Company are predominantly used by the automobile sector. The tubes are made from the manufacturing facilities at Avadi and Tiruttani in Tamil Nadu, Shirwal in Maharashtra and Mohali in Punjab. The Company has also established value addition centers at various locations to meet the specific requirements of customers and supply them ready to use tubes on a just in time basis. This segment further exports precision steel tubes to the quality conscious North American and European markets.

The product range in this segment is being augmented and the Company plans to introduce products which are not currently in its range. With its strong engineering and research capabilities, the Company enjoys a strong reputation with its customers.

In FY 2017, the Revenue of this segment stood at Rs.2076.93 Cr. and the Profit before Interest & Tax was at Rs.145.78 Cr.

Metal Formed Products Segment

As a part of the Metal Formed Products segment, the Company manufactures automotive and industrial chains, fine blanked products, doorframes and cold rolled sections for Railway wagons.

In the automotive chains business, the Company caters to the needs of the major OEMs. The Company is one of the three major players in roller chains manufacturing in India. The Company also has a wide dealer network across the country for distributing its chains. The Company enjoys a premier position in this segment by virtue of its quality, cost, delivery and association with two wheeler majors. The manufacturing locations are - Ambattur in Tamil Nadu, Hyderabad in Andhra Pradesh and Laksar in Uttarkhand. In Industrial chains, the Company has a sizeable market presence in the domestic market.

The Company manufactures car doorframes for leading car manufacturers and is the market leader in roll formed car doorframes by virtue of its cost efficiency, association with key auto majors and roll forming capabilities. The manufacturing locations are – Thiruninravur and Kakkalur in Tamil Nadu, Bawal in Haryana, Halol in Gujarat, Pune in Maharashtra and Sanand in Gujarat. The Company is also supplying sections for wagons and side wall / end walls for passenger coaches. The Railway products are manufactured at Thiruninravur and Kakkalur in Tamil Nadu and at Uttarakhand.

The Revenue from this segment was at Rs.1141.48 Cr. during FY 2017. The Profit before Interest & Tax was at Rs.92.25 Cr.

The Company has significant investments in its subsidiaries / Joint Venture and brief summary on each of the segment is given below:

The Company has following subsidiaries / associate / joint venture companies:

- a) Financiere C10 SAS (100% shareholding) - subsidiary
- b) Shanthi Gears Limited (70.12% shareholding) - subsidiary
- c) TI Tsubamex Private Limited. (75% shareholding) – subsidiary
- d) TI Absolute Concepts Private Limited. (50% shareholding) – joint venture

Financiere C10 SAS has three Subsidiaries viz., Sedis SAS in France, SEDIS Gmbh in Germany, and Sedis Co Ltd in UK.

Financiere C10 SAS (FC 10)

The Company holds 2,23,920 (100%) shares in Financiere C10 S.A.S (FC 10), a wholly owned Subsidiary in France at an investment of Rs.61.15 Cr. Sedis SAS is a wholly-owned subsidiary of Financière C10 and is a pioneer in the manufacture of Industrial and Engineering Class Chains with two manufacturing plants in France. Financière C10 also has two other distribution companies as wholly owned subsidiaries viz., Sedis Gmbh in Germany and Sedis Co Ltd in UK.

In 2016, FC10 & its subsidiaries recorded consolidated revenue of €30.36 Mn. and Loss before Tax of €0.19 Mn.

Shanthi Gears Limited (SGL)

The Company holds 70.12% (5,72,96,413 equity shares), in Shanthi Gears Limited, Coimbatore at an investment of Rs.464.10 Cr. SGL is one of India's leading manufacturers of industrial gears.

In FY 2017, the revenue of SGL stood at Rs.203.82 Cr. and Profit before Tax was at Rs.28.50 Cr.

TI Tsubamex Private Limited (TTPL)

TI Tsubamex Private Limited was incorporated on 3rd January 2014, as a Joint Venture Company promoted by the Company jointly with Tsubamex Company Limited, Japan (TMX), to engage in the business of die design and manufacturing facilities for dies. The Company holds 75% shares in TTPL at a cost of Rs.19.50 Cr.

In FY 2017, the revenue of TTPL stood at Rs.4.90 Cr and incurred a Loss before tax of Rs.6.29 Cr. for the year ended 31st March 2017.

TI Absolute Concepts Private Limited (TIACPL)

TI Absolute Concepts Private Limited (TIACPL) is a Joint Venture Company promoted by the Company jointly with Absolute Speciality Foods Chennai Private Limited, to carry on the business of bicycle theme based restaurant with retail outlets for bicycles. The Company holds 50% shares in TIACPL at a cost of Rs.10 Cr.

In FY 2017, the revenue of TIACPL stood at Rs.2.65 Cr. and Loss before Tax was at Rs.5.45 Cr.

INDUSTRY OUTLOOK

Bicycles & Components

Bicycles fall under two distinct categories – Standard and Special. While the Standard cycles are largely used for commuting, especially in small towns & rural areas, the Specials cycles have come to be looked at as a product for fun, fitness and leisure activities. As per industry estimates, the bicycle industry volumes declined approximately by 8% during 2016-17. While orders from the Government Schemes witnessed a decline from the record levels of the previous year, trade volumes witnessed a decline of around 10% during the year. 2016-17 was a very challenging year for the bicycle industry, with consumer demand adversely impacted by the effects of demonetization and drought in parts of the country. On the other hand, increasing aspirations, higher purchasing power, international exposure to usage patterns and growing fitness consciousness are providing impetus to the use of high-end special bicycles, the sale volumes of which have continued to grow steadily year-on-year.

Nearly 80% of the country's requirements are met by four major players. The smaller regional players and imports constitute the balance. The Company enjoys a share of over one-third of the total organised market with a much higher share in the premium segment.

Engineering

The overall automotive industry grew by 5% during 2016-17. The passenger vehicle, commercial vehicle and two-wheeler segments registered growth of 9%, 3% and 6% respectively over the last fiscal. Within the two wheeler segment, while the sale volumes in scooters and motorcycles grew by 12% and 2% respectively.

In Cold Rolled Steel Strips, the Company continued to be a 'niche player' in a market dominated by integrated steel manufacturers by focussing on special grades catering to varied applications in different sizes and grades.

Metal Formed Products

The two wheeler segment grew 6%, the scooter by 12% and the passenger car segment by 9%, during 2016-17. The segment is one of the three major players manufacturing roller chains and fine blanked parts for the automotive industry in India. The replacement market for chains and sprockets continued to register a good growth due to the increasing two wheeler population. The domestic demand for industrial chains has grown moderately.

Currently, there are three established roll-formed car doorframe manufacturers in the country. The international car majors continue to invest in the country and are increasingly using India as an export base. As a result, many component manufacturers have the opportunity to cater to the global needs of automobile manufacturers and their Tier 1 suppliers. Within the railway segment, the freight sub-segment is yet to show any sign of a major revival. A pick-up was witnessed with regard to the passenger coach sub-segment.

CAPITAL STRUCTURE

The Authorised, Issued, Subscribed and Paid-up share capital of the Company is as under:

(A) Pre-Scheme (as on 2nd November, 2016)

Particulars	Amount (in Rs.)
Authorised Share Capital	
25,00,00,000 Equity Shares of Re.1/- each	25,00,00,000
Total	25,00,00,000
Issued, Subscribed and Paid-up Share Capital*	
11,00,000 Equity Shares of Re.1/- each fully paid up	11,00,000
Total	11,00,000

(B) Post Scheme (1st September, 2017)

Particulars	Amount (in Rs.)
Authorised Share Capital	
25,00,00,000 Equity Shares of Re.1/- each	25,00,00,000
Total	25,00,00,000
Issued, Subscribed and Paid-up Share Capital*	
18,74,90,591 Equity Shares of Re.1/- each fully paid up	18,74,90,591
Total	18,74,90,591

**Pursuant to Clause 7 of the Scheme, the 11,00,000 equity shares of Re.1 of the Company held by TI Financial Holdings Limited (Demerged Company) as on the effective date of 1st September, 2017 stand cancelled.*

Changes in the Authorised Capital

Change in the Authorised Share Capital of the Company since its incorporation furnished below:

Date of shareholders' resolution

29/5/2017

Particulars

Authorized share capital of Rs.2,00,00,000 divided into 20,00,000 Equity Shares of Rs.10 each was increased to Rs.25,00,00,000 divided into 25,00,00,000 Equity Shares of Rs.1 each.

Share Capital history

The following is the share capital history of the Company:

Allotment Date	No. of Equity Shares Allotted	Face value (Rs.)	Premium (Rs.)	Issue Price per Equity Share (Rs.)	Consideration	Reason of Allotment	Cumu-lative No. of Equity Shares	Cumu-lative paid up capital (Rs.)
6/10/2008	70,000	10	-	10	Cash	Initial subscribers to the Memorandum	70,000	7,00,000
29/06/2011	40,000	10	-	10	Cash	Allotment to holding company	1,10,000@	11,00,000*
01/09/2017	18,74,90.591	1	-	1	Consideration other than cash; in accordance with the Scheme of Arrangement	Allotment to shareholders of Demerged Company viz., TI Financial Holdings Limited in terms of Scheme of Arrangement	18,74,90.591	18,74,90.591

@shareholding of Demerged Company (viz., holding company of the Resulting Company pre demerger) : 11,00,000 equity shares of Re.1 each in lieu of 1,10,000 equity shares of Rs.10 each consequent to sub-division of face value from Rs.10 to Re.1 per share as approved by the shareholders on 29.5.2017.

*11,00,000 of Re.1/- shares held by the holding company cancelled pursuant to Scheme of Arrangement

The Company does not have any other form of share capital other than equity shares.

Issue of shares for consideration other than cash

Other than allotment of Equity Shares pursuant to the Scheme, the Company has not allotted any equity shares for consideration other than cash.

Details of the shareholding of the Company

Pre-Arrangement Shareholding as on 28-08-2017

1A. Pre-Scheme Shareholding:

S No	Particulars	Total No of Equity Shares	No of Equity Shares in demat form	Total Shareholding as % of total No of Equity Shares
A	Promoter and Promoter Group			
(1)	Indian			
(a)	Individuals / HUF *	600	-	0.55
(b)	Bodies Corporate	10,99,400	-	99.45
(c)	Trusts	-	-	-
(2)	Foreign			
	Total Shareholding of Promoter and Promoter Group	11,00,000	-	100.00
B	Public Shareholding			
(1)	Institutions	-	-	-
(a)	Mutual Funds	-	-	-
(b)	Financial Institutions /Banks	-	-	-
(c)	Insurance Companies	-	-	-
(d)	Foreign Institutional Investors & Foreign Portfolio Investors	-	-	-
(e)	Foreign Bodies	-	-	-
(2)	Non Institution			
(a)	Bodies Corporate	-	-	-
(b)	Individuals			
	i. Individual shareholders holding nominal share capital up to Rs.2 lakh	-	-	-
	ii. Individual shareholders holding nominal share capital in excess of Rs.2 lakh	-	-	-
(c)	Non Resident Indians	-	-	-
(d)	Trust	-	-	-
(e)	Clearing Members	-	-	-
	Total Public Shareholding	-	-	-
C	Shares held by Custodians against which Depository Receipts have been issued – Public	-	-	-
	Total	11,00,000	-	100.00%

1B. Statement showing shareholding of persons belonging to “Promoter Group”

Pre-Scheme, the Company was a wholly-owned subsidiary and its entire share capital was held by the Promoter/Demerged Company viz. erstwhile Tube Investments of India Limited (presently known as TI Financial Holdings Limited).

1C. Statement showing shareholding of persons belonging to Public

Not Applicable

1D. Statement showing details of locked-in-shares”

Not Applicable

2. Statement showing details of DRs

Not Applicable

Post Arrangement - as on 01-09-2017

S No	Particulars	Total No of Equity Shares	No of Equity Shares in demat form	Total Shareholding as % of total No of Equity Shares
A	Promoter and Promoter Group			
(1)	Indian			
(a)	Individuals / HUF *	1,78,09,665	1,78,09,665	9.50
(b)	Bodies Corporate	7,32,32,265	7,32,32,265	39.06
(c)	Trusts	3,91,510	3,91,510	0.21
(2)	Foreign	-	-	-
	Total Shareholding of Promoter and Promoter Group	9,14,33,440	9,14,33,440	48.77
B	Public Shareholding	-		
(1)	Institutions			
(a)	Mutual Funds	2,52,13,619	2,52,13,619	13.45
(b)	Financial Institutions /Banks	8,90,525	8,83,175	0.47
(c)	Insurance Companies	29,36,126	29,36,126	1.57
(d)	Foreign Institutional Investors & Foreign Portfolio Investors	2,19,49,030	2,17,12,370	11.71
(e)	Any other Foreign Bank and Foreign Nationals	12,695	12,695	0.00
	Sub-Total (B)(1)	5,10,01,995	5,07,57,985	27.20
(2)	Non Institution			
(a)	Bodies Corporate	1,27,38,007	1,27,33,867	6.79
(b)	Individuals			
	i. Individual shareholders holding nominal share capital upto Rs. 2 lakh	1,85,59,635	17182979	9.90

S No	Particulars	Total No of Equity Shares	No of Equity Shares in demat form	Total Shareholding as % of total No of Equity Shares
	ii. Individual shareholders holding nominal share capital in excess of Rs.2 lakh	67,20,550	67,20,550	3.58
(c)	Non Resident Indians	19,88,252	19,31,222	1.06
(d)	Trust	1,14,396	1,14,396	0.06
(e)	Clearing Members	6	6	0.00
(f)	Shares held by Employees Trust	7,03,680	7,03,680	0.38
	Sub-Total (B)(2)	4,08,24,526	39,38,67,00	0.38
B	Total Public Shareholding (B)= (B)(1)+(B)(2)	9,18,26,521	9,04,07,901	48.98
	TOTAL = (A)+(B)	18,32,59,961	18,15,78,125	97.75
C	Shares held by Custodians against which Depository Receipts have been issued – Public	42,30,630	42,23,460	2.25
	GRAND TOTAL (A)+(B)+(C)	18,74,90,591	18,58,01,585	100.00

1B. Statement showing shareholding of persons belonging to “Promoter Group”

Name of the Promoter	No of shares held	%
M A ALAGAPPAN	130660	0.07
M M MURUGAPPAN	277360	0.15
M M MURUGAPPAN	355330	0.19
A VELLAYAN	249500	0.13
UMAYAL.R.	226580	0.12
A VENKATACHALAM	251000	0.13
VALLI ANNAMALAI	100000	0.05
M VELLACHI	115330	0.06
VALLI SUBBIAH	204000	0.11
M.A.ALAGAPPAN	215410	0.11
S.VELLAYAN	14500	0.01
M A M ARUNACHALAM	220278	0.12
ARUN ALAGAPPAN	216777	0.12
M A M ARUNACHALAM	470160	0.25

Name of the Promoter	No of shares held	%
ARUN ALAGAPPAN	833090	0.44
M.A.ALAGAPPAN	710000	0.38
LAKSHMI CHOCKA LINGAM	158660	0.08
A VELLAYAN	382400	0.20
M M VENKATACHALAM	718120	0.38
LAKSHMI VENKATACHALAM	357680	0.19
LALITHA VELLAYAN	307160	0.16
MEYYAMMAI VENKATACHALAM	358580	0.19
S.VELLAYAN	14500	0.01
LAKSHMI RAMASWAMY	81000	0.04
M V VALLI MURUGAPPAN	287320	0.15
S VELLAYAN	430250	0.23
M V MURUGAPPAN	543330	0.29
M V MURUGAPPAN	1554850	0.83
M M MURUGAPPAN	699715	0.37
A A ALAGAMMAI	662000	0.35
A M MEYYAMMAI	941500	0.50
M V SUBBIAH	171200	0.09
MEENAKSHI MURUGAPPAN	241870	0.13
M V SEETHA SUBBIAH	570550	0.30
M V SUBBIAH	572950	0.31
A VENKATACHALAM	513610	0.27
VALLIMUTHIAH	387080	0.21
V NARAYANAN	281140	0.15
V ARUNACHALAM	338990	0.18
M.M.VEERAPPAN	388130	0.21
ARUN VENKATACHALAM	198130	0.11
SOLACHI RAMANATHAN	8500	0.00
A V NAGALAKSHMI	3600	0.00
M M MUTHIAH	398130	0.21
M V AR MEENAKSHI	449630	0.24
A.KEERTIKA UNNAMALAI	500	0.00

Name of the Promoter	No of shares held	%
SIGAPI ARUNACHALAM	227990	0.12
V VASANTHA	2300	0.00
M V MUTHIAH	449590	0.24
DHRUV M ARUNACHALAM	1000	0.00
M M SEETHALAKSHMI	319700	0.17
PRANAV ALAGAPPAN	25950	0.01
M V SUBRAMANIAN	23425	0.01
Central Government/State Government(s)	0	0.00
Financial Institutions/Banks	0	0.00
Any Other	73623775	39.28
AMBADI ENTERPRISES LTD	1058200	0.56
A M M VELLAYAN SONS P LTD	38430	0.02
CARBORUNDUM UNIVERSAL LIMITED	1000	0.00
M.M.MUTHIAH SONS PRIVATE LTD	4200	0.00
M.M.MUTHIAH RESEARCH FOUNDATION	280920	0.15
AMBADI INVESTMENTS PRIVATE LIMITED	5636695	3.01
PRESSMET PVT LTD.	375220	0.20
AR LAKSHMI ACHI TRUST	391510	0.21
MURUGAPPA HOLDINGS LIMITED	64054680	34.17
M A ALAGAPPAN HOLDINGS PRIVATE LIMITED	509860	0.27
MURUGAPPA EDUCATIONAL AND MEDICAL FOUNDATION	726200	0.39
M A MURUGAPPAN HOLDINGS PRIVATE LIMITED	546860	0.29
Total Promoter Holding	91433440	48.78

1C. Statement showing details of locked-in-shares - NIL

2. Statement showing details of DRs

The Demerged Company has 42,30,630 Global Depository Receipts (GDRs) representing 1 (one) underlying Equity Share each. In terms of the Scheme, the Company has to issue GDRs in respect of the Shares allotted against the underlying Equity Shares for the GDRs of the Demerged Company. Bank of New York Mellon is the Depository for the GDRs of the Demerged Company.

Accordingly, the Company will be issuing 42,30,630 GDRs with 1 (one) Equity Share underlying each of the said GDRs.

Details of top 10 shareholders as on 1st September, 2017

Name of the shareholder	No of shares	%
Murugappa Holdings Limited	6,40,54,680	34.16
HDFC Trustee Company Limited A/C HDFC Mid Cap Opportunities Fund	78,00,000	4.16
Ambadi Investments Private Limited	56,36,695	3.01
The Bank of New York Mellon	42,23,460	2.25
HDFC Trustee Co Limited A/c HDFC Balanced Fund	41,10,000	2.19
Gagandeep Credot Capital Pvt Ltd	40,41,256	2.16
Life Insurance Corporation of India	29,36,046	1.57
Toyoto Tsusho Corporation	27,00,000	1.44
Shamyak Investment Private Limited	23,48,880	1.25
Tube Investments of India Limited A/c Unclaimed Suspense Account	17,86,406	0.95

As on date of this Information Memorandum there are no outstanding warrants or rights to convert debentures, loans or other instruments into equity shares.

There will be no further issue of capital by the Company whether by way of issue of bonus shares, preferential allotment of shares and by way of a rights issue or in any other manner during the period commencing from the date of sanction of the Scheme by the NCLT till listing of the equity shares as per the Scheme.

The face value of the equity share is Re.1 and there shall be only one denomination for the equity shares subject to applicable regulations and the Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

The Company has 24,531 Members as on the date of filing of this Information Memorandum.

Employee Stock Options

Under the Scheme, the Company is required to take necessary steps to formulate stock option schemes by adopting the Existing Stock Option Schemes of the Demerged Company.

As per the Scheme, the employees who have been issued grants under the Stock Option Schemes of the Demerged Company shall be issued one stock option by the Company under its Stock Option Scheme for every stock option held in the Demerged Company, whether the same are vested or not on terms and conditions similar to the relevant existing Stock Option Schemes of the Demerged Company.

The existing exercise price of the stock options of the Demerged Company shall stand suitably adjusted in an appropriate manner as determined by the Nomination and Remuneration Committee of the Demerged Company and the balance of the exercise price shall become the exercise price of the stock options issued by the Company. Accordingly, the Company has, with necessary approvals and in the manner required under the Scheme, introduced an Employee Stock Option Plan 2017 ("ESOP 2017"). The Company will be issuing necessary grants to eligible employees as provided in the Scheme.

SUMMARY OF FINANCIAL INFORMATION

The Standalone as well as the Consolidated Balance Sheet, Statement of Profit and Loss and Cash Flow for the last three financial years are furnished hereunder:

STANDALONE BALANCE SHEET AS AT 31ST MARCH 2017

` in Crores

	As at 31-Mar-2017	As at 31-Mar-2016	As at 01-Apr-2015
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	881.34	-	-
Capital Work-in-Progress	33.10	-	-
Investment Property	5.09	-	-
Financial Assets			
(a) Investments			
- Investment in Subsidiaries and Joint ventures	554.75	-	-
- Other Investments	12.19	-	-
(b) Other Financial Assets	17.99	-	-
Deferred Tax Assets	38.11	-	-
Non-Current Tax Assets	4.44	-	-
Other Non-Current Assets	27.98	-	-
	1574.99	-	-
Current Assets			
Inventories	580.72	-	-
Financial Assets			
(a) Loans	1.37	-	-
(b) Trade Receivables	528.22	-	-
(c) Investments	102.08	-	0.05
(d) Cash and Cash Equivalents	18.76	0.05	-
(e) Other Financial Assets	13.04	-	-
Other Current Assets	56.10	-	-
	1300.29	0.05	0.05
Total Assets	2875.28	0.05	0.05
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	18.74	0.11	0.11
Other Equity	1123.27	(0.06)	(0.06)
Total Equity	1142.01	0.05	0.05
Non-Current Liabilities			
Financial Liabilities			
(a) Long Term Borrowings	350.00	-	-
Deferred Tax Liabilities	64.38	-	-
	414.38	-	-
Current Liabilities			
Financial Liabilities			
(a) Short Term Borrowings	301.81	-	-
(b) Trade Payables	717.00	-	-
(c) Derivative Instruments	0.15	-	-
(d) Other Financial Liabilities	227.27	-	-
Government Grants	1.38	-	-
Short Term Provisions	49.72	-	-
Other Current Liabilities	21.56	-	-
	1318.89	-	-
Total Liabilities	1733.27	-	-
Total Equity and Liabilities	2875.28	0.05	0.05

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

	` in Crores		
	Year Ended 31-Mar-2017	Year Ended 31-Mar-2016	Year Ended 31-Mar-2015
Revenue from Operations			
Sale of Products	4207.77	-	-
Other Operating Revenues	208.12	-	-
	<u>4415.89</u>	<u>-</u>	<u>-</u>
Other Income	31.06	-	-
Total Income	<u>4446.95</u>	<u>-</u>	<u>-</u>
Expenses			
Cost of Materials Consumed	2,473.84	-	-
Purchase of Stock-in-Trade - Cycles/Components and Metal Formed Products	133.47	-	-
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(107.94)	-	-
Excise Duty on Sale of Goods and Scraps	307.32	-	-
Employee Benefits Expense	398.63	-	-
Depreciation and Amortisation Expense	121.25	-	-
Finance Costs	72.05	-	-
Other Expenses	846.83	-	-
Total Expenses	<u>4245.45</u>	<u>-</u>	<u>-</u>
Profit Before Tax	201.50	-	-
Income Tax Expense			
- Current Tax	58.25	-	-
- Current Tax - Years prior to Appointed Date as per Scheme of Arrangement	(16.94)	-	-
- Deferred Tax (Net)	1.24	-	-
	<u>42.55</u>	<u>-</u>	<u>-</u>
Profit for the year (I)	<u>158.95</u>	<u>-</u>	<u>-</u>
Other Comprehensive Income:			
Other Comprehensive Income to be reclassified to Statement of Profit and Loss in subsequent periods:			
Movement on Cash Flow Hedges	0.51	-	-
Income Tax Effect	(0.18)	-	-
	<u>0.33</u>	<u>-</u>	<u>-</u>
Other Comprehensive Income not to be reclassified to Statement of Profit and Loss in subsequent periods:			
Re-measurement Gain / (Loss) on Defined Benefit Obligations (Net)	(4.13)	-	-
Income Tax Effect	1.43	-	-
	<u>(2.70)</u>	<u>-</u>	<u>-</u>
Gain/(Loss) on FVTOCI Equity Securities (Net)	0.71	-	-
Income Tax Effect	(0.01)	-	-
	<u>0.70</u>	<u>-</u>	<u>-</u>
Other Comprehensive Income/(Loss) for the Year, Net of Tax (II)	<u>(1.67)</u>	<u>-</u>	<u>-</u>
Total Comprehensive Income for the Year, Net of Tax (I + II)	157.28	-	-

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

` in Crores

Particulars	Year Ended 31-Mar-2017	Year Ended 31-Mar-2016
A. Cash Flow from Operating Activities:		
Profit Before Tax	201.50	-
<u>Adjustments to reconcile Profit Before Tax to Net Cash Flows:</u>		
Depreciation on Property, Plant and Equipment	121.17	-
Depreciation on Investment Properties	0.08	-
Profit on Property Plant & Equipment sold/discarded (Net)	(1.08)	-
Profit on Sale of Investments carried at FVTPL	(10.61)	(0.01)
Reversal of Provision/Impairment for Trade Receivables (Net)	(5.01)	-
Net Foreign Exchange differences	(1.13)	-
Finance Income (including Fair Value changes in Financial Instruments)	(5.43)	-
Finance Costs	72.05	-
Liabilities/Provisions no longer payable written back	(1.22)	-
Dividend Income	(0.52)	-
Operating Profit before Working Capital / Other Changes	369.80	(0.01)
Adjustments for :		
Increase in Provisions and Government Grants	9.17	-
Increase in Trade and Other Payables	116.07	-
Increase in Other Financial Liabilities	57.78	-
Decrease in Other Current Liabilities	(2.65)	-
Increase in Other Non-Current Assets	(1.17)	-
Decrease in Other Financial and Current Assets	0.68	-
Increase in Trade and Other Receivables	(36.01)	-
Increase in Inventories	(122.41)	-
Cash Generated From Operations	391.26	(0.01)
Income Tax paid	(35.90)	-
Net Cash Flow from Operating Activities	355.36	(0.01)
B. Cash Flow from Investing Activities:		
Capital Expenditure (Including Capital Work In Progress and Capital Advances)	(152.24)	-
Proceeds from Sale of Property plant and equipment	8.06	-
Purchase of Current Investments (Net)	(91.39)	0.06
Purchase of Non Current Investments	(10.00)	-
Interest Income received	4.17	-
Dividend Received	0.52	-
Net Cash Used in Investing Activities	(240.88)	0.06
C. Cash Flow from Financing Activities:		
Proceeds from issue of shares	0.01	-
Proceeds from Long Term Borrowings	100.00	-
Repayment of Long Term Borrowings	(732.90)	-
Proceeds from Short Term Borrowings (Net)	56.49	-
Finance Costs Paid	(106.41)	-
Net Cash Used in Financing Activities	(682.81)	-
Net Decrease in Cash and Cash Equivalents [A+B+C]	(568.33)	0.05
Cash and Cash Equivalents at the Beginning of the Year	0.05	-
Transferred to the Company pursuant to Scheme of Arrangement	577.85	-
Cash and Cash Equivalents as at End of the Year	9.57	0.05

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

	` in Crores		
	Year Ended 31-Mar-2017	Year Ended 31-Mar-2016	Year Ended 31-Mar-2015
Revenue from Operations			
Sale of Products	4608.71	-	-
Other Operating Revenues	211.49	-	-
	<u>4820.20</u>	<u>-</u>	<u>-</u>
Other Income	48.41	-	-
Total Income	<u>4868.61</u>	<u>-</u>	<u>-</u>
Expenses			
Cost of Materials Consumed	2563.06	-	-
Purchase of Stock-in-Trade - Cycles/Components and Metal Formed Products	186.93	-	-
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(115.44)	-	-
Excise Duty on Sale of Goods and Scraps	327.19	-	-
Employee Benefits Expense	512.98	-	-
Depreciation and Amortisation Expense	148.90	-	-
Finance Costs	73.99	-	-
Other Expenses	942.45	-	-
Total Expenses	<u>4640.06</u>	<u>-</u>	<u>-</u>
Profit Before Share of Loss from Joint Ventures and Tax	228.55	-	-
Share of Loss from Joint Ventures (net of tax)	(7.45)	-	-
Profit Before Tax	<u>221.10</u>	<u>-</u>	<u>-</u>
Income Tax Expense			
- Current Year	64.82	-	-
- Current Tax - Years prior to Appointed Date as per Scheme of Arrangement	(16.94)	-	-
- Deferred Tax (Net)	(1.13)	-	-
	<u>46.75</u>	<u>-</u>	<u>-</u>
Profit for the year (I)	<u>174.35</u>	<u>-</u>	<u>-</u>
Other Comprehensive Income:			
Other Comprehensive Income to be reclassified to Statement of Profit and Loss in subsequent periods:			
Movement on Cash Flow Hedges	0.51	-	-
Income Tax Effect	(0.18)	-	-
	<u>0.33</u>	<u>-</u>	<u>-</u>
Exchange Difference on Translation of Foreign Subsidiary	(0.76)	-	-
Income Tax Effect	-	-	-
	<u>(0.76)</u>	<u>-</u>	<u>-</u>
Other Comprehensive Income not to be reclassified to Statement of Profit and Loss in subsequent periods:			
Re-measurement Gains / (Losses) on Defined Benefit Obligations (Net)	(4.25)	-	-
Income Tax Effect	1.47	-	-
	<u>(2.78)</u>	<u>-</u>	<u>-</u>
Net Loss/Gain on FVTOCI Equity Securities	0.71	-	-
Income Tax Effect	(0.01)	-	-
	<u>0.70</u>	<u>-</u>	<u>-</u>
Other Comprehensive Income/(Loss) for the Year, Net of Tax (II)	<u>(2.51)</u>	<u>-</u>	<u>-</u>
Total Comprehensive Income for the Year, Net of Tax (I + II)	171.84	-	-
Profit for the year attributable to :			
- Owners of the Company	167.62	-	-
- Non-Controlling Interest	6.73	-	-
Other Comprehensive Income for the year attributable to :			
- Owners of the Company	(2.49)	-	-
- Non-Controlling Interest	(0.02)	-	-
Total Comprehensive Income for the year attributable to :			
- Owners of the Company	165.13	-	-
- Non-Controlling Interest	6.71	-	-

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

in Crores

Particulars	Year Ended 31-Mar-2017	Year Ended 31-Mar-2016
A. Cash Flow from Operating Activities:		
Profit Before Tax	228.55	-
<u>Adjustments to reconcile Profit Before Tax to Net Cash Flows:</u>		
Depreciation on Property, Plant and Equipment	150.51	-
Depreciation on Investment Properties	0.15	-
Profit on Property, Plant and Equipment sold / discarded (Net)	(1.19)	-
Profit on Sale of Investments carried at FVTPL	(11.55)	(0.01)
Reversal of Provision/Impairment for Trade Receivables (Net)	(4.52)	-
Net Foreign Exchange differences	(0.54)	-
Finance Income (including Fair Value changes in Financial Instruments)	(11.85)	-
Finance Costs	73.99	-
Liabilities/Provision no longer payable written back	(1.22)	-
Impact of Foreign Currency Translation	(0.36)	-
Dividend Income	(3.55)	-
Operating Profit before Working Capital / Other Changes	418.42	(0.01)
Adjustments for :		
Increase in Provisions and Government Grants	8.16	-
Increase in Trade and Other Payables	117.93	-
Increase in Other Financial Liabilities	57.79	-
Decrease in Other Current Liabilities	(1.41)	-
Increase in Other Non-Current Assets	(2.23)	-
Increase in Other Financial and Current Assets	(9.98)	-
Increase in Trade and Other Receivables	(33.34)	-
Increase in Inventories	(133.29)	-
Cash Generated From Operations	422.05	(0.01)
Income Tax paid	(39.17)	-
Net Cash Flow from Operating Activities	382.88	(0.01)
B. Cash Flow from Investing Activities:		
Capital Expenditure (Including Capital Work In Progress and Capital Advances)	(164.52)	-
Proceed from Sale of Property, Plant and Equipment	8.17	-
Purchase of Current Investments (Net)	(102.40)	0.06
Purchase of Non Current Investments	(16.17)	-
Interest Income received	8.02	-
Dividend Received	3.55	-
Net Cash Used in Investing Activities	(263.35)	0.06
C. Cash Flow from Financing Activities:		
Proceeds from issue of shares	0.01	-
Proceeds from Long Term Borrowings	100.00	-
Repayment of Long Term Borrowings	(734.47)	-
Proceeds from Short Term Borrowings (Net)	58.24	-
Finance Costs Paid	(108.35)	-
Net Cash Used in Financing Activities	(684.57)	-
Net Decrease in Cash and Cash Equivalents [A+B+C]	(565.04)	0.05
Cash and Cash Equivalents at the Beginning of the Year	0.05	-
Transferred to the Company pursuant to Scheme of Arrangement	579.35	-
Cash and Cash Equivalents as at End of the Year	14.36	0.05

Accounting Policy

There are no changes in the Accounting Policy of the Company for the last three years.

SCHEME OF ARRANGEMENT

The Scheme of Arrangement for demerger was presented under Sections 391 to 394 of the Companies Act, 1956 (corresponding to Section 230 to Section 232 of the Companies Act, 2013) and other applicable provisions of the Companies Act, 2013 with effect from the Appointed Date i.e. April 1, 2016. Murugappa Group ('the Group') is amongst India's most renowned and admired corporate houses. Both the companies under the Scheme of Arrangement viz. Tube investments of India Limited (Formerly TI Financial Holdings Limited - Resulting Company and TI Financial Holdings Limited (formerly Tube Investments of India Limited - Demerged Company) are part of the same Group.

The Demerged Company was engaged in multiple businesses broadly classified into the following categories:

- Manufacturing of tubes, strips, tubular components, bicycles and fitness products, chains for automobile sector and industrial applications, roll-formed sections, other metal formed products, industrial gears, designing and manufacturing of dies ("Manufacturing Business"). The Manufacturing Business is also carried out through subsidiaries (Shanthi Gears Limited, Financiere C10 SAS, Sedis SAS, Sedis Co Limited, TI Tsubamex Private Limited, etc.).
- The Demerged Company was also engaged in financial services business through subsidiaries, joint ventures, associates viz., Non-Banking Financial Business (through Cholamandalam Investment and Finance Company Limited), Insurance Business (through Cholamandalam MS General Insurance Company Limited), Cholamandalam MS Risk Services Limited ("Financial Services Business").

The Resulting Company, TI Financial Holdings Limited was an investment Company and a wholly owned subsidiary of the Demerged Company, Tube Investments of India Limited.

In order to segregate the Manufacturing Business and Financial Services Business of the Demerged Company, it was intended to demerge the Manufacturing Business Undertaking on a going concern basis into a separate entity with a mirror image shareholding.

The intended benefits of the restructuring were better and efficient control by the management for the segregated businesses and promotion of their growth. Further, it would also result in the following benefits:

- Greater administrative efficiency;
- Operational rationalisation, organisation efficiency and optimum utilisation of various resources;
- Ability to leverage financial and operational resources of each business; and
- Each business would be able to address independent business opportunities, pursue efficient capital allocation and attract different sets of investors, strategic partners, lenders and other stakeholders.

The restructuring is likely to be value accretive for the shareholders and would enable them to select investments best suited to their investments strategies. Further, the segregation is also expected to unlock the value of the businesses of the Demerged Company.

The salient features of the Scheme were as under:

- a) The Demerged Company and the Resulting Company to make applications and/or petitions under Section 230 read with Section 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 to the National Company Law Tribunal, Division Bench, Chennai (“Tribunal” or “NCLT”) for sanction of this Scheme and all matters ancillary or incidental thereto.
- b) The whole of the undertaking and assets and properties of Manufacturing Business Undertaking of THIL, shall stand transferred to and vested in and/or deemed to be transferred to and vested in TIFHL so as to vest in TIFHL all the rights, title and interest pertaining to the Manufacturing Business Undertaking.
- c) “Appointed Date” is April 1, 2016.
- d) Consideration:

Every Member of the Demerged Company, viz., TI Financial Holdings Limited (formerly Tube Investments of India Limited) whose name is recorded in the Register of Members of the Demerged Company on the Record Date has been allotted shares in the Company as follows:

“1 (One) fully paid up Equity Share of Re.1 (Rupee One Only) each of the Resulting Company have been be issued and allotted for every 1 (One) fully paid up equity share of Rs.2 (Rupees Two) each held in the Demerged Company”.

- e) The Scheme of Arrangement would become effective from the Appointed Date but shall be operative from the Effective Date.
- f) On the Scheme becoming effective, the equity shares of the Resulting Company held by the Demerged Company has been cancelled. Accordingly, the share capital of the Company was reduced to the extent of shares held by the Demerged Company in the Resulting Company on such cancellation.
- g) The equity shares in the Resulting Company issued to the shareholders of the Demerged Company shall be subject to the Memorandum and Articles of Association of the Resulting Company and shall rank *pari passu* with the existing equity shares of the Resulting Company in all respects including for the purpose of any dividend declared after the Scheme becomes effective.
- h) The face value of equity shares of the Demerged Company stand reduced from Rs.2 per share to Re.1 per share.
- i) The equity shares of the Resulting Company shall be listed on the BSE Limited and the National Stock Exchange of India Limited, on which the shares of the Demerged Company are listed as on the Effective Date. The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said Stock Exchanges.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Outlined below are the possible tax benefits available to the Company and its shareholders under the direct tax laws in force in India (*i.e.* applicable for the Financial Year 2017-18 relevant to the assessment year 2018-19). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the possible tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may or may not choose to fulfill.

UNDER THE INCOME TAX ACT, 1961 (“THE ACT”)

BENEFITS TO THE COMPANY UNDER THE ACT:

a) Minimum Alternate Tax (MAT) Credit

- ✓ As per provisions of Section 115JAA of the Act, the Company is eligible to claim credit for Minimum Alternate Tax (MAT) paid for any assessment year commencing on or after April 1, 2006. The amount of credit available shall be the difference between MAT payable under section 115JB of the Act and taxes payable on total income computed under other provisions of the Act.
- ✓ MAT credit shall be allowed to be carried forward for any assessment year to the extent of difference between the tax paid under Section 115JB and the tax payable as per other provisions of the Act for that assessment year. Such MAT credit is available for carry forward up to 15 years succeeding the assessment year in which the MAT credit arises. The MAT credit is allowed as set-off in the year when tax is payable under the provisions of the Act other than section 115JB.

b) Dividends

- ✓ As per the provisions of Section 10(34) read with Section 115-O of the Act, dividend (both interim and final), if any, received by the Company on its investments in shares of another Domestic Company is exempt from tax. However, as per Section 94(7) of the Act, losses arising from purchase and sale of securities, where such securities are bought or acquired within a period of three months prior to the record date and such securities are sold or transferred within three months from the record date, will be disallowed to the extent of the amount of dividend claimed as exempt, if any.
- ✓ Any amount declared, distributed or paid by the Company to shareholders by way of dividends on or after 1 April 2003, whether out of current or accumulated profits, shall be chargeable to additional income tax at the rate of 15 percent (plus applicable surcharge and cess) under Section 115-O of the Act. In view of the amendment brought in by Finance (No.2) Act, 2014, for the purpose of determining the tax on distributed profits payable in accordance with Section 115-O of the Act, the amount of dividends on or after 1 April 2003 needs to be increased to such amount as would, after reduction of tax on such increased amount at the specified rate, be equal to the net distributed profits.
- ✓ Further, if the company being a holding company, has received any dividend from its subsidiary on which dividend distribution tax has been paid by such subsidiary, then

company will not be required to pay dividend distribution tax to the extent the same has been paid by such subsidiary company.

- ✓ As per the provisions of Section 115BBD of the Act, dividend received by Indian company from a specified foreign company (in which it has shareholding of 26% or more) would be taxable at the concessional rate of 15% on gross basis (excluding surcharge and education cess) up to March 31, 2014. As per Finance Act, 2014, the benefit of lower rate of 15% is extended without limiting it to a particular assessment year.
- ✓ For removing the cascading effect of dividend distribution tax, while computing the amount of dividend distribution tax payable by a Domestic Company, the dividend received from a foreign subsidiary on which income-tax has been paid by the Domestic Company under Section 115BBD of the Act shall be reduced.
- ✓ Any income received from distribution made by any mutual fund specified under Section 10(23D) of the Act or from the administrator of the specified undertaking or from the units of specified company referred to in Section 10(35) of the Act, is exempt from tax in the hands of the Company under Section 10(35) of the Act. However, as per Section 94(7) of the Act, losses arising from the sale/ redemption of units purchased within three months prior to the record date (for entitlement to receive income) and sold within nine months from the record date, will be disallowed to the extent of the amount of income claimed exempt, if any.

As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

c) Carry forward and set off of losses

- ✓ As per the provisions of Section 72(1) of the Act, if the net result of the computation of income from business is a loss to the Company, not being a loss sustained in a speculation business, such loss can be set off against any other income and the balance loss, if any, can be carried forward for eight consecutive assessment years immediately succeeding the assessment year for which the loss was first computed and shall be set off against business income.
- ✓ As per the provisions of Section 72A of the Act, pursuant to business re-organisations such as demerger, etc., the successor company shall be allowed to carry forward any accumulated tax losses/ unabsorbed depreciation of the predecessor company, subject to fulfillment of prescribed conditions.

Capital gains

- ✓ As per the provisions of section 2(29A) of the IT Act, read with section 2(42A) of the I.T. Act, a listed equity share is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer.
- ✓ Long Term Capital Gain (LTCG) arising on transfer of equity shares of a company or units of an equity oriented fund which has been set up under a scheme of a mutual fund specified under Section 10(23D) or a unit of a business trust as defined in Section 2(13A), is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to securities transaction tax (STT) and subject to conditions specified in that section.

- ✓ Income on transfer of investment in a company is to be taken into account while determining book profits in accordance with provisions of Section 115JB of the Act.
- ✓ As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if tax on long term capital gain resulting on sale of listed securities (other than a unit) or zero coupon bond, calculated at the rate of 20% with indexation benefit exceeds the tax calculated at the rate of 10% without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10% (plus applicable surcharge and education cess). The exemption u/s. 10(38) is however not allowed for income arising from transfer of long-term capital asset, being an equity share in a company, if the acquisition of shares (other than that notified by the Central Government) was on or after 1st October 2004 and did not attract securities transaction tax.
- ✓ As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund which has been set up under a scheme of a mutual fund specified under Section 10(23D) or a unit of a business trust, are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.
- ✓ STCG arising on sale of equity shares or units of equity oriented mutual fund as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D), where such transaction is not chargeable to STT is taxable at the normal rate of 30%(plus applicable surcharge and cess).
- ✓ As per Section 50 of the Act, where a capital asset is forming part of a block of assets in respect of which depreciation has been allowed under the Act, capital gains shall be computed in the following manner:
 - where full value of consideration on account of transfer of any asset forming part of block of asset, as reduced by expenditure incurred wholly or exclusively in connection with transfer, exceeds the written down value of block of assets and actual cost of assets acquired during the year, such excess shall be deemed to be short term capital gains and taxed accordingly.
 - where any block of assets ceases to exist, for the reason that all the assets in that block are transferred, the difference between the consideration arising on result of transfer and the written down value of block of assets and the actual cost of assets acquired during the year, shall be deemed to be short term capital gains/ (losses) and taxed accordingly.
- ✓ As per provisions of Section 71 read with Section 74 of the Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long - term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
- ✓ As per provisions of Section 71 read with Section 74 of the Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set-off against long – term capital gains arising during subsequent eight assessment years.
- ✓ As per the provisions of section 54D of the Act and subject to the conditions to the extent specified therein, capital gains arising on compulsory acquisition of land & building or any right therein used by an industrial undertaking, will be exempt from

tax if the capital gains are invested in —land, building, or any right therein within 3 years from the date of compulsory acquisition for the purpose of shifting / re-establishing/ setting up another industrial undertaking subject to lower of Capital Gain or the Cost of acquisition of new land and building

- ✓ In accordance with and subject to the conditions and to the extent specified in section 54EC of the Act, the company would be entitled to exemption from tax on gains arising from transfer of the long term capital asset (not covered by section 10(36) and 10(38)) if such capital gain is invested within a period of six months from the date of transfer in bonds redeemable after three years and issued by:
 - National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988; and
 - Rural Electrification Corporation Limited (REC), a company formed and registered under the Companies Act, 1956.

The maximum investment in the specified long term asset cannot exceed ₹5,000,000 during any financial year as well as capital gain arising from transfer of one or more original assets. Where the long term specified assets is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the long term specified assets is transferred or converted into money.

d) Other

- ✓ As per provisions of Section 35 (1) (ii) of the Act, in respect of sum paid to a research association which has as its object the undertaking of scientific research or to a university, college or other institution to be used for scientific research to the extent of a sum equal to one and three fourth times the sum so paid.
- ✓ As per provisions of Section 35 (1) (iii) of the Act, in respect of any sum paid to a scientific research association which has as its object the undertaking of scientific research, or to any approved university, College or other institution to be used for scientific research or for research in social sciences or statistical scientific research to the extent of a sum equal to one and one fourth times the sum so paid.
- ✓ Under Section 35 (1) (iia) of the Act, any sum paid to a company, which is registered in India and which has as its main object the scientific research and development, and being approved by the prescribed authority and such other conditions as may be prescribed, shall also qualify for a deduction of one and one fourth times the amount so paid.
- ✓ In respect of deduction under section 35(1)(iia) and 35(1)(iii), the deduction shall be restricted to 100 per cent with effect from 01.04.2017 (i.e. from previous year 2017-18 and subsequent years). In regard to deduction under section 35(1)(ii) of the Act, weighted deduction shall be restricted to 150 per cent from 01.04.2017 to 31.03.2020 (i.e. from previous year 2017-18 to previous year 2019-20) and deduction shall be restricted to 100 per cent from 01.04.2020 (i.e. from previous year 2020-21 onwards).
- ✓ As per provisions of Section 35(2AA) of the Act, any contribution made Notified Institutions i.e. National Laboratory, University, Indian Institute of Technology, specified persons as approved by the prescribed authority, is available to the extent of

two times of such payment made. However, the deduction under above sub-section shall be restricted to the amount so paid, if payment is made on or after 1 April 2020.

- ✓ However, weighted deduction u/s 35(2AB) of the Act shall be restricted to 150 per cent with effect from 01.04.2017 to 31.03.2020 (i.e. from previous year 2017-18 to previous year 2019-20). Deduction shall be restricted to 100 per cent from 01.04.2020 (i.e. from previous year 2020-21 onwards).
- ✓ As per section 35D of the Act, the Company is entitled to amortise certain preliminary expenditure, specified under Section 35D(2) of the Act, subject to the limit specified in Section 35D(3). The deduction is allowable for an amount equal to one-fifth of such expenditure for each of five successive assessment years beginning with the assessment year in which the extension of the unit is completed or the unit/business commences production or operation
- ✓ As per the provisions of Section 35DD of the Act, any expenditure incurred by an Indian Company, on or after 1 April 1999, wholly and exclusively for the purpose of amalgamation or demerger of an undertaking, shall be allowed a deduction of an amount equal to one-fifth of such expenditure for each of five successive financial years beginning with the financial year in which the amalgamation or demerger takes place.
- ✓ As per the provisions of Section 35DDA of the Act, if a Company incurs any expenditure in any financial year by way of payment of any sum to an employee in connection with his voluntary retirement, in accordance with any scheme or schemes of voluntary retirement, the Company would be eligible to claim a deduction for one-fifth of the amount so paid in computing the profits and gains of the business for that financial year, and the balance shall be deducted in equal installments for each of the four immediately succeeding financial years.
- ✓ As per the provisions of Section 35CCD of the Act, if a Company incurs any expenditure (not being in the nature of cost of any land or building) on any skill development project notified by the Central Board of Direct Taxes in this behalf in accordance with the guidelines as may be prescribed, then, the Company shall be allowed a deduction of sum equal to one and one-half times of such expenditure. However, the deduction shall be restricted to 100 per cent from 01.04.2020 (i.e. from previous year 2020-21 onwards).
- ✓ As per section 115U of the Act, any income received by a person out of investments made in a venture capital company (VCC) or venture capital fund (VCF) shall be chargeable to income-tax in the same manner as if it were the income received by such person had he made investments directly in the venture capital undertaking (VCU).
- ✓ As per Section 80JJAA, Where the gross total income of an assessee to whom section 44AB applies, includes any profits and gains derived from business, there shall, subject to the conditions specified in sub-section (2), be allowed a deduction of an amount equal to thirty per cent of additional employee cost incurred in the course of such business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided subject to conditions specified therein.
- ✓ As per the provisions of section 90, for taxes on income paid in Foreign Countries with which India has entered into Double Taxation Avoidance Agreements (Tax

Treaties from projects/activities undertaken thereat), the Company will be entitled to the deduction from the India Income-tax of a sum calculated on such doubly taxed income to the extent of taxes paid in Foreign Countries. Further, the company as a tax resident of India would be entitled to the benefits of such Tax Treaties in respect of income derived by it in foreign countries. In such cases the provisions of the Income tax Act shall apply to the extent they are more beneficial to the company. Section 91 provides for unilateral relief in respect of taxes paid in foreign countries.

- ✓ As per provisions of Section 80G of the Act, the Company is entitled to claim deduction of a specified amount in respect of eligible donations, subject to the fulfilment of the conditions specified in that section.

BENEFITS TO THE SHAREHOLDERS OF THE COMPANY UNDER THE ACT

a) Dividends

- ✓ As per the provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by the members/ shareholders from the Company is exempt from tax. The Company will be liable to pay dividend distribution tax on the amount distributed as dividend, if any.

However, the Finance Act 2016 has introduced Section 115BBDA which provides that the aggregate of dividends received by an individual, HUF or a firm resident in India from domestic companies in excess of INR 10 lakh will be taxed at 10 percent on a gross basis and no deduction will be available for any expenditure.

- ✓ Also, Section 94(7) of the Act provides that losses arising from the sale/transfer of shares purchased within a period of three months prior to the record date and sold/transferred within three months after such date, will be disallowed to the extent dividend income on such shares is claimed as tax exempt, if any.

b) Capital gains

(i) Computation of capital gains

- ✓ Capital assets are to be categorised into short-term capital assets and long-term capital assets based on the period of holding. Equity Shares listed on a recognised stock exchange in India held by an assessee for more than 12 months, immediately preceding the date of transfer, are considered to be long-term capital assets. Capital gains arising from the transfer of such long-term capital assets are termed as Long Term Capital Gains (LTCG).
- ✓ Short Term Capital Gains (STCG) means capital gains arising from the transfer of equity shares listed on a recognised stock exchange in India held for 12 months or less, immediately preceding the date of transfer.
- ✓ LTCG arising on transfer of a long term capital asset, being an equity share in a company shall be exempt from tax under Section 10(38) of the Act provided that the transaction of sale of such equity share or unit is entered into on or after 1 October 2004 on a recognised stock exchange and such transaction is chargeable to Securities Transaction Tax (STT) and subject to conditions specified in that section.

- ✓ Taxable LTCG would arise [if not exempt under Section 10(38) or any other section of the Act] to a resident shareholder where the equity shares are held for a period of more than 12 months prior to the date of transfer of the shares. In accordance with and subject to the provisions of Section 48 of the Act, in order to arrive at the quantum of capital gains, the following amounts would be deductible from the full value of consideration:
 - a) Cost of acquisition/ improvement of the shares as adjusted by the cost inflation index notified by the Central Government; and
 - b) Expenditure incurred wholly and exclusively in connection with the transfer of shares.

Under Section 112 of the Act, taxable LTCG are subject to tax at a rate of 20 percent (plus applicable surcharge and cess) after indexation, as provided in the Second Proviso to Section 48 of the Act. However, in case of listed securities (other than unit), the amount of such tax could be limited to 10 percent (plus applicable surcharge and cess), without indexation, at the option of the shareholder.

- ✓ In respect of a non-resident shareholder, as per the First Proviso to Section 48 of the Act, the capital gains arising from the transfer of listed equity shares of an Indian company, shall be computed by converting the cost of acquisition, expenditure incurred wholly and exclusively in connection with such transfer and the full value of consideration into the same foreign currency as was initially utilised in the purchase of the shares and the capital gains so computed shall be reconverted into Indian currency. Further, the benefit of indexation as provided in Second Proviso to Section 48 is not available to non-resident shareholders.
- ✓ As per the provisions of Section 111A of the Act, STCG arising from the transfer of a listed equity share in a Company as specified under Section 10(38) of the Act, is subject to tax at the rate of 15 percent provided that the transaction of sale of such equity share or unit is chargeable to STT. If the provisions of Section 111A are not applicable, the STCG would be taxed at the normal rates of tax (plus applicable surcharge and cess) applicable to resident investor.
- ✓ STCG arising from the transfer of a listed equity share in a Company as specified under Section 10(38) of the Act, wherein the transaction is not chargeable to STT, it is subject to tax at the rate as applicable (plus applicable surcharge and cess).
- ✓ As per provisions of Section 71 read with Section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against STCG as well as LTCG. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years. Further, long term capital loss arising during a year is allowed to be set-off only against LTCG. Balance loss, if any, shall be carried forward and set-off against LTCG arising during subsequent eight assessment years.
- ✓ If the shareholder is a company liable to pay tax on book profits under Section 115JB of the Act, the capital gain on transfer of equity shares, if long term shall be exempt in terms of Section 10(38) of the Act but the book gain shall form part of book profits while computing the book profit under Section 115JB of the Act.
- ✓ The characterisation of the gain/ losses, arising from sale/ transfer of shares as business income or capital gains would depend on the nature of holding and various other factors. The Central Board of Direct Taxes (CBDT) has issued various circulars

to clarify that income arising from transfer of listed shares and securities, which are held for more than 12 months would be taxed under the head “Capital Gains” unless the shareholder itself treats these as its stock-in-trade and income arising from transfer thereof as its business income. This is however subject to other considerations and factual aspects for determining the said treatment as mentioned in the CBDT circulars.

- ✓ Under section 36(1)(xv) of the Act, STT paid by a shareholder in respect of taxable securities transactions entered into in the course of its business, would be allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head “Profits and Gains of Business or Profession”.

(ii) Exemption of capital gain from income-tax:

- ✓ As per Section 54EC of the Act, LTCG arising on transfer of shares of the company (other than sale referred to in Section 10(38) of the Act) is exempt from capital gains tax to the extent the same is invested within a period of six months after the date of such transfer, in specified bonds issued by NHAI and REC, subject to conditions specified therein.

Where a part of the capital gain is reinvested, the exemption shall be available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs.50 lakhs per assessee during any financial year.

Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempt shall be taxable as capital gains in the year of transfer/conversion.

- ✓ As per the provisions of Section 54F of the Act, LTCG arising from transfer of shares is exempt from tax if the net consideration from such transfer is utilised within a period of one year before or two years after the date of transfer, for purchase of a new residential house, or for construction of a residential house property, in India, within three years from the date of transfer, subject to conditions and to the extent specified therein.

c) Tax treaty benefits

As per provisions of Section 90(2) of the Act, non-resident shareholders can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder, whichever is more beneficial, while deciding taxability in India (subject to furnishing of Tax Residency Certificate & information in the Form 10F as prescribed vide Notification 57 of 2013 dated 1 August 2013.). However, it may be noted that Tax Authorities may ask for other information and supporting documents if required.

Requirement to furnish PAN under the I.T. Act

- Section 139A (5A) requires every person from whose income; tax has been deducted at source under chapter XVII-B of the I.T. Act to furnish his PAN to the person responsible for deduction of tax at source.

- Section 206AA of the I.T. Act requires every person entitled to receive any sum, on which tax is deductible under Chapter XVIIIB (deductee) to furnish his PAN to the deductor, failing which tax shall be deducted at the highest of the following rates:
 - (i) at the rate specified in the relevant provision of the I.T. Act; or
 - (ii) at the rate or rates in force; or
 - (iii) at the rate of twenty per cent.
- As per sec 206AA(7), with effect from June 1 2016, the provisions of section 206AA shall not apply to a non-resident, not being a company, or to a foreign company, in respect of:
 - (i) Payment of interest on long-term bonds as referred to in section 194LC; and
 - (ii) Payment in the nature of interest, royalty, fees for technical services and payments on transfer of any capital asset, subject to fulfillment of conditions specified vide Notification no.53/2016 dated 24th June 2016.

e) Non-resident Indian taxation

- ✓ Special provisions in case of Non-Resident Indian ('NRI') in respect of income/LTCG from specified foreign exchange assets under Chapter XII-A of the Act are as follows:
 - ✓ NRI means an individual being a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.
 - ✓ In accordance with section 115E, income from investment or income from LTCG on transfer of assets other than specified asset shall be taxable at the rate of 20 percent (plus applicable cess). Income by way of LTCG in respect of a specified asset (as defined in Section 115C(f) of the Income-tax Act, 1961), shall be chargeable at 10 percent (plus applicable cess). Specified foreign exchange assets include shares of an Indian company which are acquired / purchased/ subscribed by NRI in convertible foreign exchange.
 - ✓ As per the provisions of Section 115F of the Act, LTCG [not covered under Section 10(38) of the Act] arising to an NRI on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is reinvested in specified assets or in savings certificate referred to in Section 10(4B) of the Act within six months of the date of transfer, subject to the extent and conditions specified in that Section. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently; if the specified assets or saving certificates referred in Section 10(4B) of the Act are transferred or converted into money within three years from the date of their acquisition.
 - ✓ Under the provisions of Section 115G of the Act, it shall not be necessary for an NRI to furnish his return of income if his only source of income is investment income or LTCG or both and tax deductible at source under provisions of Chapter XVII-B has been deducted from such income.

- ✓ Under the provisions of Section 115H of the Act, where a person who is an NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he / she may furnish a declaration in writing to the assessing officer, along with his / her return of income under Section 139 of the Act for the assessment year in which he / she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A shall continue to apply to him / her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.
- ✓ Under the provisions of Section 115-I of the Act, an NRI may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income under Section 139 of the Act declaring therein that the provisions of the Chapter shall not apply to him for that assessment year. In such a situation, the other provisions of the Act shall be applicable while determining the taxable income and the tax liability arising thereon.

Benefits available to Foreign Institutional Investors ("FIIs") under the Act:

a) Dividends exempt under Section 10(34) of the Act

- ✓ As per the provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by the shareholder from a domestic Company is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 15 percent (plus applicable surcharge and cess) on the amount distributed as dividend. However, as per Section 94(7) of the Act, losses arising from purchase and sale of securities, where such securities are bought or acquired within a period of three months prior to the record date and such securities are sold or transferred within three months from the record date, will be disallowed to the extent of the amount of dividend claimed as exempt, if any.
- ✓ In view of the amendment brought in by Finance (No.2) Act, 2014, for the purpose of determining the tax on distributed profits payable in accordance with Section 115-O of the Act, the amount of dividends needs to be increased to such amount as would, after reduction of tax on such increased amount at the specified rate, be equal to the net distributed profits. Resultantly, the effective rate of tax will be 17.647 percent (plus applicable surcharge & Cess) of the amount of dividends declared, distributed or paid by the Company.

b) Capital gains

- ✓ In Finance Act (No.2), 2014 it was provided that any securities held by a FII which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 would be capital asset. Consequently, the income arising to a FII from transactions in securities would always be in the nature of capital gains.
- ✓ In accordance with Section 115AD, FIIs will be taxed at 10 percent (plus applicable surcharge and cess) on long-term capital gains (computed without indexation of cost and foreign exchange fluctuation), if STT is not payable on the transfer of the shares.
- ✓ LTCG arising to shareholder on transfer of long term capital asset being listed equity shares of the company will be exempt from tax under Section 10(38) of the Act provided that the transaction is entered in on or after 1 October 2004 and

STT has been paid on such transfer and subject to conditions specified in that section.

- ✓ As per the provisions of Section 111A of the Act, STCG arising on sale of short term capital asset, being listed equity shares in a company, shall be chargeable to tax at the rate of 15 percent (plus applicable surcharge and cess) provided the transaction is chargeable to STT. If the provisions of Section 111A are not applicable to the short term capital gains, then the tax will be charged at the rate of 30% (plus applicable surcharge and cess), as applicable.
- ✓ As per provisions of Section 115AD of the Act, income (other than income by way of dividends referred to Section 115-O of the Act) received in respect of securities (other than units referred to in Section 115AB) is taxable at the rate of 20 percent (plus applicable surcharge and cess).
- ✓ The benefits of exemption under Section 54EC of the Act mentioned above in case of the Company are also available to FIIs.
- ✓ The CBDT has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPI) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the I.T. Act.
- ✓ Indirect Transfer Provision u/s 9(1)(i) of the Act - The Central Board of Direct Taxes (CBDT) issued a clarification vide Circular No. 41 of 2016 dated December 23, 2016, stating that if an FPI has more than 50 per cent of its assets in India, with a value greater than ₹10 crore, then any investor with a greater than five per cent interest in or contribution to the assets under management (AUM) of the FPI will be covered by the indirect transfer rules and will be subject to Indian tax whenever this investor sells or redeems its shares in the FPI/fund.

After the issue of the aforementioned circular, representations have been received from various FPIs, FIIs and VCFs and other stakeholders. The stakeholders have presented their concerns stating that the circular does not address the issue of possible multiple taxation of the same income. The representations made by the stakeholders are currently under consideration and examination by CBDT. Pending a decision in the matter the operation of the above mentioned circular is kept in abeyance for the time being.

c) Tax Treaty benefits

In accordance with the provisions of Section 90 of the Act, FIIs being non-residents will be entitled to choose the provisions of Act or the provisions of tax treaty entered into by India with other foreign countries, whichever are more beneficial, while deciding taxability in India (subject to furnishing of Tax Residency Certificate & information in the Form 10F as prescribed vide Notification 57 of 2013 dated 1 August 2013.). However, it may be noted that Tax Authorities may ask for other information and supporting documents if required.

d) **Computation of book profit under Section 115JB**

An explanation has been inserted in Section 115JB stating that, the provisions of Section 115JB shall not be applicable and shall be deemed never to have been applicable to a foreign company if-

- i. It is a resident of a country or a specified territory with which India has a tax treaty referred to in sub-section (1) of Section 90 and it does not have a permanent establishment in India; or
- ii. It is a resident of a country with which India does not have a tax treaty and it is not required to seek registration under any law for the time being in force relating to companies

Benefits available to Venture Capital Companies/ Funds under the Act:

In terms of Section 10(23FB) of the Act, all venture capital companies/ fund registered with Securities and Exchange Board of India, subject to the conditions specified, are eligible for exemption from income tax on any income from investment in a venture capital undertaking. Further, the Finance Act, 2015 has inserted a proviso providing that nothing contained in this clause shall apply in respect of any income of a venture capital fund or venture capital company, being an “investment fund” of the previous year relevant to the assessment year beginning on or after 1st April 2016.

“Investment fund” has been defined under in clause (a) of Explanation 1 to Section 115UB of the Act to mean any fund established or incorporated in India in the form of a trust or a company or a limited liability partnership or a body corporate which has been granted a certificate of registration as a Category I or Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, made under the Securities and Exchange Board of India Act, 1992.

Benefits available to Investment Fund under the Act:

The Finance Act, 2015 has inserted Chapter XII-FB in the Act which provides for special taxation regime for Category I and Category II Alternative Investment Funds referred to as “investment fund” as per clause (a) of Explanation 1 to Section 115UB of the Act. Further, the said Act has also inserted Section 10(23FBA) in terms of which income of any investment fund other than income chargeable under the head “Profits and gains of business or profession” shall be exempt from income tax.

Benefits available to Mutual Funds under the Act:

- ✓ In terms of Section 10(23D) of the Act, all Mutual funds set up by public sector banks or public sector financial institutions or Mutual Funds registered under the Securities and Exchange Board of India Act/ Regulations there under or Mutual Funds authorised by the Reserve Bank of India, subject to the conditions specified, are eligible for exemption from income taxes on all their income, including income from investment in the shares of the company.
- ✓ However, the Mutual Funds would be required to pay tax on distributed income to unit holders as per the provisions of Section 115R of the Act. However, w.e.f. 1 October 2014, for the purpose of determining additional income tax, the amount of distributed income shall be increased to such amount as would after reduction of

additional income tax on such increased amount at the rate specified be equal to the amount of income distributed by mutual fund.

Where the Shareholder is a person located in a Notified Jurisdictional Area (NJA) under section 94A of the I.T. Act

- ✓ All parties to such transactions shall be treated as associated enterprises under section 92A of the I.T. Act and the transaction shall be treated as an international transaction resulting in application of transfer pricing regulations including maintenance of documentations, benchmarking, etc.
- ✓ No deduction in respect of any payment made to any financial institution in a NJA shall be allowed under the I.T. Act unless the assessee furnishes an authorisation in the prescribed form authorizing the CBDT or any other income-tax authority acting on its behalf to seek relevant information from the said financial institution (Section 94A(3)(a) read with Rule 21AC and Form 10FC).
- ✓ No deduction in respect of any expenditure or allowance (including depreciation) arising from the transaction with a person located in a NJA shall be allowed under the I. T. Act unless the assessee maintains such documents and furnishes such information as may be prescribed (Section 94A(3)(b) read with Rule 21AC).
- ✓ If any assessee receives any sum from any person located in a NJA, then the onus is on the assessee to satisfactorily explain the source of such money in the hands of such person or in the hands of the beneficial owner, and in case of his failure to do so, the amount shall be deemed to be the income of the assessee (Section 94A(4)).
- ✓ Any sum payable to a person located in a NJA shall be liable for withholding tax at the highest of the following rates:
 - (i) at the rate or rates in force;
 - (ii) at the rate specified in the relevant provision of the I.T. Act; or
 - (iii) at the rate of thirty per cent.
- ✓ No jurisdiction has been notified as **Notified Jurisdictional Area (NJA)** on the date of issue of the prospectus.

General Anti-Avoidance Rule ('GAAR):

In terms of Chapter XA of the Act, General Anti-Avoidance Rule may be invoked notwithstanding anything contained in the Act. By this Rule, any arrangement entered into by an assessee where the main purpose of the arrangement is to obtain a tax benefit may be declared to be impermissible avoidance arrangement as defined in that Chapter and the consequence would be *inter alia* denial of tax benefit, applicable w.e.f FY 2017-18.

The Central Board of Direct Taxes (CBDT) vide Notification No. 49/2016, dated 22 June 2016, has amended the GAAR. GAAR provisions are not applicable to any income accruing or arising to, or deemed to accrue or arise to, or received or deemed to be received by, any person from transfer of investment made 1 April 2017. Further, GAAR provisions are applicable to any arrangement (if held as impermissible avoidance agreement), irrespective of the date on which it has been entered into, in respect of the tax benefit obtained from an arrangement on or after 1 April 2017.

UNDER THE WEALTH TAX ACT, 1957

The Finance Act, 2015 has abolished the levy of wealth tax under the Wealth Tax Act, 1957 with effect from 1 April 2016.

UNDER THE GIFT TAX ACT, 1958

Gift made after 1 October 1998 is not liable for any gift tax, and hence, gift of shares of the company would not be liable for any gift tax. However, receipt of the sum of money or any "property" including immovable property (as defined in section 56(2)(x) of the Income Tax Act, 1961) by any person without consideration or for inadequate consideration in excess of ₹ 50,000 shall be chargeable to tax in the hands of the recipient under the head "Income from other sources" to the extent the consideration is less than Fair Market Value or Stamp duty value, as the case may be, unless specifically exempted under the provisions of the Act.

Notes:

- a) All the above benefits are as per the current direct tax laws relevant for the Assessment Year 2018-19 (considering the amendments made by Finance Act, 2017).
- b) The above statement covers only certain relevant benefits under the Income-tax Act, 1961 and does not cover benefits under any other law.
- c) The possible tax benefits are subject to conditions and eligibility criteria which need to be examined for tax implications.
- d) In view of the individual nature of tax consequences, each investor is advised to consult his/ her own tax advisor with respect to specific tax consequences
- e) The above Statement of Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares
- f) The stated benefits will be available only to the sole/ first named holder in case the shares are held by joint holders.
 - ✓ All parties to such transactions shall be treated as associated enterprises under section 92A of the I.T. Act and the transaction shall be treated as an international transaction resulting in application of transfer pricing regulations including maintenance of documentations, benchmarking, etc.
 - ✓ No deduction in respect of any payment made to any financial institution in a NJA shall be allowed under the I.T. Act unless the assessee furnishes an authorisation in the prescribed form authorizing the CBDT or any other income-tax authority acting on its behalf to seek relevant information from the said financial institution (Section 94A(3)(a) read with Rule 21AC and Form 10FC).
 - ✓ No deduction in respect of any expenditure or allowance (including depreciation) arising from the transaction with a person located in a NJA shall be allowed under the I. T. Act unless the assessee maintains such documents and furnishes such information as may be prescribed (Section 94A(3)(b) read with Rule 21AC).
 - ✓ If any assessee receives any sum from any person located in a NJA, then the onus is on the assessee to satisfactorily explain the source of such money in the hands of such

person or in the hands of the beneficial owner, and in case of his failure to do so, the amount shall be deemed to be the income of the assessee (Section 94A(4)).

BOARD OF DIRECTORS AND MANAGEMENT

Name, Designation and DIN	Age	Address	Director of the Company since	Details of other directorship
Mr. M. M. Murugappan Chairman DIN – 00170478	61	"Coromandel House" 14, Boat Club Road Chennai 600028	1st August, 2017	Murugappa Morgan Thermal Ceramics Ltd (Chairman) Carborundum Universal Limited (Chairman) Cyient Limited (Formerly Infotech Enterprises Limited) M M Muthiah Research Foundation Mahindra & Mahindra Limited Ambadi Investments Pvt Ltd iDea Lab (India) Pvt Ltd Volzhsky Abrasive Works, Russia Murugappa Organo Water Solutions Pvt. Limited Shanthi Gears Limited Cholamandalam Investment and Finance Company Limited IIT Madras Research Park
Mr. L Ramkumar Managing Director DIN – 00090089	60	No.10 Link Road Kottur Garden Kotturpuram Chennai 600 085	6th October, 2008	Cholamandalam MS Risk Services Limited Financiere C10 SAS Shanthi Gears Limited TI Absolute Concepts Private Limited TI Tsubamex Pvt. Limited (Managing Director)
Mr. Pradeep V Bhide Independent Director DIN – 03304262	66	B-1/8 Vasant Vihar New Delhi 110 057	1st August, 2017	Cholamandalam MS General Insurance Co. Limited (Chairman) L&T Finance Ltd Glaxosmithkline (GSK) Pharmaceuticals Ltd NOCIL Ltd Heidelberg Cement India Ltd Quick Heal Technologies Limited Shiksha Financial Services India Pvt Ltd L&T Finance Holdings Ltd A.P.I.D.C. Venture Capital Pvt Ltd Joshi Technologies Intl Inc., Member of Advisory Board for India Operations
Mr. S Sandilya Independent Director DIN – 00037542	68	B-17 Kailash Colony New Delhi 110 048	1st August, 2017	Eicher Motors Limited (Chairman – Non-Executive & Independent Director) Rane Brake Lining Ltd Lean Management Institute of India Association of Indian Automobile Manufacturers Mastek Limited (Chairman - Non-Executive) GMR Generation Assets Limited GMR Infrastructure Limited Mastek UK Limited National Skill Development Corporation

Name, Designation and DIN	Age	Address	Director of the Company since	Details of other directorship
Mr. Hemant M Nerurkar Independent Director DIN – 00265887	68	Flat No.1201, Lodha Grandeur Sayani Road Prabhadevi, Mumbai 400 025	1st August, 2017	TRL Krosaki Refractories Limited(Chairman) Adani Enterprises Limited Management & Entrepreneurship and Professional Skill Council Crompton Greaves Consumer Electricals Limited Tega Industries Limited Igarashi Motors Ltd Om Besco Rail Products Ltd Skill Council for Mining Sector NCC Ltd
Mrs. Madhu Dubashi Independent Director DIN – 00036846	65	B29, Gate 3, Abhimanshree Society NCL Pashan Road Pune - 411 008.	1st August, 2017	SBI Funds Management Pvt. Limited Axis Finance Limited Majesco Ltd Pudumjee Paper Products Ltd Recommender Labs Private Limited Majesco Software and Solutions India Pvt Ltd JM Financial Properties & Holdings Ltd CR Retail Malls (India) Ltd
Mr. Vellayan Subbiah Managing Director (Designate) DIN - 01138759	47	No.10, Boat Club Road R A Puram Chennai 600028	19th August, 2017	Cholamandalam Distribution Services Ltd Cholamandalam Securities Ltd SRF Limited CherryTin Online Private Limited Havells India Limited White Data Systems India Private Limited

PROMOTER AND PROMOTER GROUP

Sl. No.	Name(s) of the Promoter and Persons Acting in Concert (PAC) with the Promoter	Whether the person belongs to Promoter / Promoter Group
1	M V Murugappan	Promoter
2	M V Valli Murugappan	Promoter Group
3	Valli Arunachalam	Promoter Group
4	M Vellachi	Promoter Group
5	Valli Muthiah	Promoter Group
6	Umayal R	Promoter Group
7	M V Subbiah	Promoter
8	M V Seetha Subbiah	Promoter Group
9	Sivagami Natesan	Promoter Group
10	Valli Subbiah	Promoter Group
11	S Vellayan	Promoter

Sl. No.	Name(s) of the Promoter and Persons Acting in Concert (PAC) with the Promoter	Whether the person belongs to Promoter / Promoter Group
12	Kanika Subbiah	Promoter Group
13	Karthik Subbiah	Promoter Group
14	Kabir Subbiah	Promoter Group
15	A Vellayan	Promoter
16	Lalitha Vellayan	Promoter Group
17	Valli Annamalai	Promoter Group
18	V Narayanan	Promoter
19	Vasantha Vellayan	Promoter Group
20	V Arunachalam	Promoter
21	Nagalakshmi Arunachalam	Promoter Group
22	Anannya Lalitha Arunachalam	Promoter Group
23	A Venkatachalam	Promoter
24	Meyammai Venkatachalam	Promoter Group
25	Arun Venkatachalam	Promoter
26	MV.AR Meenakshi	Promoter Group
27	M M Murugappan	Promoter
28	Meenakshi Murugappan	Promoter Group
29	M M Veerappan	Promoter
30	M M Seethalakshmi	Promoter Group
31	M M Muthiah	Promoter
32	Solachi Ramanathan	Promoter Group
33	M M Venkatachalam	Promoter
34	Lakshmi Venkatachalam	Promoter Group
35	M V Muthiah	Promoter
36	Niranthara Alamelu Jawahar	Promoter Group
37	M V Subramanian	Promoter
38	M A Alagappan	Promoter
39	A A Alagammai	Promoter Group
40	Lakshmi Ramaswamy	Promoter Group
41	Valli Alagappan	Promoter Group
42	Arun Alagappan	Promoter

Sl. No.	Name(s) of the Promoter and Persons Acting in Concert (PAC) with the Promoter	Whether the person belongs to Promoter / Promoter Group
43	A Keertika Unnamalai	Promoter Group
44	Master Pranav Alagappan	Promoter Group
45	M A M Arunachalam	Promoter
46	Sigappi Arunachalam	Promoter Group
47	AM Meyammai	Promoter Group
48	Lakshmi Chockalingam	Promoter Group
49	Master Dhruv Murugappan Arunachalam	Promoter Group
50	Vedhika Meyammai Arunachalam	Promoter Group
51	E.I.D.PARRY (INDIA) LTD.	Promoter
52	Parry America Inc	Promoter Group
53	Parrys Investments Limited	Promoter Group
54	Parry Infrastructure Company Private Limited	Promoter Group
55	Parrys Sugar Limited	Promoter Group
56	Parry Agrochem Exports Ltd	Promoter Group
57	Coromandel International Ltd (Earlier known as Coromandel Fertilisers Ltd.)	Promoter
58	Alimtec S.A.	Promoter Group
59	Liberty Pesticides & Fertilizers Limited (LPFL)	Promoter Group
60	Parry Chemicals Limited	Promoter Group
61	CFL Mauritius Limited	Promoter Group
62	Sabero Europe BV	Promoter Group
63	Sabero Australia Pty Ltd	Promoter Group
64	Sabero Organics America SA	Promoter Group
65	Sabero Argentina SA	Promoter Group
66	Sabero Organics Philippines Asia Inc.	Promoter Group
67	Coromandel Agronegocios De Mexico S.A. DE C.V. (Formerly Sabero Organics Mexico S.A. de C.V.)	Promoter Group
68	Coromandel Brasil Ltda (Limited Liability Company)	Promoter Group
69	Coromandel SQM (India) Ltd.	Promoter Group
70	Yanmar Coromandel Agrisolutions Pvt. Ltd.	Promoter Group
71	Tunisian Indian Fertilizer S.A., Tunisia	Promoter Group
72	Foskor (Pty) Limited, South Africa	Promoter Group

Sl. No.	Name(s) of the Promoter and Persons Acting in Concert (PAC) with the Promoter	Whether the person belongs to Promoter / Promoter Group
73	Parrys Sugar Industries Limited	Promoter Group
74	US Nutraceuticals LLC	Promoter Group
75	Parry Sugars Refinery India Pvt. Ltd. (Formerly known as Silkroad Sugar Private Ltd)	Promoter Group
76	Dare Investments Limited	Promoter Group
77	New Ambadi Estates Pvt. Ltd.	Promoter
78	Ambadi Investments Pvt Ltd.	Promoter
79	Murugappa Holdings Ltd. (Formerly Parry Agro Industries Ltd.)	Promoter
80	Parry Enterprises India Ltd.	Promoter Group
81	Parry Agro Industries Ltd. (Formerly Parry Estates Limited)	Promoter Group
82	Ambadi Enterprises Ltd.	Promoter
83	Murugappa Management Services Ltd.	Promoter Group
84	Parry Murray Ltd. UK	Promoter Group
85	Tube Investments of India Ltd.	Promoter
86	TI Tsubamex Pvt Ltd	Promoter Group
87	Financiere C 10	Promoter Group
88	Sedis, SAS	Promoter Group
89	Societe De Commercialisation De Composants Industriels	Promoter Group
90	Sedis Company Ltd.	Promoter Group
91	Shanthy Gears Ltd.	Promoter Group
92	Cholamandalam Securities Ltd.	Promoter Group
93	Cholamandalam Distribution Services Ltd.	Promoter Group
94	Chola Insurance Services Pvt. Ltd.	Promoter Group
95	Chola Business Services Ltd.	Promoter Group
96	Cholamandalam Investment and Finance Co. Ltd.	Promoter Group
97	Kartik Investments Trust Limited	Promoter Group
98	CherryTin Online Private Limited	Promoter Group
99	Cholamandalam MS General Insurance Company Ltd.	Promoter Group
100	Cholamandalam MS Risk Services Ltd.	Promoter Group
101	TI Financial Holdings Limited	Promoter Group
102	TI Absolute Concepts Private Ltd.	Promoter Group
103	Carborundum Universal Ltd.	Promoter
104	CUMI America Inc.	Promoter Group
105	Net Access (India) limited	Promoter Group
106	Southern Energy Development Corporation Ltd.	Promoter Group
107	Sterling Abrasives Ltd.	Promoter Group
108	CUMI (Australia) Pty Ltd	Promoter Group
109	CUMI Middle East FZE	Promoter Group

Sl. No.	Name(s) of the Promoter and Persons Acting in Concert (PAC) with the Promoter	Whether the person belongs to Promoter / Promoter Group
110	CUMI International Ltd	Promoter Group
111	Volszhsky Abrasives Works	Promoter Group
112	Foskor Zirconia Pty Limited, South Africa	Promoter Group
113	CUMI Abrasives and Ceramics Company Ltd, China	Promoter Group
114	CUMI Europe s.r.o	Promoter Group
115	Thukela Refractories Isithebe Proprietary Ltd.	Promoter Group
116	Wendt (India) Ltd.	Promoter Group
117	Murugappa Morgan Thermal Ceramics Ltd.	Promoter Group
118	CIRIA India Ltd.	Promoter Group
119	Presmet Pvt. Ltd.	Promoter Group
120	Coromandel Engineering Company Limited	Promoter Group
121	Murugappa Educational & Medical Foundation	Promoter Group
122	M A Alagappan Holdings Pvt. Ltd. (Formerly Udevar Property Development Company Private Limited)	Promoter Group
123	AMM Vellayan Sons P Ltd.	Promoter Group
124	MM Muthiah Sons P Ltd.	Promoter Group
125	Kadamane Estates Company	Promoter Group
126	Yelnoorkhan Group Estates	Promoter Group
127	Murugappa & Sons (M.V.MURUGAPPAN, M A Alagappan and M M Murugappan hold shares on behalf of the Firm)	Promoter
128	MM Muthiah Research Foundation	Promoter Group
129	M A Murugappan Holdings Pvt Limited	Promoter Group
130	AMM Foundation	Promoter Group
131	Genfour Properties Pvt. Ltd.	Promoter Group
132	A R Lakshmi Achi Trust	Promoter Group
133	S Vellayan <i>(S Vellayan & A Vellayan holds shares on behalf of M V Seetha Subbiah Benefit Trust)</i>	Promoter Group
134	S Vellayan <i>(S Vellayan & A Vellayan holds shares on behalf of Valli Subbiah Benefit Trust)</i>	Promoter Group
135	Arun Alagappan <i>(Arun Alagappan & A A Alagammai holds shares on behalf of MA Alagappan Grand Children Trust)</i>	Promoter Group
136	M A M Arunachalam <i>(MAM Arunachalam & Sigappi Arunachalam holds shares on behalf of Arun Murugappan Children's Trust)</i>	Promoter Group

Sl. No.	Name(s) of the Promoter and Persons Acting in Concert (PAC) with the Promoter	Whether the person belongs to Promoter / Promoter Group
137	M A Alagappan <i>(M A Alagappan & M A M Arunachalam holds shares on behalf of M A Murugappan & MA Alagappan Grand Children Trust)</i>	Promoter Group
138	Murugappan Arunachalam ChildrenTrust <i>(M.A.ALAGAPPAN & M A M Arunachalam holds shares on behalf of the Trust)</i>	Promoter Group
139	V S Bhairavi Trust <i>(M V Subbiah & Kanika Subbiah holds shares on behalf of the Trust)</i>	Promoter Group
140	K S Shambhavi Trust <i>(M V Subbiah & S Vellayan holds shares on behalf of the Trust)</i>	Promoter Group

DIVIDEND POLICY

The Policy on Dividend as adopted by the Company inter alia provides for the following:

Parameters to be considered for declaration of Dividend

Subject to the provisions of applicable laws, the Company's dividend payout will be determined by the Board of Directors from time to time based on the available financial resources, investment requirements and other factors.

The Board of Directors may declare interim dividend / recommend final dividend for consideration of shareholders of the Company.

The Board of Directors of the Company will consider various parameters stated in the Policy while recommending / declaring Dividend.

SECTION 4: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENT

In terms of the Scheme, all pending legal proceedings by or against the Demerged Company in relation to the Manufacturing Business Undertaking may be continued in the Company as the Resulting Company. The Board has considered as material each such case involving the Company, where the aggregate amount involved individually exceeds Rs.50 Cr or 10% of the profit before tax whichever is higher for the financial year ended 31st March, 2017. None of the litigations involving the Company individually exceed the said material threshold.

Details of the outstanding litigation and status thereof involving the Company with regard to outstanding (i) criminal proceedings, (ii) regulatory proceedings, (iii) tax related matters against the Company are furnished hereunder for the purpose of disclosure in this Information Memorandum:

Criminal proceedings

There are no outstanding criminal proceedings against the Company.

Tax proceedings

Income-tax

Sl No.	Asst. Year	Particulars of Additions / Disallowances	Amount Rs. In lakhs	Tax/Int.	Co./Dept Appeal	Hearing
1	1990-91	Before Hon'ble Supreme Court Claim of expenditure allowable as per BIFR order for Press Metal Corporation taken over by the Company - disallowed by AO u/s 43B of Income Tax Act, 1961. ITAT allowed the claim in favour of the Company. Department's appeal in HC dismissed. Dept. in appeal before SC.	40.87	18.80	Dept.	Awaited
2	1992-93	Claim of expenditure allowable as per BIFR order for Sathavahana Chains taken over by the Company (claim made during assessment proceedings)- Disallowed by AO u/s 43B of Income Tax Act, 1961. ITAT allowed the claim in favour of the Company. Dept. appeal in HC dismissed. Dept. in appeal before SC.	211.00	(109.19)	Dept.	Awaited
1	1997-98	Before Hon'ble Madras High Court Disallowance of advances written off as bad debts in the books treating it does not qualify for deductible expenditure for the purpose of Income Tax.	50.00	21.50	Co.	Appeal dismissed by the HC.
2	1998-99	Interest on Capital WIP of TIMF - Bawal plant claimed as revenue expenditure in the Return of Income. Disallowed by AO, CITA and ITAT.	53.21	18.62	Co.	Awaited
3	1998-99	Income alleged to have accrued on account of offset credit against import of windmills from Netherlands. Alleged compensation against - surrendering of rights in the EPC contract with Lagarway, Netherlands for windmills (Treatment of grant by Netherlands Govt. as compensation for the Company). The addition income made by AO - quashed by CITA and ITAT.	9,272.47	3,245.36	Dept.	Awaited

Sl No.	Asst. Year	Particulars of Additions / Disallowances Dept. in appeal before HC.	Amount	Tax/Int.	Co./Dept	Hearing
		Payments made to operator of windmills claimed as expenditure towards electricity charges - treating company as owners of windmills. The disallowance made by AO - quashed by CITA and ITAT. Dept. in appeal before HC.	59.56	20.84	Dept.	
4	2000-01	Payments made to operator of windmills claimed as expenditure towards electricity charges - treating Company as owner of windmills. The disallowance made by AO - quashed by CITA and ITAT. Dept. in appeal before HC.	1,003.20	331.05	Dept.	Awaited
5	2001-02	Dispute on account of recalculation of benefit u/s 10B by apportionment of long term interest cost to EOU and including Excise duty and sales tax to the turnover . Levy of interest for the period prior to the existence of provision u/s 234D.	216.72	85.69	Dept.	Awaited
				54.01	Dept.	Awaited
6	2001-02	Company's claim to consider profits upto 25% on domestic sale as eligible for calculation of deduction u/s 10B denied by AO, CIT(A) and ITAT.	72.21	28.55	Co.	Awaited
7	2001-02	Payments made to operator of windmills claimed as expenditure towards electricity charges - treating Company as owners of windmills. The disallowance made by AO - quashed by CITA and ITAT. Dept. in appeal before HC.	806.50	318.97	Dept.	Awaited
8	2002-03	Levy of interest for the period prior to the existence of provision u/s 234D		10.11	Dept.	Awaited
9	2002-03	Payments made to operator of windmills claimed as expenditure towards electricity charges - treating company as owners of windmills. The disallowance made by AO - quashed by CITA and ITAT. Dept. in appeal before HC.	750.77	268.03	Dept.	Awaited

Sl No.	Asst. Year	Particulars of Additions / Disallowances	Amount	Tax/Int.	Co./Dept	Hearing
10	2003-04	Payments made to operator of windmills claimed as expenditure towards electricity charges - treating Company as owner of windmills. The disallowance made by AO - quashed by CITA and ITAT. Dept. in appeal before HC.	177.65	65.28	Dept.	Awaited
11	2004-05	Disallowance of short-term capital loss arising out of sale of securities - AO treats the transaction as satisfying the condition for disallowance under Sec. 94(7).	29.62	10.63	Co.	Awaited
12	1998-99	Penalty u/s. 271(1)(c) towards addition on account of lease syndication. The Department had appealed before HC against the ITAT order which is favourable to the Company.	-	120.00	Dept.	The High Court dismissed the case against the Department.
Before Hon'ble Chennai Tribunal						
1	2000-01	Filed against the CIT(A) Order in case of re-assessment. Major issues involved are 80HHC recomputation / disallowance of VRS payment/Depreciation on energy saving equipments etc.,	432.65	166.57	Co.	Awaited
2	2002-03	Filed against the EGO to ITAT order. The issues involved are allocation of interest between EOU and Non-EOU and Disallowance of ERP expenditure.	270.43	96.54	Co.	Awaited
3	2003-04	Filed against the CIT(A) order in case of 143(3) assessment order. The issues involved are 80HHC and 10B claim recomputation/disallowance of VRS payment/ allocation of interest between EOU and Non-EOU/and	502.11	188.05	Co.	Awaited

Sl No.	Asst. Year	Particulars of Additions / Disallowances Disallowance of ERP expenditure etc.	Amount	Tax/Int.	Co./Dept	Hearing
4	2005-06	Filed against the CIT (A) order in case of 143(3) assessment order. The issues involved is 10B claim re-computation /allocation of interest between EOU and Non-EOU/and Disallowance of expenditure u/s.40(a) etc.,	207.95	76.43	Co.	Awaited
5	2009-10	Filed miscellaneous petition against the common order passed by the Tribunal for both AY 2008-09 & 2009-10. The grounds pertaining to these years are different. Also challenges Section 263 jurisdiction of the CIT.	440.86	149.85	Co.	Awaited
6	1998-99	Obtained favourable order from CIT (Appeals) against the Effect Giving Order of ITAT in ITA No.1429/Mds/04. The issues involved is while calculating refund interest on interest is not considered and for penalty quantum the income under MAT provisions are not considered.		96.74	Dept.	The order is passed partly in our favour. We have not appealed against the order before High Court. So far department appeal also not received.
7	1999-2000	Against the Effect Giving Order of CIT(Appeals) in ITA No.61/07-08. The issues involved is while calculating refund interest on interest is not considered.		63.86	Dept.	
		TOTAL	14,597.78	5,346.30		

Sales Tax

S. No.	Year of filing/ Year of Assess- ment	Parties & Court	Amount (Rs. lacs)	Nature of Case	Current status
1	Jan '08 / 2007-09	TII Vs. State of Punjab Hon'ble Punjab High Court	144.16	Writ filed seeking to quash Entry Tax Act being non-compensatory and unconsitutional and direction to refund the tax paid on steel strips & tubes. Expected disposal shortly in the light of the judgement by the Constitutional Bench of the SC. .	Hearing awaited.
2	Oct 15 / Nov '13 to Mar '15	TII Vs. State of Tamilnadu Hon'ble Madras High Court	624.80	Writ filed seeking to quash the TN VAT Act amendment as unconstitutional, which required Input Tax Credit reversal for Sales against Form C and direction to allow re-credit of tax reversed. WP disposed by HC directing the Assessing Officer to dispose the case within 30 days of receipt of order. Compliance is to be reported to HC, based on the outcome of the disposal.	Disposal awaited
3	Jun 15 / 2003-04	TII Vs. CTO & State of Telangana Hon'ble High Court, Hyderabad	90.00	Writ filed seeking direction to refund tax paid and interest thereon, relating to 2003-04 CST Assessment. As per interim order, refund of Rs.127.46 lacs received in Dec 15 and interest matter referred to larger	Hearing awaited.

S. No.	Year of filing/ Year of Assessment	Parties & Court	Amount (Rs. lacs)	Nature of Case	Current status
				bench. Refund situation if case is decided in favour of the Company.	
4	Jan 16 / Sept 15 onwards	TII Vs. State of West Bengal Hon'ble High Court, West Bengal	458.52	Writ filed seeking to quash Entry Tax Act being non-compensatory and unconstitutional and sought stay of operation of entry tax act. Court granted stay for not paying the entry tax while final disposal of WP is pending. It will now be decided in the light of the guidelines of the recent judgment by the Constitution Bench of the SC. Tax not payable while being provided in the books of accounts.	Final Order expected

EXCISE/SERVICE TAX/CUSTOMS DUTY

Sl. No.	Period of Dispute	Parties & Court	Amount	Nature of Case	Current Status
			Rs. (lacs)		
1.	2002 - 07	CCE, Chennai Vs. TIDC CESTAT Chennai	66.21 + Interest	Revenue's Appeal against the Order of CCE (Appeals) in favor of TIDC, which allows customs duty exemption on imported materials used in production for execution of export order.	Hearing awaited
2	2002-04	CCE, Chennai Vs. TPI	Interest - 1.45 Penalty - 13.02	Revenue's appeal against the order of the CCE (Appeals) in favor of the	Appeal rejected by CESTAT. However, revision

Sl.	Period of	Parties &	Amount	Nature of Case	Current Status
		CESTAT Mumbai		company - Interest & penalty on clearances adopting value of cost of production for tube hollows transferred to TPI Mohali.	application filed by TII, as CESTAT ignored decisions in favor of Assessee in identical case.
3	Sep'09	TPI Vs. CCE, Ludhiana CESTAT Delhi	Penalty - 0.13	Levy of Penalty on supply of HR coils to M/s.Tharaj Casting Pvt. Ltd., who has been alleged to have availed CENVAT incorrectly. Amount paid under protest.	Hearing awaited
3	1993-94 & 1994-95	CCE, Chennai Vs. PMC Hon'ble Bombay High Court	Duty - 1.84	Refund of MODVAT credit taken on endorsed duty paid documents.	Hearing awaited
4	Feb'12 to Jul'13	TPI Vs. CC, Trichy Hon'ble Madras High Court	Customs Duty - 893.76	Denial of Customs duty exemption on import of capital goods under Status Holders Incentive Scrip (SHIS) Scheme on the allegation that prior approval of import through ICD, Arakkonam not taken by TII. Interim stay granted by High Court and directed the CC, Trichy not to adjudicate the matter.	Hearing awaited.
5	2011-12, 12-13	TPI, Avadi Vs. CCE, Chennai CESTAT Chennai	Service Tax - 0.92	Denial of CENVAT Credit on Waste Management Service	Hearing Awaited
6	Sept, 2013	TIMF Vs. CCE, Chennai Revision Authority,	Customs Duty - 5.21	Rejection of draw-back of import duty on goods returned for repair to factory	Hearing Awaited

Sl.	Period of	Parties &	Amount	Nature of Case	Current Status
		Jt Secretary, GoI, New Delhi			
		(Rs. lacs)	Notes:		
	Total Disputed Excise Duty / Service Tax liability	2.76	CCE – Commissioner of Central Excise		
	Total Disputed Customs Duty	965.18	CER – Central Excise Rules, 2002		
	Total Disputed Interest liability (quantified so far)	1.45	CC – Commissioner of Customs		

Statutory dues

Statutory Dues

As on the date of this Information Memorandum, there are no: (i) instances of non-payment or defaults in payment of statutory dues, (ii) non-payment or defaults to financial institutions, by the Company,

Regulatory proceedings

There are no regulatory proceedings against the Company.

Details of litigations (the nature of litigation and the status of litigation) in the past 3 years against group companies, companies under same management, promoters, promoting companies and companies promoted by the promoters of the Company are provided as Attachment 'A' to this Information Memorandum.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for Listing

The National Company Law Tribunal, Chennai, vide its order dated 17th July, 2017 has approved the Scheme of Arrangement for demerger between the Company and TI Financial Holdings Limited and their respective shareholders and creditors. Pursuant to the Scheme, the Manufacturing Business Undertaking of the Demerged Company has been transferred to and vested with the Company on 1st August, 2017 viz., the Effective Date, and operative from the

Appointed Date of 1st April, 2016, in accordance with Sections 230-232 of the Companies Act, 2013 and applicable laws.

In accordance with the Scheme, the Equity Shares of the Company issued and allotted pursuant to the Scheme shall be listed and admitted for trading on BSE and NSE. Such listing and admission for trading will be subject to fulfillment by the Company of the listing criteria of BSE and NSE for such issues and also subject to such other terms and conditions as may be prescribed by BSE and NSE at the time of the application by our Company seeking listing.

Eligibility Criteria

There being no initial public offering or rights issue, the eligibility criteria in terms of Chapters III and IV of the SEBI ICDR Regulations are not applicable. Pursuant to the SEBI Circular, our Company has received exemption from the strict enforcement of the requirement of Rule 19(2)(b) of the SCRR for the purpose of listing of shares of the Company from SEBI vide its letter dated 25th October, 2017, subject to the conditions being complied with by the Company.

Our Company has submitted the Information Memorandum, containing information about itself, making disclosures in line with the disclosure requirement, as applicable, to BSE and NSE for making the said Information Memorandum available to public through their websites www.bseindia.com and www.nseindia.com. The Company has also made this Information Memorandum available to the public on its website www.tiindia.com

The Company shall publish, prior to listing of its Equity Shares on the Stock Exchanges, an advertisement in one English and one Hindi newspaper with nationwide circulation and one regional newspaper with wide circulation at the place where the Registered Office of the Company is located containing its details in accordance with the requirements set out in the SEBI Circular. The advertisement shall draw specific reference to the availability of the Information Memorandum on the Company's website.

Prohibition by SEBI

The Company, its Directors, its Promoter, other companies promoted by the Promoter and companies with which our Directors are associated as directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

Identification as wilful defaulter

Our Company, its Promoter or Directors have not been categorised as wilful defaulters by any bank or financial institution or a consortium thereof, in accordance with the guidelines on wilful defaulter issued by RBI.

Disclaimer of BSE

A copy of this Information Memorandum will be submitted to BSE.

[The BSE had through its letter dated 10th August, 2017 given its 'No Objection' in accordance with the provisions of the SEBI Listing Regulations and by virtue of that No Objection, BSE's name in this Information Memorandum has been used as one of the Stock Exchanges on which our Company's securities are proposed to be listed.

The BSE does not in any manner:

- warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum;

- warrant that this Company's securities will be listed or will continue to be listed on the BSE; or
- take any responsibility for the financial or other soundness of this Company; and
- it should not for any reason be deemed or construed to mean that this Information Memorandum has been cleared or approved by the BSE.

Every person who acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.]

Disclaimer of NSE

A copy of this Information Memorandum will be submitted to NSE.

[The NSE had given its 'No Objection' in accordance with the provisions of the SEBI Listing Regulations and by virtue of that No Objection, NSE's name in this Information Memorandum has been used as one of the Stock Exchanges on which our Company's securities are proposed to be listed.

The NSE has scrutinized this Information Memorandum for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. It is to be distinctly understood that the aforesaid permission given by the NSE should not in any way be deemed or construed that the Information Memorandum has been cleared or approved by the NSE nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; nor does it warrant that this Company's securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of this Company, its Promoter, its management or any scheme or project of this Company.

Every person who acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.]

General Disclaimer from the Company

The Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisements published in accordance with legal requirements mentioned in the SEBI Circular or any other material issued by or at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Listing

With a view to listing of the Equity Shares, application has been made to BSE and NSE for permission to deal in and for an official quotation of the Equity Shares of the Company. The Company has nominated BSE as the Designated Stock Exchange for the aforesaid listing of the Equity Shares. The Company has taken steps for completion of necessary formalities for listing and commencement of trading at BSE and NSE.

Listing Approval from BSE and NSE

The Company obtained in principle listing approval from BSE and NSE on 6th October, 2017 and 13th October, 2017.

Filing

This Information Memorandum has been filed with BSE and NSE.

For details of rights issues by the Company since its incorporation, see the section titled “Capital Structure” on page 23. The Company has not undertaken any public issues.

Outstanding debenture or bonds and redeemable preference shares and other instruments issued by our Company

There are no outstanding bonds or redeemable preference shares as of the date of this Information Memorandum.

Details of outstanding debentures of the Company are furnished hereunder:

As on the date of this Information Memorandum, the following Secured Redeemable Non-Convertible Debentures (NCDs) are outstanding. These NCDs, issued from time to time, by the Demerged Company are attributable to the Manufacturing Business Undertaking as defined under the Scheme and accordingly have also been transferred to this Company as envisaged thereunder, consequent to vesting of the said Manufacturing Business Undertaking in this Company by the Demerged Company pursuant to the Scheme.

Coupon Rate	Rs. Cr.
7.55%	100.00
8.79%	150.00
8.90%	100.00
Total	350.00

Stock Market Data for Equity Shares of our Company

The shares of our Company are not listed on any stock exchanges at present. Through this Information Memorandum, our Company is seeking approval for listing of its Equity Shares on BSE and NSE.

Disposal of Investor Grievances

Karvy Computershare Private Limited is the Registrar and Share Transfer Agent to our Company, who can be contacted at the following email id for addressing investors’ grievances: inward.ris@karvy.com

Compliance Officer and Company Secretary

Mr. S Suresh is the Company Secretary and Compliance Officer of the Company. His contact details are as follows:

Mr. S Suresh
Tube Investments of India Limited
Dare House, 234 NSC Bose Road
Chennai - 600001
Tel: +91 44 42177770-5
Fax: +91 44 42110404
Email: sureshs@tii.murugappa.com

Previous issues

Prior to demerger, the Company was a wholly-owned subsidiary of the Demerged Company. Hence, the question of issue of capital to the public in the past does not arise.

SECTION 5: OTHER INFORMATION

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

The main provisions of the Articles of Association of the Company are furnished hereunder:

SHARE CAPITAL AND VARIATION OF RIGHTS

The Authorized Capital of the Company shall be as per Clause V of its Memorandum of Association.

Subject to the provisions of the Act and these Articles, the Shares in the capital of the Company shall be under the control of the Board 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, at par or any other manner and at such time as they may from time to time think fit.

Subject to the provisions of the Act and these Articles, the Board may issue and allot Shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered or to be rendered to the Company in the acquisition and/or conduct of its business and any Shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up Shares, as the case may be.

The Company may issue the following kinds of Shares in accordance with these Articles, the Act, the Rules and other applicable laws:

- (a) Equity Share Capital:
 - i. with voting rights; and/or
 - ii. with differential rights as to dividend, voting or otherwise in accordance with the Rules; and
- (b) Preference Share Capital.

The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further Shares to -

- (a) persons who, on the date of offer, are holders of Equity Shares of the Company. Such offer shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any other person; or
- (b) employees under any scheme/plan of employees' stock option subject to approval of Shareholders by a special resolution; or
- (c) any persons, whether or not those persons include the persons referred to in (a) or (b) above subject to approval of Shareholders by a special resolution.

A further issue of Shares may be made in any manner whatsoever as the Board may determine including by way of rights issue, preferential offer or private placement or any other mode, subject to and in accordance with the Act and the Rules.

Subject to the provisions of the Act, the Board shall have the power to issue or re-issue Preference Shares of one or more classes which are liable to be redeemed, or converted to Equity Shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act. Such Preference Shares shall be redeemable in accordance with the Act and the Rules made thereunder.

The rights conferred upon the holders of the Shares of any class issued with preferred or other rights

shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

If at any time the Share Capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of the holders of three-fourths of the issued Shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the Shares of that class or in such other manner as may be prescribed by the Act and the Rules.

The Company may exercise the powers to pay commission to any person for subscription of securities issued, conferred by Sub-Section (6) of Section 40 of the Act read with Rules made thereunder, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be in accordance with the provisions of the Act and the Rules and shall be disclosed in the manner required therein.

The rate or amount of the commission shall not exceed the rate or amount prescribed in Rules made under Sub-Section (6) of Section 40 of the Act.

The commission may be satisfied by the payment of cash or the allotment of fully or partly paid Shares or partly in one way and partly in the other.

Every person whose name is entered as a Member in the Register of Members shall be entitled to receive within sixty days after allotment or within thirty days from the date of receipt by the Company of the application for the registration of transfer or transmission or split within such other period as the conditions of issue shall provide -

- (a) one certificate for all his Shares without payment of any charges; or
- (b) several certificates, each for one or more of his Shares, upon payment of fee of twenty rupees for each certificate after the first.

Every certificate shall be under the Seal and shall specify the Shares to which it relates and the amount paid-up thereon.

An application signed by or on behalf of the applicant for Shares in the Company, followed by an allotment of any Shares therein, shall be acceptance of Shares within the meaning of these Articles and every person who thus or otherwise accepts any Shares and whose name is on the Register shall for the purpose of these Articles be a Member.

In respect of any Share or Shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a Share to one of several joint holders shall be sufficient delivery to all such holders.

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing Shares, debentures and other securities, re-materialize its existing Shares, debentures and other securities held in a Depository and/or offer further Shares, debentures and other securities in dematerialized form pursuant to Depositories Act, 1996 and Rules framed there under.

Notwithstanding anything contained elsewhere in these Articles, where any Shares/other securities of the Company are either issued or held in dematerialised form, the rights and obligations of all parties concerned and all matters connected therewith or incidental thereto, shall be governed by the provisions of the Depositories Act, 1996 and/or by the provisions of any other applicable law in force from time to time.

A person subscribing to Shares offered by the Company shall have the option either to receive

certificates for such Shares or hold the Shares in a dematerialised form with a Depository. Where a person opts to hold any Share with the Depository, the Company shall intimate such Depository the details of allotment of the Share to enable the Depository to enter in its records the name of such person as the beneficial owner.

If any Share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article may be issued on payment of twenty rupees for each certificate or such amount as may be fixed by the Board.

Any person (whether the registered holder of the Shares or not) being in possession of any Share certificate(s) for the time being may surrender the said Share certificate or certificates to the Company and apply to the Company for the issue of two or more fresh Share certificates comprising the same Shares, bearing the same distinctive numbers comprised in the said certificate and in such separate lots as he may desire in lieu of such Share certificate so surrendered or for the consolidation of the Shares comprised in such surrendered certificates into one certificate and the Board shall issue one or more such certificates as the case may be in the name of the person or persons in whose name the original certificate or certificates stood and the new certificate so issued upon payment of fee of twenty rupees for each certificate shall be delivered to the person who surrendered the original certificate or to his order.

Where any Shares under the powers in that behalf therein contained are sold by the Board and the certificate thereof has not been delivered up to the Company the former holder of the said Shares, the Board may issue a new certificate for such Shares distinguishing it in such manner as they think fit from the certificate not so delivered up.

Except as required by law, no person shall be recognised by the Company as holding any Share upon any trust and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share, or any interest in any fractional part of a Share, or (except only as by these Regulations or by law otherwise provided) any other rights in respect of any Share except an absolute right to the entirety thereof in the registered holder.

The provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities of the Company including debentures (except where the Act otherwise requires).

ALTERATION OF CAPITAL

Subject to the provisions of the Act, the Company may -

- (a) increase the Share capital by such sum, to be divided into Shares of such amount as it thinks expedient;
- (b) consolidate and divide all or any of its Share capital into Shares of larger amount than its existing Shares;
- (c) convert all or any of its fully paid-up Shares into stock, and reconvert that stock into fully paid-up Shares of any denomination;
- (d) sub-divide its existing Shares or any of them into Shares of smaller amount than is fixed by the Memorandum so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced Shares shall be the same as it was in the case of the Shares from which the reduced Share is derived. The resolution whereby any Share is sub-divided may determine that, as between the holders of the Shares resulting

- from such sub-division one or more of such Shares shall have some preference or special advantage as regards the dividend, capital or otherwise over or as compared with the others;
- (e) cancel any Shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its Share capital by the amount of the Shares so cancelled.

Provided that any consolidation and division which results in changes in the voting percentage of Members shall require applicable approvals under the Act.

Where Shares are converted into stock, the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the Shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit.

Provided that the Board may, from time to time, fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum, so, however, that such minimum shall not exceed the nominal amount of the Shares from which the stock arose.

The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the Shares from which the stock arose. But no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred that privilege or advantage. Such of these Articles of the Company as are applicable to paid-up Shares shall apply to stock and the words "Share" and "Shareholder"/"Member" shall include "stock" and "stock-holder" respectively.

The Company may reduce in any manner and in accordance with the provisions of the Act and the Rules —

- (a) its Share capital; and/or
- (b) any capital redemption reserve account; and/or
- (c) any securities premium account; and/or
- (d) any other Reserve as may be available.

CALLS ON SHARES

The Board may, from time to time, make calls upon the Members in respect of any monies unpaid on their Shares (whether on account of the nominal value of the Shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.

Provided that no call shall exceed one-fourth of the nominal value of the Share or be payable at less than one month from the date fixed for the payment of the last preceding call.

Each Member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his Shares.

The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more Members as the Board may deem appropriate in any circumstances, but no Member(s) shall be entitled to such extension save as a matter of grace and favour.

A call may be revoked or postponed at the discretion of the Board.

A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.

The joint holders of a Share shall be jointly and severally liable to pay all calls or instalments due in respect thereof.

If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be determined by the Board.

The Board shall be at liberty to waive payment of any such interest wholly or in part.

Any sum which by the terms of issue of a Share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

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 as may be agreed upon between the Board and the Member paying the sum in advance.

Nothing contained in this Article shall confer on the Member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.

If by the conditions of allotment of any Shares, the whole or part of the amount of issue price thereof shall be payable by instalment, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the Share or the legal representative of a deceased registered holder.

Where any calls for further Share capital are made on Shares, such calls shall be made on a uniform basis on all Shares falling under the same class.

For the purposes of this Article, Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.

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

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

The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of the Company.

LIEN

The Company shall have a first and paramount lien:

- (a) on every Share (not being a fully paid Share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that Share; and
- (b) on all Shares (not being fully paid Shares) standing registered in the name of a Member, for all monies presently payable by him or his estate to the Company;

Provided that the Board may at any time declare any Share to be wholly or in part exempt from the provisions of this Article.

The Company's lien, if any, on a Share shall extend to all dividends payable and bonuses declared from time to time in respect of such Shares.

Unless otherwise agreed, the registration of a transfer of Shares shall operate as a waiver of the Company's lien.

The Board may at any time declare any Shares wholly or in part to be exempt from the provisions of this Article.

The Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has a lien.

Provided that no sale shall be made—

- a) unless a sum in respect of which the lien exists is presently payable; or
- b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Share or to the person entitled thereto by reason of his death or insolvency.

Upon any such sale as aforesaid the certificates in respect of the Shares sold shall stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in lieu thereof to the purchaser or purchasers concerned.

To give effect to any such sale, the Board may authorise some person to transfer the Shares sold to the purchaser thereof.

The purchaser shall be registered as the holder of the Shares comprised in any such transfer.

The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

The proceeds of the sale after payment of the costs of such sale shall be received by the Company and applied towards payment of such part of the amount in respect of which the lien exists as is presently payable.

The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the Shares before the sale, be paid to the person entitled to the Shares at the date of the sale.

In exercising its lien, the Company shall be entitled to treat the registered holder of any Share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such Share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such

claim.

FORFEITURE OF SHARES

If a Member fails to pay any call, or instalment of a call or any money due in respect of any Share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.

The notice aforesaid shall:

- a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- b) state that, in the event of non-payment on or before the day so named, the Shares in respect of which the call was made shall be liable to be forfeited.

If the requirements of any such notice as aforesaid are not complied with, any Share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited Shares and not actually paid before the forfeiture.

Neither the receipt by the Company for a portion of any money which may from time to time be due from any Member in respect of his Shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such Shares as herein provided.

When any Share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting Member and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.

The forfeiture of a Share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the Share and all other rights incidental to the Share.

A forfeited Share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of in such manner as the Board thinks fit.

At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

A person whose Shares have been forfeited shall cease to be a Member in respect of the forfeited Shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the Shares.

All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the Shares at the time of forfeiture or waive

payment in whole or in part.

The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the Shares.

A duly verified declaration in writing that the declarant is a Director, the Manager or the Secretary of the Company, and that a Share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share and that declaration and the receipt of the Company for the consideration, if any, given for the Shares on the sale or disposition thereof, shall constitute a good title to the Share.

The Company may receive the consideration, if any, given for the Share on any sale, re-allotment or disposal thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed of.

The transferee shall thereupon be registered as the holder of the Share.

The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the Share.

Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold and after his name has been entered in the Register in respect of such Shares the validity of the sale shall not be impeached by any person.

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative Shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said Shares to the person(s) entitled thereto.

The Board may, accept a surrender of any Share from or by any Member desirous of surrendering them on such terms as they think fit.

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

The provisions of these Articles relating to forfeiture of Shares shall mutatis mutandis apply to any other securities including debentures of the Company.

TRANSFER OF SHARES

The instrument of transfer of any Share in the Company shall be executed by *or* on behalf of both the transferor and transferee.

The transferor shall be deemed to remain a holder of the Share until the name of the transferee is entered in the Register of Members in respect thereof.

Subject to the provisions of these Articles, Shares in the Company may be transferred by an instrument in writing in such form and by such procedure as from time to time may be prescribed by law.

Nothing in this Article shall apply to a transfer of securities effected by the transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.

An application for the registration of a transfer of the Shares in the Company may be made either by the transferor or the transferee.

Where the application is made by the transferor and relates to partly paid Shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.

For the purposes of this Article, above notice to the transferee shall be deemed to have been duly given if it is despatched by registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

The Company shall not register a transfer of Shares in the Company unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee along with requisite documents as prescribed by law or by the Company at its own discretion, has been delivered to the Company along with the certificate relating to the Shares, of if no such certificate is in existence, along with the letter of allotment of securities. Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is provided to the satisfaction of the Board that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as Shareholder any person to whom the right to any Shares in the Company has been transmitted by operation of law.

The Board may, subject to the right of appeal conferred by the Act decline to register -

- (a) the transfer of a Share, not being a fully paid Share, to a person of whom they do not approve; or
- (b) any transfer of Shares on which the Company has a lien.

Subject to the provisions of the Act and the provisions of these Articles, or any statutory modification thereof for the time being in force, the Board may, at their own absolute and uncontrolled discretion, and without assigning any reason, decline to register or acknowledge any transfer of Shares and, in particular, may so decline such transfer in cases mentioned hereinabove and such refusal shall not be affected by the fact that the proposed transferee is already a Member. The registration of a transfer shall be conclusive evidence of the approval of the transfer by the Board.

No fee shall be charged by the Company for transfer of Shares or transmission of Shares or for registration of any Powers of Attorney, Probates, Letter of Administration or similar documents except in respect of issue of fresh Share Certificates in lieu of surrendered certificates for consolidation, splitting or otherwise.

In case of Shares held in physical form, the Board may decline to recognise any instrument of transfer unless -

- (a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;
- (b) the instrument of transfer is accompanied by the certificate of the Shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of Shares.

If the Company refuses to register the transfer of any Share or of any Share right therein, the Company shall within one month from the date on which the instrument of transfer was lodged with the Company send notice of refusal of the transferee and transferor or to the person giving information of the transmission, as the case may be, and thereupon the provision of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.

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

The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Board may decline to register shall on demand be returned to the persons depositing the same. The Board may cause to be destroyed all transfer deeds lying with the Company for a period as prescribed under the Act.

On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made thereunder or the Listing Regulations, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

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

The Company shall maintain Register of Members in physical or electronic form and shall enter the particulars of every transfer or transmission of any Shares and all other particulars of Share as required by the Act in such register.

The Board of Directors may close the register of Members or the register of debenture holders or the register of other security holders for any period or periods not exceeding in the aggregate forty-five days in each year, but not exceeding thirty days at any one time, subject to giving of previous notice of at least seven days or such lesser period as may be specified by SEBI after giving previous notice of not less than seven days by an advertisement in a vernacular newspaper in the principle vernacular language of the district and having wide circulation in the place where the registered office of the Company is situated, and at least once in English language in an English newspaper circulating in that district and having wide circulation in the place where the registered office of the Company is situated and publish the notice on the website of the Company or in such other manner as may be required by the Act, Rules or Regulations in force.

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

The provisions of these Articles relating to transfer of Shares shall mutatis mutandis apply to any other securities including debentures of the Company.

TRANSMISSION OF SHARES

On the death of a Member, the survivor or survivors where the Member was a joint holder, and his

nominee or nominees (nominated as per Section 72 of the Act) or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the Shares.

The executors or administrators of a deceased Member or a holder of a Succession Certificate shall be the only person whom the Company will be bound to recognise as having any title to the Shares registered in the name of such Member and the Company shall not be bound to recognise such executors or administrators unless such executors or administrators shall have first obtained Probate of will or Letters of Administration as the case may be from a duly Constituted Court in India or Succession Certificate as may be applicable in terms of Indian Succession Act, 1925 and in absence of which, on production of such other documents as the Company may require subject to the provisions of the Act, Rules and regulations in this regard.

Provided that if the Member is a Member of a Joint Hindu family, the Board on being satisfied to that effect and on being satisfied that the Shares standing in his name in fact belong to the joint family may recognize the survivors or the Karta thereof as having title to the Shares registered in the name of such Member after production of such documents as may be prescribed under the Act or Rules or regulations in force and at the discretion of the Board.

Notwithstanding anything contained hereinabove, in the event of any holder(s) of Shares of the Company making any nomination as per Section 72 of the Act, such nominee shall subject to and in accordance with the provisions of the Act, be recognised by the Company as having title to those Shares in the event of death of the original holder.

Nothing in Article 9.1 above shall release the estate of a deceased joint holder from any liability in respect of any Share which had been jointly held by him with other persons.

Any person becoming entitled to a Share in consequence of the death or insolvency of a Member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either -

- (a) to be registered himself as holder of the Share; or
- (b) to make such transfer of the Share as the deceased or insolvent Member could have made.

The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent Member had transferred the Share before his death or insolvency.

The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.

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

If the person aforesaid shall elect to transfer the Share, he shall testify his election by executing a transfer of the Share.

All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of Shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

A person becoming entitled to a Share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the Share, except that he shall not, before being registered as a Member in respect of the Share, be entitled in respect of it to exercise any right conferred by Membership in relation to

meetings of the Company.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Share, until the requirements of the notice have been complied with.

The provisions of these Articles relating to transmission by operation of law shall *mutatis mutandis* apply to any other securities including debentures of the Company.

JOINT HOLDERS

Where two or more persons are registered as joint holders (not more than three) of any Share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles.

The joint-holders of any Share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such Share.

On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the Share but the Board may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on Shares held by him jointly with any other person.

Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such Share.

Only the person whose name stands first in the register of Members as one of the joint-holders of any Share shall be entitled to the delivery of certificate, if any, relating to such Share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.

Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such Shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such Shares shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased Member in whose (deceased Member) sole name any Share stands shall for the purpose of this Article 10.6 be deemed joint-holders.

The provisions of these Articles relating to joint holders of Shares shall *mutatis mutandis* apply to any other securities including debentures of the Company registered in joint names.

BUY-BACK OF SHARES

Notwithstanding anything contained in these Articles but subject to applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own Shares or other specified securities.

GENERAL MEETINGS

The Company shall, in addition to any other meetings, hold a General Meeting (herein called as "Annual General Meeting") in accordance with the provisions herein specified and under the Act.

The Annual General Meeting of the Company other than the first Annual General Meeting shall be held within six months from the date of closing of the financial year.

Provided however that if the Registrar of Companies or any other statutory authority as prescribed by the Act, for any special reason, extends the time within which any Annual General Meeting shall be held by a further period not exceeding three months, then the Annual General Meeting may be held within additional time as fixed by the Registrar or such other authority.

Except in cases where the Registrar has given an extension of time as aforesaid for holding any Annual General Meeting, not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next.

Subject to the provisions of the Act, every Annual General Meeting shall be called during business hours, that is, between 9 a.m. and 6 p.m. on any day not being a National Holiday.

The meeting shall be held either at the registered office of the Company or at some other place within the city where the registered office is situated as the Board may decide.

All General Meetings other than an Annual General Meeting shall be called Extraordinary General Meeting.

The Board may, whenever it thinks fit, call an Extraordinary General Meeting.

The Board of Directors shall, at the requisition made by such number of Members and in such manner prescribed under the Act call an Extraordinary General Meeting of the Company. Such requisition from the Members shall be provided in writing or electronic mode at least clear twenty-one days prior to the proposed date of such Extraordinary General Meeting.

The requisition shall set out the matters for the consideration of which the meeting is to be called and shall be signed by the requisitionists and shall be deposited at the registered office of the Company or sent to the Company by registered post addressed to the registered Office of the Company.

The requisition may consist of several documents in like forms each signed by one or more requisitionists.

Where two or more distinct matters are specified in the requisition, the provisions of Article 12.6.1 above shall apply separately in regard to each such matter, and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in Article 12.6.1 is fulfilled.

If the Board of Directors do not, within twenty-one days from the date of the receipt of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters on a day not later than forty-five days from the date of the receipt of the requisition, the meeting may be called by the requisitionists themselves within a period of three months from the date of the requisition.

A meeting called under Article above by the requisitionists shall be called and held in the same manner in which the meeting is called and held by the Board.

Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be reimbursed to the requisitionists by the Company and any sum so repaid shall be deducted from any fee or other remuneration under Section 197 of the Act payable to such of the Directors who were in default in calling the meeting.

A meeting called by the requisitionists shall be held either at the registered office of the Company or at

some other place within the city in which the registered office of the Company is situated. All other Extraordinary General Meetings called shall be held at any place within India.

The Tribunal may subject to the provisions of Sections 97 and 98 of the Act and the Rules, convene a meeting of Members of the Company.

PROCEEDINGS AT GENERAL MEETINGS

A General Meeting of the Company may be called by giving not less than clear twenty-one days' notice either in writing or through electronic mode in such manner as prescribed by the Act and the Rules.

Provided that a General Meeting may be called after giving shorter notice if consent thereto is given in writing or through electronic mode by not less than ninety-five per cent of the Members entitled to vote at such meeting.

Provided that where any Members of the Company are entitled to vote only on one or more resolution(s) to be moved at the meeting and not on the others, those Members shall be taken into account of the purpose of this Article in respect of the former resolution(s) but not in respect of the latter.

The notice of every meeting of the Company shall be given to—

- (a) every Member of the Company, legal representative of any deceased Member or the assignee of an insolvent Member;
- (b) the auditor or auditors of the Company; and
- (c) every Director of the Company.

The notice of a General Meeting shall specify the place, date, day and the hour of the meeting and shall contain a statement of the business to be transacted at such meeting. The notice shall also specify whether the meeting called is an Annual General Meeting or Extraordinary General Meeting.

(a) in the case of an Annual General Meeting, all business to be transacted thereat shall be deemed special, other than—

- i) the consideration of financial statements and the reports of the Board of Directors and auditors;
- ii) the declaration of any dividend;
- iii) the appointment of Directors in the place of those retiring;
- iv) the appointment of, and the fixing of the remuneration of, the auditors.

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

Any accidental omission to give notice (of any meeting to or the non-receipt of any such notice) by any of the Members or any other person entitled to receive such notice shall not invalidate the proceedings of or any resolution passed at such meeting.

No business shall be transacted at any General Meeting unless a quorum of Members is present at the time when the meeting commenced business.

The quorum shall be:

- (a) Five Members personally present if the number of Members as on the date of the meeting is not more than one thousand;
- (b) Fifteen Members personally present if the number of Members as on the date of the meeting is more than one thousand but up to five thousand;
- (c) Thirty Members personally present if the number of Members as on the date of the

meeting exceeds five thousand,
or such other number as may be prescribed under the Act from time to time.

If within half an hour from the time appointed for holding the meeting, the requisite quorum is not present, then the meeting, if called upon the requisition of Members, shall stand cancelled and in any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other date and such other time and place as the Board may by notice decide by providing the requisite notice to the meeting as prescribed under Section 103 of the Act.

If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, then the Members present shall be a quorum.

The Chairman of the Board shall if willing preside as the Chairman at every General Meeting of the Company.

If there is no such Chairman, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairman of the meeting, the Vice-Chairman, if any, shall preside over such General Meeting. If the Vice-Chairman is not present within fifteen minutes after the time appointed for holding such meeting or being present he is unwilling to act as Chairman, then the Directors present shall elect one amongst them to be Chairman of the meeting.

If at any meeting no Director is willing to act as Chairman or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the Members present shall, by show of hands unless a poll or electronic voting is demanded, choose one amongst them to be Chairman of the meeting.

No business shall be discussed or transacted at any General Meeting except election of Chairman whilst the chair is vacant.

At any General Meeting, a resolution put to the vote at the meeting shall be decided by voting through electronic means (remote e-voting and e-voting at the meeting venue) or such other mode as may be prescribed and applicable to the Company pursuant to the provisions of the Act & Rules referred therein and Listing Regulations.

A declaration by the Chairman of the meeting of the passing of a resolution or poll or voting through electronic means and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact of passing of such resolution or otherwise, without proof of the number or proportion of the votes cast in favour of or against such resolution.

If a poll is duly demanded, it shall be taken in such a manner as the Chairman directs, and the result of the poll shall be deemed to be a decision of the meeting on the resolution on which the poll was demanded.

A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any question (other than the election of the Chairman or on a question of adjournment) shall be taken at such time, not being later than forty-eight hours from the time when the demand was made, as the Chairman of the meeting may direct. Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

A demand for a poll may be withdrawn at any time by the persons who made the demand.

Where a poll is to be taken or electronic voting facility is granted including for voting through postal

ballot, the Chairman of the meeting shall appoint scrutiniser(s) to scrutinise the votes given on the poll/e-voting/voting on ballot paper and to report thereon to him. The manner in which the Chairman of the meeting shall get the poll/voting process scrutinised and report thereon shall be as per Companies (Management and Administration) Rules, 2014 and any amendment thereof.

The Chairman shall have power, at any time before the result of the poll/e-voting is declared, to remove a scrutiniser from office and to fill vacancies in the offices of scrutineers arising from such removal or from any other cause.

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

On any business at any General Meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairman shall have a second or casting vote.

At every Annual General Meeting of the Company there shall be laid on the table the Directors' report and audited statement of accounts, Auditors' Report (if not already incorporated in the audited statement of accounts), the Proxy Register with proxies and such other Registers and documents as may be required under the Act or Rules or any other regulation in force applicable to the Company.

The Company shall cause minutes of all proceedings of every General Meeting to be kept in accordance with the provisions of the Act. Any such minutes kept as aforesaid shall be evidence of the proceedings recorded therein.

The books containing the minutes of the proceedings of any General Meeting of the Company or a resolution passed by postal ballot shall:

- a) be kept at the registered office of the Company; and
- b) be open to inspection of any Member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.

The Chairman, and also any person(s) authorised by him or the Board, may take any action before the commencement of any General Meeting, or any meeting of a class of Members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.

ADJOURNMENT OF MEETING

The Chairman with the consent of any meeting at which a quorum is present (and if so directed by the meeting) adjourn the meeting from time to time and from place to place.

No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place

When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

VOTING RIGHTS

Subject to any rights or restrictions for the time being attached to any class or classes of Shares -

- a) on a show of hands, every Member present in person shall have one vote; and
- b) on a poll or in e-voting, the voting rights of Members (present in person or proxy) shall be in proportion to his Share in the paid-up equity Share Capital of the Company.

A Member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.

A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands (if permitted and applicable to the Company) or on a poll/e-voting, by his Committee or other legal guardian, and any such Committee or guardian may, on a poll, vote by proxy. If any Member be a minor, the vote in respect of his Share or Shares shall be by his legal guardian.

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

No Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of Shares in the Company have been paid or in regard to which the Company has exercised any right of lien.

PROXY

Any Member entitled to attend and vote at a General Meeting shall be entitled to appoint another person (whether a Member or not) as a proxy to attend and vote at the meeting on his behalf.

A proxy so appointed shall not have the right to speak at such meeting and shall not be entitled to vote except on a poll/e-voting.

A person appointed as a proxy shall act on behalf of such Member or number of Members not exceeding fifty and holding in aggregate not more than ten per cent of the total Share capital of the Company carrying voting rights or such number as may be prescribed.

The instrument appointing a proxy in such form as prescribed in the Rules shall be in writing under the hand of appointer or his attorney duly authorised in writing, or if the appointer is a Company either under the common Seal or under the hand of an Officer or attorney so authorised. Proxies together with the power of attorney or any other authorisation document, if any, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

A vote cast in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed.

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

Member who has not appointed a Proxy to attend and vote on his behalf at a Meeting may appoint a Proxy for any adjourned Meeting, not later than forty-eight hours before the time of such adjourned Meeting.

BOARD OF DIRECTORS

Unless otherwise determined by the Company in General Meeting, the number of Directors shall not be less than 3 (three) and shall not be more than 12 (twelve). The Company may in General Meeting appoint more than twelve Directors after passing a special resolution.

Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an Additional Director, provided the number of the Directors and Additional Directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.

An Additional Director shall hold office up to the date of the next Annual General Meeting of the Company but shall be eligible for appointment by the Company as a Director subject to the provisions of the Act.

The Board may appoint an Alternate Director to act for a Director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an Alternate Director for an Independent Director unless he is qualified to be appointed as an Independent Director under the provisions of the Act.

An Alternate Director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.

If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the Alternate Director.

Notwithstanding anything to the contrary contained in these Articles and pursuant to provisions of the Act and Rules made thereunder, the Board of Directors may from time to time appoint any such person as a "Nominee Director". For the purpose of this Article, "Nominee Director" means a Director nominated by any institution in pursuance of the provisions of any law for the time being in force, or of any agreement, or appointed by any Government or any other person to represent its interests.

If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors subject to the provisions of the Act.

The Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated.

The Company shall have at least one Director who has stayed in India for a total period of not less than one hundred and eighty-two days in the previous calendar year.

The Company shall have such proportion of Independent Directors in the Board and be appointed in such manner as prescribed by the Act or Rules or the Listing Regulations in force.

The Independent Directors so appointed shall hold office for a term up to five consecutive years on the Board of the Company, but shall be eligible for re-appointment on passing of a special resolution by the Company.

Notwithstanding anything contained in the above mentioned provision of this Article, no Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

The Company and Independent Directors shall abide by the provisions specified in Schedule IV of the Act.

The Company shall have a Woman Director on the Board as prescribed by the Act from time to time.

The Directors other than those in receipt of any salary from the Company may be paid a sitting fee of such sum as the Board may decide subject to the maximum limits prescribed by the Act or Rules made thereunder from time to time, for every meeting of the Board of Directors or Committee thereof, attended by them.

The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

The remuneration payable to the Directors, including any Managing or Whole-time Director or Manager, if any, shall be determined in accordance with and subject to the provisions of the Act.

A Director who is neither in the whole time employment of the Company nor a Managing Director may be paid remuneration –

- (a) By way of a monthly, quarterly or annual payment subject to the applicable provisions of the Act; or
- (b) By way of commission if the Company by a special resolution authorises such payment.

The remuneration payable to Directors who are neither Managing Directors nor Whole-time Directors shall not exceed,—

- (a) one per cent of the net profits of the Company, if there is a Managing or Whole-time Director or Manager;
- (b) three per cent of the net profits in any other case.

Provided further that the Company in General Meeting may, with the approval of the Central Government, authorise the payment of such remuneration at a rate exceeding one per cent or, as the case may be, three per cent of its net profits.

The aforesaid commission shall be paid among the non-Whole-time Directors in such manner and proportion as the Board may determine.

If any such Director holds office for a period less than one year during the financial year of the Company, then the said remuneration payable to him shall be computed proportionate to the period for which he has held office during the year.

If any Director, being willing, be called upon to perform extra services, or special exertions or efforts for any of the purposes of the Company, the Board may arrange with such Director for such special remuneration for such extra services or special exertion or efforts either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be in addition to his/her remuneration above provided subject to the limits prescribed under the Act.

In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid travelling, hotel and other expenses incurred by them—

- (a) in attending and returning from meetings of the Board of Directors or any Committee thereof or General Meetings of the Company; or
- (b) in connection with the business of the Company.

All cheques, promissory notes, drafts, hundies, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

Every Director present at any meeting of the Board or of a Committee thereof shall sign his name in a book to be kept for that purpose. In case of Directors participating through Electronic mode, the attendance register shall be deemed to have been signed by the Directors participating through Electronic mode, if their attendance is recorded by the Chairman or the Company Secretary in the Attendance Register and Minutes of the meeting.

Subject to the provisions of Section 164 of the Act, a person shall not be eligible for appointment as a Director, if –

he is of unsound mind and stands so declared by a competent court;

- (a) he is an un-discharged insolvent;
- (b) he has applied to be adjudicated as an insolvent and his application is pending;
- (c) he has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;

Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a Director in any Company;

- (d) an order disqualifying him for appointment as a Director has been passed by a court or Tribunal and the order is in force;
- (e) he has not paid any calls in respect of any Shares of the Company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;
- (f) he has been convicted of the offence dealing with related party transactions under Section 188 of the Act at any time during the last preceding five years; or
- (g) he has not complied with Sub-Section (3) of Section 152 of the Act.

Notwithstanding anything contained in (d), (e) and (g) aforesaid, the disqualifications referred to in therein shall not take effect—

- i) for thirty days from the date of conviction or order of disqualification;
- ii) where an appeal or petition is preferred within thirty days as aforesaid against the conviction resulting in sentence or order, until expiry of seven days from the date on which such appeal or petition is disposed off; or
- iii) where any further appeal or petition is preferred against order or sentence within seven days, until such further appeal or petition is disposed off.

No person who is or has been a Director of a Company which—

- (a) has not filed financial statements or annual returns for any continuous period of three financial years; or
- (b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more,

shall be eligible to be appointed/re-appointed as a Director for a period of five years from the date on which the said Company fails to comply.

Subject to the provisions of Section 167 of the Act, the office of a Director shall become vacant if:

- (a) he incurs any of the disqualifications specified in Section 164 of the Act;
- (b) he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;
- (c) he acts in contravention of the provisions of Section 184 of the Act relating to entering into contracts or arrangements in which he is directly or indirectly interested;
- (d) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of Section 184 of the Act;
- (e) he becomes disqualified by an order of a court or the Tribunal;
- (f) he is convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months:
Provided that the office shall be vacated by the Director even if he has filed an appeal against the order of such court;
- (g) he is removed in pursuance of the provisions of this Act;
- (h) he, having been appointed a Director by virtue of his holding any office or other employment in the holding, subsidiary or associate Company, ceases to hold such office or other employment in that Company.

Subject to the provisions of Section 169 and other applicable provisions of the Act and these Articles, the Company may by an ordinary resolution remove any Director before the expiry of his period of office after giving him a reasonable opportunity of being heard.

A Special notice pursuant to Section 115 of the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed, at the meeting at which he is removed.

A vacancy created by the removal of a Director may, if he had been appointed by the Company in General Meeting or by the Board, be filled by the appointment of another Director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given as mentioned hereinabove.

A Director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.

Subject to the provisions of the Act and, the Articles hereof and the observant and fulfilment thereof, Directors (including Managing Director) shall not be disqualified by reason of their office as such from contracting with the Company either as vendor, purchaser, agent, broker or otherwise, nor shall any such contract, or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested, be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office, or of the fiduciary relation thereby established, provided that the nature of his interest is disclosed by him/her as provided in the Act.

At a General Meeting of the Company, a motion for appointment of two or more persons as Directors of the Company by a single resolution shall not be moved unless a proposal to move such a motion has first been agreed to at the meeting without any vote being given against it. A resolution moved in contravention of this Article and Section 162 of the Act shall be void whether or not objection was taken when it was moved.

Not less than two-third of the total number of Directors of the Company shall be persons whose period of office is liable to determination by retirement of Directors by rotation.

At every Annual General Meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation or if their number is neither three nor a multiple of three, then the number nearest to one-third shall retire by rotation. The Managing Director(s), Whole-time Director(s) and Independent Director(s) shall not, while they continue to hold that office, be subject to retirement by rotation except to the extent necessary to comply with the provisions of the Act. For the purpose of this Article, 'total number of Directors' shall not include Independent Directors of the Company whether appointed under this Act or any other law for the time being in force.

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

At any meeting at which an election of Directors ought to take place, if the vacancy of the retiring Director is not filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a holiday, at the same time and place.

If at the adjourned meeting, the vacancy of the retiring Director is not filled up and that the meeting has also not expressly resolved not to fill up the vacancy, the retiring Directors shall be deemed to have been re-appointed at the adjourned meeting subject to conditions prescribed under Section 152 of the Act.

The expression 'retiring Director' means a Director retiring by rotation.

Subject to the provisions of the Act, a retiring Director shall be eligible for re-appointment and the Company at the Annual General Meeting at which a Director retires in manner aforesaid may fill up the vacated office by electing a person thereto.

Subject to the provisions of the Act, any person who is not a retiring Director shall be eligible for appointment to the office of Director at any General Meeting, if he, or some Member intending to propose him as a Director has, not less than fourteen days before the meeting, left at the registered office of the Company, a notice in writing under his hand signifying his candidate for the office as a Director or, as the case may be, the intention of such Member to propose him as a candidate for that office, as the case may be along with a deposit as prescribed by the Act which shall be refunded to such person or, as the case may be, to the Member, if the person proposed gets elected as a Director or gets more than twenty-five per cent of total valid votes cast on such resolution.

Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 160 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company, his consent in writing to act as a Director, of appointed.

The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a General Meeting of the Company, but for no other purpose.

POWERS OF BOARD

The business of the Company shall be managed by the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by these Articles or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in General Meeting but subject nevertheless to the provisions of the Act and other laws and of the Memorandum of Association and these Articles and to any regulations, not being inconsistent with the Memorandum of Association and these Articles or the Act, from time to time

made by the Company in General Meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

Without delegating the powers vested with the Board under these Articles, the Board shall exercise the powers stated in Sub-Section (3) of Section 179 of the Act and the Rules referred therein only by means of resolutions passed at the meeting of the Board.

Provided further that the Board may, by a resolution passed at a meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, the principal officer of the branch office, certain powers as laid out in (d) to (f) of Sub-Section (3) of Section 179 of the Act and such other powers which may be delegated as prescribed by the Act subject to the conditions laid thereunder.

The Board of Directors shall not except with the consent of the Company at a General meeting exercise the powers specified in Sub-Section (1) of Section 180 of the Act.

Without prejudice to the powers conferred by the Articles and so as not in any way to limit or restrict these powers, but subject to the restrictions contained in the last preceding two Articles and subject to the provisions of the Act the Board's powers shall include power:

- (a) to pay and charge to the capital account of the Company any commission or interest lawfully payable thereat under the provisions of the Act and in these Articles.
- (b) to purchase or otherwise acquire for the Company any Shares, securities or other property right or privileges which the Company is authorized to acquire at such price and generally on such terms and conditions as the Board may think fit.
- (c) at their discretion to pay for any property or rights acquired by or services rendered to the Company, either wholly or partially in case, or in Shares, bonds, debentures, debenture-stock or other securities of the Company, and any such Shares may be issued either as fully paid-up or with such amount credited as paid-up thereon as may be agreed upon; and any such bonds debentures, debentures-stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
- (d) to insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they think proper all or any part of the buildings, machinery and goods, stores, produce and other movable property of the Company either separately or on jointly; also to insure all or any portion of the goods produce machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.
- (e) to open accounts with any bank or bankers or with any permitted person and to pay money into and draw money from any such account from time to time as the Board may think fit.
- (f) to secure the fulfilment of any contracts or engagements entered into by the Company, mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being or in such other manner as they think fit.
- (g) to attach to any Shares to be issued as the consideration or part of the consideration for any contract with or property acquired by the Company or in payment for services rendered to the Company, such conditions as to the transfer thereof as they think fit.

- (h) to accept from any Member on such terms and conditions as shall be agreed a surrender of his Shares or stock, or any part thereof, so far as may be permissible by law.
- (i) to appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company and property belonging to the Company or in which it is interested, or for any other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trust, and to provide for the remuneration of such trustee or trustees.
- (j) to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due or of any claims or demands by or against the Company.
- (k) to refer any claim or demand by or against the Company or any differences to arbitration and observe and perform any awards made thereon.
- (l) to act on behalf of the Company in all matters relating to bankrupts and insolvents.
- (m) to make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.
- (n) to determine from time to time who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purposes.
- (o) to invest and deal with any moneys of the Company not immediately required for the purposes thereof; upon such security (not being Shares of this Company), or without security and in such manner as they may think fit, and from time to time to vary or realize such investments, provided that save as permitted by Section 187 of the Act, all investment shall be made and held in the Company's name.
- (p) to execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit, covenants, provisions and agreement as shall be agreed on.
- (q) to give to any Director, officer or other person employed by the Company an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a Share in the general profits of the Company, and such interest, commission or Share of profits shall be treated as a part of the working expenses of the Company.
- (r) to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent religious, scientific, national, public, or any other institutions, objects or purposes, or for any exhibition.
- (s) before recommending any dividend to set aside out of the profits of the Company, such sums as they may think proper for depreciation, or to a Depreciation Fund, General Reserve, a Reserve Fund, Sinking Fund, Insurance Fund or any special or other fund or funds or account or accounts to meet contingencies, or to repay Redeemable Preference Shares, debentures or debenture stock and for special dividends, and for equalizing dividends, and for repairing, improving, extending and maintaining any part of the

property of the Company, and/or for such other purposes, (including the purposes referred to in the last two preceding (q) and (r)) as the Board may in their absolute discretion think conducive to the interests of the Company, and to invest the several sums so set aside or so much thereof as required to be invested upon such investments (subject to the restrictions imposed by the Act) as the Board may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purpose as the Director (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interests of the Company notwithstanding that the matters to which the Board apply or upon which they extend the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended and to divide the Reserve, General Reserve, or the Reserve Fund into such special funds as the Board may think fit, and to employ the assets constituting all or any of the above funds or accounts, including the Depreciation Fund, in the business of the Company or in the purchase or repayment of Redeemable Preference Shares, debentures or debenture-stock and that without being bound to keep the same separate from the other assets, and without being bound to pay or allow to the credit of such fund interest at such rate as the Board may think proper.

- (t) to appoint and at their discretion remove or suspend such managers, secretaries, officers, clerks agents and employees for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit. And also without prejudice as aforesaid, from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India in such manner as they think fit shall be without prejudice to the general powers conferred by this Article.
- (u) to comply with the requirements of any local law, which in their opinion it shall in the interests of the Company be necessary or expedient to comply with.
- (v) from time to time and at any time to establish any Committees for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be Members of such Local Boards, or any managers, or agents, and to fix their remuneration.
- (w) subject to the provisions of Section 179 of the Act and these Articles and at any time to delegate to any such Local Board, or any Member or Members thereof or any managers so appointed any of the powers, authorities and discretions for the time being vested in the Board of Directors, and to authorities the Members for the time being of any such Committee, or any of them to fill up any vacancies therein and to act notwithstanding vacancies; and any such appointment or delegation under this Article may be made on such terms, and subject to such conditions as the Board of Directors may think fit, and the Board of Directors may at any time remove any person so appointed, and may annul or vary any such delegation.
- (x) generally subject to the provisions of the Act and these Articles to delegate the powers, authorities and discretions vested in the Directors to any person, firm, Company or fluctuating body of persons as aforesaid.
- (y) subject to the provisions of the Act and these Articles for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company, to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all

such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company

Subject to the provisions of Section 179 of the Act, the Board/Committee may appoint at any time and from time to time by a power-of-attorney under the Company's Seal any person to be the attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board in these Articles) and for such period and subject to such conditions as the Board may from time to time think fit, and any such appointment may (if the Board thinks fit) be made in favour of the Members, or any of the Members of any firm or Company, or the Members, Directors, nominees or Managers of any firm or Company or otherwise in favour of any body or persons, whether nominated directly or indirectly by the Board and any such power-of-attorney may contain such provision for the protection or convenience of persons dealing with such attorney as the Board may think fit.

The Board may authorize any such delegate or attorney as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.

The Board shall duly comply with the provisions of the Act and in particular with the provision in regard to the registration of the particulars of mortgages and charges affecting the property of the Company or created by it, and to keeping a Register of the Directors, and to sending to the Registrar an annual list of Members and a summary of particulars relating thereto, and notice of any consolidation or increase of Share capital, and copies of special resolutions and a copy of the Register of Directors and notifications of any changes therein in the manner prescribed under the Act.

BORROWING POWERS

The Board of Directors may from time to time but with such consent of the Company in General Meeting as may be required under Section 180 of the Act, raise any money or any monies or sums of money for the purpose of the Company provided that the monies to be borrowed by the Company, together with the money already borrowed apart from temporary loans obtained from the Company's bankers in the ordinary course or business shall not without the sanction of the Company at a General Meeting exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say reserves not set apart for any specific purpose and in particular but subject to the provisions of Section 179 of the Act, the Board may from time to time at their discretion raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company, by the issue of debentures perpetual or otherwise including debentures convertible into Shares of this or any other Company or perpetual annuities and security of any such money so borrowed, raised, or received, 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 powers of sale of the property except uncalled capital and other powers as may be expedient and to purchase, redeem or pay off any securities.

Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated above shall specify the total amount up to which monies may be borrowed by the Board of Directors.

The Directors may by a resolution of a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a Committee of Directors or the Managing Directors if any, within the limits prescribed.

Subject to the provisions of the Act, the Board may, from time to time, at their discretion, borrow monies in such mode as the Board may deem fit.

The Board, may, out of the profits of the Company available for payment of dividend, set aside such

sums as prescribed by the Act and the Rules for the purpose of redemption of debentures which may be issued by the Company in such amounts at such premium in such manner and at such period as the Board may think expedient.

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

Without prejudice to the provisions of the above mentioned, any such debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise, and with any special privileges as to redemption, drawings, allotment of Shares of the Company appointment of Directors.

Provided that debentures, debenture-stock, bonds or other securities with the right to allotment or conversion into Shares shall not be issued except with the sanction of the Company in General Meeting.

Every person so appointed as Director under mortgage or bond or debenture trust deed or under such contract shall cease to hold office as such Director on the discharge of the same. Such appointment and provision in such document as aforesaid shall be valid and effective as if contained in these presents.

The Board shall cause a proper register to be kept, in accordance with the Act, or all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified and otherwise.

Where any uncalled capital of the Company is charged, all persons taking any subsequent charge there on shall take the same subject to such prior charge and shall not be entitled, by notice to the Shareholders or otherwise to obtain priority over such prior charge.

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

PROCEEDINGS OF THE BOARD

The Board of Directors may meet for the conduct of business from time to time and shall so meet at least once in every three months and at least four such meetings shall be held in every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board and may adjourn and otherwise regulate its meetings, as it deems fit.

Any Director may, at any time summon a meeting of the Board, and Secretary or any person authorised by the Board in this behalf, on the requisition of a Director, shall convene a meeting of the Board in consultation with the Chairman or in his absence, the Managing Director or in his absence, the Whole-time Director.

A meeting of the Board shall be called by giving not less than seven days' notice in writing to every Director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means.

Provided that a meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one Independent Director shall be present at the meeting. In case of absence of Independent Directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the Directors and shall be final only on ratification thereof by at least one

Independent Director.

The participation of Directors in a meeting of the Board may be either in person or through video conferencing or audio visual means, as may be prescribed by the Rules or permitted under law.

The quorum for a Board meeting shall be one-third of its total strength or two Directors, whichever is higher, and the participation of the Directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum as provided in the Act.

Where at any time the number of interested Directors as specified under Section 184 of the Act is equal to or exceeds two-thirds of the total strength of the Board, the number of Directors who are not interested Directors and present at the meeting, being not less than two, shall be the quorum during such time.

For the purpose of this Article, 'total strength' shall not include Directors whose places are vacant.

Where a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned to the same day at the same time and place in the next week or if that day is a national holiday, till the next succeeding day, which is not a national holiday, at the same time and place.

The Directors may from time to time elect a Chairman and a Vice-Chairman of the Board.

All the meetings of the Directors shall be presided over by the Chairman if present, but if any meeting of Directors the Chairman be not present at the time appointed for holding the same, the Vice-Chairman, if present shall preside and if he be not present at such time or is unwilling to act as a Chairman then the Directors shall choose one of the Directors then present to preside at the meeting.

Save as otherwise expressly provided in the Act, a meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Articles of the Company for the time being vested in or exercisable by the Directors generally and all matters arising at any meeting of the Board shall be decided by a majority of votes.

In case of an equality of votes, the Chairman of the Board, if any, shall have a second or casting vote.

The Board may delegate any of their powers to Committees (subject to the provisions of the Act) consisting of such number or numbers of their body as they think fit and they may from time to time revoke or discharge any such Committee either wholly or in part, and either as to persons or purposes.

The participation of Directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means, as may be prescribed by the Rules or permitted under law.

A Committee may elect a Chairman of its meetings unless the Board, while constituting a Committee, has appointed a Chairman of such Committee.

If no such Chairman is elected, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting, the Members present may choose one of their Members to be Chairman of the meeting.

A Committee may meet and adjourn as it thinks fit.

Matters arising at any meeting of a Committee shall be determined by a majority of votes of the Members present unless otherwise stated in the Act.

In case of an equality of votes, the Chairman of the Committee shall have a second or casting vote.

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

Subject to the provisions of the Act, a resolution in writing, signed, whether manually or by electronic mode or approved electronically through e-mail or any other permitted mode, by a majority of the Members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.

The Board shall cause minutes of the meetings of the Board of Directors and of Committees of the Board to be duly entered in a book or books provided for the purpose in accordance with the relevant provisions of Section 118 of the Act. The minutes shall contain a fair and correct summary of the proceedings at the meeting including the following:

- (a) the names of the Directors present at the meetings of the Board of Directors or of any Committee of the Board;
- (b) in the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from or not concurring in the resolution.

All such minutes of the meetings of the Directors, or of any Committees shall be signed by the Chairman of such meeting or the Chairman of the next succeeding meeting and all the minutes purported to be so signed shall for all purposes whatsoever be prima facie evidence of the actual passing of the resolutions recorded.

The Chairman of the Meeting may exclude at his absolute discretion such of the matters as are or would reasonably be regarded as defamatory of any person, irrelevant, or immaterial to the proceedings or detrimental to the interests of the Company.

DIVIDENDS AND RESERVE

The Company in General Meeting may subject to Section 123 of the Act declare dividends to be paid to Members, but no dividend so declared shall exceed the amount recommended by the Board.

Subject to the provisions of the Act, the Board may from time to time declare/pay to the Members such interim dividends of such amount on such class of Shares and at such times as it may think fit.

Dividend shall be declared or paid by a Company for any financial year:

- (a) out of the profits of the Company for that year arrived at after providing for depreciation in accordance with the provisions of this Act, or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with the provisions of that Sub-Section and remaining undistributed, or out of both; or
- (b) out of money provided by the Central Government or a State Government for the payment of dividend by the Company in pursuance of a guarantee given by that Government.

Where, owing to inadequacy or absence of profits in any financial year, if the Company proposes to declare dividend out of the accumulated profits earned by it in its previous years and transferred to the

reserves, such declaration of dividend shall be made subject to the fulfilment of the conditions as prescribed in the Rules.

No dividend shall be declared or paid by a Company from its reserves other than free reserves.

The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends, and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Board may, from time to time, think fit.

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

Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid up on the Shares. No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of this Article as paid on the Share.

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid, but if any Share is issued on terms providing that it shall rank for dividend as from a particular date such Share shall rank for dividend accordingly.

The Board may deduct from any dividend payable to any Member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the Shares of the Company.

The Board may retain dividends payable upon Shares in respect of which any person is, under the Articles relating to Transmission herein contained, entitled to become a Member, until such person shall become a Member in respect of such Shares.

Any dividend, interest or other monies payable in cash in respect of Shares may be paid by electronic mode or by cheque or warrant sent through the post or such other manner as may be directed by the applicable laws, directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of Members, or to such person and to such address as the holder or joint holders may in writing direct.

Every dividend shall be paid or the warrant or instrument thereof shall be despatched within the time provided in the Act except in the following cases namely:-

- Where the dividend could not be paid by reason of operation of any law;
- Where a Shareholder has given directions to the Company regarding the payment of dividend and those directions cannot be complied with and the same has been communicated to the Shareholder;
- Where there is a dispute regarding the right of the dividend;
- Where the dividend has been lawfully adjusted by the Company against any sum due to it from the Shareholder; or
- Where for any other reason, the failure to pay the dividend or to post the warrant within the period prescribed under Section 127 was not due to any default on the part of the Company.

Every such cheque or warrant, if paid in physical form, shall be made payable to the order of the person to whom it is sent.

Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

Further, in case of joint holders, dividend paid to the first holder shall be an effective discharge.

No dividend shall bear interest against the Company.

The waiver in whole or in part of any dividend on any Share by any document (whether or not under Seal) shall be effective only if such document is signed by the Member (or the person entitled to the Share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

Notice of any dividend that may have been declared shall be given in manner hereinafter mentioned to the persons entitled to the Shares therein mentioned. No unclaimed or unpaid dividends shall be forfeited by the Board.

The Board shall comply with applicable provisions of the Act in respect of any unclaimed or unpaid dividend including transfer of such dividends (and Shares thereto) thereto to the Investor Education and Protection Fund in the manner as may be prescribed from time to time.

CAPITALISATION OF PROFITS

The Company by resolution, as prescribed under the Act, in General Meeting may, upon the recommendation of the Board, resolve —

- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
- (b) that such sum be accordingly set free for distribution in the manner specified in Article below amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in Article below, either in or towards:

- a) paying up any amounts for the time being unpaid on any Shares held by such Members respectively;
- b) paying up in full, unissued Shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such Members in the proportions aforesaid;
- c) partly in the way specified in (a) and partly in that specified in (b) above.

A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus Shares.

The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

Whenever such a resolution as aforesaid shall have been passed, the Board shall -

- a) make all appropriations and applications of the amounts resolved to be capitalised thereby, and all allotments and issues of fully paid Shares or other securities, if any; and
- b) generally do all acts and things required to give effect thereto.

The Board shall have power—

- a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of Shares or other securities becoming distributable in fractions; and
- b) to authorise any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further Shares or other securities to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing Shares.

Any agreement made under such authority shall be effective and binding on such Members.

WINDING UP

Subject to the applicable provisions of the Act and the Rules made thereunder -

If the Company shall be wound up and the assets available for distribution amongst Members as such shall be insufficient to repay the whole of the paid-up capital or capital deemed to be paid-up, such assets shall be distributed so that as nearly as may be the losses shall be borne by the Members in proportion to the capital paid-up or deemed to be paid-up at the commencement of the winding up, on the Shares held by them respectively, and if in a winding up the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the capital paid-up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital paid-up or deemed to be paid-up at the commencement of the winding up on the Shares held by them respectively. Where capital is paid-up on any Shares in advance of calls upon the footing that the same shall carry interest, such capital shall be excluded and shall be repayable in full before any distribution is made on the paid-up capital or capital deemed to be paid-up together with interest at the rate agreed upon. The provisions of this Article shall be subject to any special rights or liabilities attached to any special class of Shares forming part of the capital of the Company.

If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanctions required under the Act, divide amongst the Members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.

The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no Member shall be compelled to accept any Shares or other securities whereon there is any liability.

INDEMNITY AND INSURANCE

Subject to the provisions of the Act, every Director, Managing Director, Manager, Whole-time Director, Chief Financial Officer, Company Secretary or any other officer for the time being of the Company shall be indemnified by the Company against any liability and it shall be the duty of the Board to pay out of the funds of the Company, all costs, losses and expenses (including travelling expenses) which any such officer may incur or become liable to by reasons of any contract entered into or act done, concurred in or omitted in or about the execution of his duty or supposed duty in his office and advice except such (if any) as he shall incur through his own wilful neglect or default respectively and no such officer shall be answerable for the acts, receipts, neglects or defaults of the other or others of them or for joining in any receipts for the sake of conformity or for any bankers or

other persons with whom any money or assets belonging to the Company shall or may be lodged or deposited for safe custody or for any loss, misfortune or damage which may happen in the execution of his office or advice or in relation thereto unless the same shall happen by or through his own wilful neglect or default.

Subject as aforesaid, every Director, Managing Director, Manager, Company Secretary, Chief Financial Officer or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 463 of the Act in which relief is given to him by the Court.

The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and Officers for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

- 1) Memorandum and Articles of Association of the Company as amended till date;
- 2) Fresh Certificate of Incorporation pursuant to Change of Name issued by the Registrar of Companies, Tamilnadu, Chennai dated 10th August, 2017 consequent to change of name viz. from TI Financial Holdings Limited to Tube Investments of India Limited as per Scheme of Arrangement (Demerger);
- 3) The Order dated 17th July, 2017 of National Company Law Tribunal, Chennai sanctioning the Scheme of Arrangement (Demerger) along with certified copy of the Scheme of Arrangement (Demerger);
- 4) Observation Letter issued by BSE Limited and National Stock Exchange of India Limited both dated 13th January, 2017 respectively according their “No Objection” to the Scheme of Arrangement (Demerger);
- 5) Acknowledgement copy from Registrar of Companies for filing the Scheme of Arrangement on 24th March, 2017;
- 6) Tripartite Agreement dated 14th July, 2017 amongst the Company, National Securities Depository Limited and the Registrar and Transfer Agents Karvy Computershare Private Limited;
- 7) Memorandum of Understanding dated 21st June, 2017 with Registrar and Transfer Agents Karvy Computershare Pvt. Limited for acting as Registrar and Transfer Agents;
- 8) Updated Information Memorandum;
- 9) Copy of Fairness report dated 3rd November, 2016 provided by M/s. Axis Capital Limited, Merchant Banker;
- 10) Copy of Resolution dated 3rd November, 2016 passed by the Board of Directors of the Company approving the Scheme;
- 11) In principle approval dated 6th October, 2017 received from BSE Ltd., for listing of equity shares of the Company;
- 12) In principle approval dated 13th October, 2017 received from National Stock Exchange of India Ltd., for listing of equity shares of the Company;
- 13) Relaxation under Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 granted by the Securities and Exchange Board of India vide its letter ref. no.CFD/DIL-I/NR/RK/26072/2017 dated 25th October, 2017.

Declaration

We hereby declare that all relevant provisions of the Companies Act and the guidelines issued by the Government or the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in the Information Memorandum is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or rules or regulations made thereunder or guidelines issued, as the case may be. We further certify that all the statements in the Information Memorandum are true and correct.

**ON BEHALF OF THE BOARD OF DIRECTORS
OF TUBE INVESTMENTS OF INDIA LIMITED**

S SURESH

COMPANY SECRETARY & COMPLIANCE OFFICER

Place: Chennai

Date: 30th October, 2017

COROMANDEL INTERNATIONAL LIMITED		
SUMMARY OF DISPUTED LIABILITY AS AT 31.03.2017		
		Rs. In lakhs
S NO	PARTICULARS	CONTINGENT LIABILITY
1	CENTRAL EXCISE- ISSUES UPTO MARCH 2016	601
2	CENTRAL EXCISE CURRENT YEAR 2016-17 ISSUES	22
	EXCISE ISSUES TOTAL	623
3	CUSTOMS ISSUES UPTO MARCH 2016	361
4	CUSTOMS ISSUES CURRENT YEAR 2016-17	25
	CUSTOMS ISSUES TOTAL	386
5	SERVICE TAX ISSUES UPTO MARCH 2016	189
6	SERVICE TAX ISSUES CURRENT YEAR 2016-17	1
	SERVICE TAX ISSUES TOTAL	190
7	VAT ISSUES UPTO MARCH 2016	1304
8	VAT ISSUES CURRENT YEAR 2016-17	220
	VAT ISSUES TOTAL	1524
9	INCOME TAX ISSUES UPTO MARCH 2016	630
10	INCOME TAX ISSUES CURRENT YEAR 2016-17	1381
	INCOME TAX ISSUES TOTAL	2011
	GRAND TOTAL	4,734

COROMANDEL INTERNATIONAL LIMITED		
SUMMARY OF DISPUTED LIABILITY AS AT 31.03.2016		
S NO	PARTICULARS	CONTINGENT LIABILITY
1	CENTRAL EXCISE- ISSUES UPTO MARCH 2015	1804
2	CENTRAL EXCISE CURRENT YEAR 2015-16 ISSUES	10
	EXCISE ISSUES TOTAL	1814
3	CUSTOMS ISSUES UPTO MARCH 2015	413
4	CUSTOMS ISSUES CURRENT YEAR 2015-16	0
	CUSTOMS ISSUES TOTAL	413
5	SERVICE TAX ISSUES UPTO MARCH 2015	118
6	SERVICE TAX ISSUES CURRENT YEAR 2015-16	77
	SERVICE TAX ISSUES TOTAL	195
7	VAT ISSUES UPTO MARCH 2015	1251
8	VAT ISSUES CURRENT YEAR 2015-16	129
	VAT ISSUES TOTAL	1380
13	INCOME TAX ISSUES UPTO MARCH 2015	508
14	INCOME TAX ISSUES CURRENT YEAR 2015-16	122
	INCOME TAX ISSUES TOTAL	630
	GRAND TOTAL	4,432

COROMANDEL INTERNATIONAL LIMITED
SUMMARY OF DISPUTED LIABILITY AS AT 31.03.15

S NO	PARTICULARS	CONTINGENT LIABILITY
1	CENTRAL EXCISE- ISSUES UPTO MARCH 2014	7,223
2	CENTRAL EXCISE - SABERO UPTO MARCH 2014	72
3	CENTRAL EXCISE - LPL UPTO MARCH 2014	130
4	CENTRAL EXCISE CURRENT YEAR 2014-15 ISSUES	65
	EXCISE ISSUES TOTAL	7,491
5	CUSTOMS ISSUES UPTO MARCH 2014	-
6	CUSTOMS - LUL / LPL UPTO MARCH 2014	374
7	CUSTOMS ISSUES CURRENT YEAR 2014-15	-
	CUSTOM ISSUES TOTAL	374
8	SERVICE TAX ISSUES UPTO MARCH 2014	18
9	SERVICE TAX ISSUES CURRENT YEAR 2014-15	144
	SERVICE TAX ISSUES TOTAL	162
10	VAT ISSUES UPTO MARCH 2014	175
11	VAT ISSUES SABERO - UPTO MARCH 2014	39
12	VAT ISSUES LPL - UPTO MARCH 2014	
13	VAT ISSUES CURRENT YEAR 2014-15	1,077
	VAT ISSUES TOTAL	1,291
14	INCOME TAX ISSUES UPTO MARCH 2014 (+ LPL)	-
15	INCOME TAX ISSUES CURRENT YEAR 2014-15 (+ LPL)	245
16	INCOME TAX ISSUES UPTO MARCH 2014 SABERO	593
	INCOME TAX ISSUES TOTAL	838
	TOTAL	10,154

EID PARRY (India) LIMITED

Summary of disputed liability

Details of material litigations direct and indirect taxes in the past 3 years: -

SI No.	Particulars	Financial year	Amount (Rs. In lacs)
1	INDIRECT TAXES	2014-15	5913.75
		2015-16	5806.65
		2016-17	5722.12
		TOTAL	17442.52
2	DIRECT TAXES	2014 – 15	3917.72
		2015 – 16	4684.28
		2016- 17	4941.83
		TOTAL	13433.83

CARBORUNDUM UNIVERSAL LIMITED

Sl. No.	Name of the Parties	Court	Nature of Case	Claim Amount (Rs. in lakhs)	Status
1	KSEB & State of Kerala	Supreme Court	Challenging the levy of royalty at 10% of Tariff for controlled release of water at Maniyar	1579 lakhs	Pending
2	TANGEDCO	Madras High Court	TANGEDCO has issued a demand notice for Rs. 1384713/- towards withdrawal of the deemed demand benefit at Hosur Plants. Hence CUMI filed this W.P to stay the demand notice.	13.85 lakhs	Pending
3	Union of India & 3 others	High Court of Gujarat	The State and the Central Government demands royalty on bauxite at OKHA Plant at higher rates	552 lakhs	Orders reserved
4	M/s Pacific International Lines Pvt. Ltd. ('PIL') - Vs - BDP India Pvt Ltd ('BDP') and CUMI	High Court of Madras	Claim against CUMI for destruction of goods during transit due to non- disclosure of such flammable chemicals	140 lakhs	Pending for conciliation proceedings

Tax Disputes

Name of Statute	Nature of dues	Forum where dispute is	Period to which the amount	Amount involved	Amount unpaid
Central Sales Tax Act, 1956, Local Sales Tax Laws of various States	Sales Tax	Commissioner of Sales Tax (Appeals)	2000 - 2001 2004 - 2008 2011 - 2015	26.68	17.75
		Sales Tax Appellate Tribunal	1995 - 1997 2000 - 2003	4.92	1.36
		Madras High Court	1989 - 1990	0.47	0.47
Central Excise Act, 1944	Excise Duty	Commissioner of Central (Appeals)	1999 - 2000 2009 - 2010 2011 - 2012	1.09	0.58
		Kerala High Court	1986 -1987	0.95	0.95
		The Customs, Excise & Service Tax Appellate Tribunal	1991 - 1992 1993 - 1994 1995 - 1996 1998 - 2003	2.80	1.66
Service Tax Act, 1994	Service Tax	Commissioner of Central (Appeals)	2010 - 2011	0.03	0.01
		The Customs, Excise & Service Tax Appellate Tribunal	2004 - 2008	2.86	2.31

CHOLAMANDALAM INVESTMENTS AND FINANCE COMPANY LIMITED
CASES RELATING TO CIVIL/CRIMINAL /CONSUMER FORM

Sl. No.	Year	Name of the Parties	Court	Nature of Case	Case No.	Claim Amount (Rs. in Cr)	Status	No. of cases
1	2014-2015	Customer/employee/3 rd party	Civil/Criminal/Consumer forum	civil/criminal	NA	15.95	Live/Closed	1038
2	2015-2016	Customer/employee/3 rd party	Civil/Criminal/Consumer forum	civil/criminal	NA	22.17	Live/Closed	1501
3	2016-2017	Customer/employee/3 rd party	Civil/Criminal/Consumer forum	civil/criminal	NA	25.73	Live/Closed	1464

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED

TAX LITIGATION STATUS WITH CONTINGENT LIABILITY

Income Tax

Rs in crore

Particulars	Contingent Liability March 15	Contingent Liability- March 16	Contingent Liability- March 17	Appeal pending Forum
Withdrawal from Securities Premium treated as revenue receipt (AY 2009-10 Reassessment)	-	109.97	109.97	CIT(A)
Excess Interest Spread on securitization / assignment of receivables considered as taxable income on upfront basis instead of the financial years over which it accrues (AY 2012-13 & AY 2014-15)	8.76	8.76	42.01	CIT(A)
Disallowance u/s 14 A-Expenditure incurred in relation to Exempt Income (AY 2008-09 to 2013-14)	13.8	17.57	17.24	CIT(A)
Depreciation on improvements in leasehold premises allowed at 10% instead of 100% (AY 2008-09 to 2010-11 & 2013-14)	5.43	8.19	6.60	A O
Depreciation on Windmill allowed @50% instead of 100% (AY 1997-88 & AY 1998-99)	4.12	4.12	4.12	A O
Ancillary borrowing charges claimed on payment basis disallowed (AY 2011-12 to 2013-14)	10.57	11.09	11.09	CIT(A)
TDS claim partly disallowed (AY 2009-10 to 2014-15)	-	-	4.39	A O
Disallowance of capital loss on sale of stake in AMC (AY 2010-11)	3.96	3.96	3.96	CIT(A)
Actual Forex loss (FCNR borrowing) loss treated as speculative loss (AY 2013-14)	-	2.03	2.03	CIT(A)
Other items (3 Assessment years)	1.88	2.06	1.79	CIT(A)
Interest (6 Assessment years)	4.28	106.98	105.30	CIT(A)
Total	52.8	259.80	308.50	

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED

SERVICE TAX

Rs in crore

Particulars	Contingent Liability- March 15	Contingent Liability- March 16	Contingent Liability- March 17
Service tax levied on Additional Interest (Late payment/ delayed payment charge) – 2011–12 to 2014-15 Appeal filed before CESTAT	-	-	81.90
Service tax levied on Interest income – Apr 2005 to June 2012 Appeal filed before CESTAT	-	-	51.33
Service tax levied on fee income – reimbursement of expenses (Cheque bounce charges, field visit charges etc..) Apr 2005 to June 2012 Appeal filed before CESTAT	-	-	2.57
Other items (2 cases) Appeal filed before CESTAT and Commissioner for 1 case each.	-	-	1.13
Total			136.93

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED

VALUE ADDED TAX

Rs in crore

Particulars	Appeal pending in Forum	Contingent Liability- March 15	Contingent Liability- March 16	Contingent Liability- March 17
<u>VAT on Sale of Repossessed Vehicle</u>				
Tamil Nadu (Jan 2006 to June 2014)	TNSTAT	20.95	11.92	12.57
Rajasthan (April 2006 to June 2014)	High Court	1.75	1.01	1.01
Karnataka (April 2007 to March 2014)	KSTAT	5.10	0.55	0.55
Odisha (April 2007 to March 2014)	OSTAT	4.25	2.12	2.12
Maharashtra (April 2008 to March 2011)	Asst.Comm	-	-	2.02
<u>Others</u>				
Tamil Nadu (1995-96 – TNGST & GST) Sales Tax on Inter State hire purchase and Import transactions	High Court	9.99	9.99	9.99
Bihar/Gujarat/Delhi(1991-1995) Sales tax on interstate hire purchase transaction	Tribunal	0.16	0.16	0.16
Total		42.2	25.75	28.42

SHANTHI GEARS LTD

LITIGATION STATUS FOR THE LAST 3 YEARS

Sl.No	Party Name	Nature of Dispute	Amount Involved	Current status
1	EDAC Engineering Ltd Chennai	Non execution of contract Liquidated damage claimed by the EDAC	Rs.55.61 Lakhs	Writ petition filed at Madras High Court to set aside Sole arbitrator's award
2	MIDFIELD INDUSTRIES LTD HYDERABAD	Non payment of dues for supply of gears Civil suit filed	Rs.8.16 Lakhs	Suit filed posted for next hearing 13.11.2017 Amount provided for fully
3	Seven Contract Workers	Petition for reinstatement of employment with back wages from the Year 2009 onwards	Wages from the year 2009 onwards	All seven contract workers withdrawn cases voluntarily. Four of them on 5th May, 2015 and 3 of them on 12th December, 2015 Cases closed
4	Mr.A.Subbian	Petition for reinstatement of employment with back wages from the Year 2009 onwards	Wages from the year 2009 onwards	Opposite party withdrawn the case voluntarily Case Closed
5	M.M.Nagarajan	Petition for reinstatement of employment with back wages from the Year 2006 onwards	Wages from the year 2006 onwards	Withdrawn voluntarily on 14th September, 2015 Case Closed
5	Millennium Industries Hyderabad	Cheque bounce case Petition filed under section 138 of Negotiable Instruments Act	Rs.,3.34 Lakhs onwards	Case field at Judicial Magistrate Court Coimbatore Attended 2 hearings. Transferred to Fast Track Court
6	Techno Machine Tools Hyderabad	Cheque bounce case Petition filed under section 138 of Negotiable Instruments Act	Rs. 9.98 Lakhs	Case field at Judicial Magistrate Court Coimbatore Attended 2 hearings. Transferred to Fast Track Court
7	SLB Engineers P Ltd Hyderabad	Advocate Notice issued for filing civil suit to recover the dues pending on account of supply of materials	Rs. 7.62 Lakhs	Opposite party filed petition for permanent injunction to enter their premises at LB Nagar, Ranga Reddy District Court. Next Hearing posted on 06.11.2017
8	Gallium Industries Ltd Faridabad	Received notice from Insolvency Professional about Corporate Insolvency process	Rs. 9.78 Lakhs	Approaching the party for collection of money
9	Central Excise	Dispute about excise duty on inter-unit transit of Machinery	Rs. 76.00 Lakhs	Tribunal returned the case to Commissioner of Excise
10	Income Tax	Demand on Dividend distribution tax	Rs. 3 Lakhs	Pending before IT Dept

COROMANDEL ENGINEERING COMPANY LIMITED - Litigation against the Company

(In Lakhs)

Year	Name of the Parties	Court	Nature of Case	Case No.	Claim Amount (Rs. in lakhs)	Status
2015-16	Mrs.Jagadeeswari & Mr. Sundarajan Vs CEC	Addl. Dist. Munsiff Court, Alandur	Litigation in Comman Land - Coral Cascade Project	OS NO. 150/2015	-	Under process

COROMANDEL ENGINEERING COMPANY LIMITED

Sl. No.	Appeal No.	Asst. Year	Particulars of Additions / Disallowances	Amount (Rs. L)	Tax/ Int.	Co./ Dept
						Appeal
<u>2014-15</u>	A/86/2011-12	2006-07 & 2007-08	Appeal before AC - Appeals (Andhra Pradesh - VAT)	43.42	20.27	Company Appeal - Under Progres
<u>2014-15</u>	RP/J1/110/2014	2012-13	Appeal before Joint Commissioner (Tamil nadu - VAT)	2.99	1	Company Appeal - Under Progress
<u>2014-15</u>	AA(ET)50/2014-15 & AA (VAT)/2014-15	2011-12 to 2012-13	Appeal before Dy. Commissioner (Odisha - VAT)	34.93		Company Appeal - Partly Allowed & Partly Dismissed
<u>2015-16</u>	32/2016	2013-14 & 2014-15	Appeal before Commissioner (Service Tax)	9.36		Company Appeal - Under Progress
<u>2015-16</u>	C NO. IV/ 09/376/2013-STC/ADJ	2008-09 & 2009-10	Appeal before Commissioner (Service Tax)	90.55		Company Appeal - Allowed in our Favour
<u>2016-17</u>	33118 to 33126 / 2016	2006-17 to 2015-16	Madras High Court - Writ Appeal (Sales Tax)	1109.66	1109.66	Company Appeal Allowed in our favour

1290.91

COROMANDEL ENGINEERING COMPANY LIMITED - Litigation against the Company

(In Lakhs)

Year	Name of the Parties	Court	Nature of Case	Case No.	Claim Amount (Rs. in)	Status
<u>2015-16</u>	Mrs.Jagadeeswari & Mr. Sundarajan Vs C	Addl. Dist. Munnsiff C	Litigation in Comman Land - Coral Cascade Project	OS NO. 150/2015	-	Under process

CHOLAMANDALAM MS GENEAL INSURANCE CO LIMITED - CORPORATE

Sl.No.	Name of the other Party	Court	Nature of Case	Case No.	Claim	Status
1	Shivrajkunver S Jadeja	Dist Consumer Forum	Civil	CC/14/99	a) Interest @18% on Rs. 5,614/- from 23/10/2013 until the matter is decided, 2) Rs.15,000/- for improper/inadequate services 3) Rs.25,000/- towards mental agony	For Counter
2	Ramchandra Chowdhary	District consumer Forum	Civil	1398/2013	a) Interest @18% on Rs.2381/- b) Rs.2,50,000/- towards harassment , c) Rs.2,00,000/- towards the damage caused for riding the vehicle without valid insurance policy. e) Rs.21,000/- towards the litigation expenses & other related expenses.	For Arguments
3	K.J. Vincent Pious and others	Dist Consumer Forum	Civil	CC/247/2015	Rs.10,00,000/- jointly between Chola MS & SIB towards deficiency of services	Reserved for Order
4	State of Bihar	Sessions court	Criminal	70/2015	Amount not quantifiable.	Chargesheet to be filed
5	G Krishnakutty	Dist Consumer Forum	Civil	553/2015	Rs.54,000/- towards compensation	For further Evidence
6	Central Bank of India & others	HC, Madya Pradesh - Jabalpur Bench	PIL	1353/2016	Amount not quantifiable. Penalty if any would be on shared basis between Chola MS & CBI.	To be listed
7	Bharat Singh	ACJM	Criminal	660C/14	Amount not quantifiable.	For filing quash petition in HC, Patna
8	Ramashankar Gupta	High Court	Civil	23/2016	Amount not quantifiable. Penalty if any would be on shared basis between Chola MS & Other Insurance Cos.	To be listed
9	P Murugan	City Civil Court	Civil	1080/2015	Rs.894554/- with an interest @18% from the date of the date of the plaint i.e 14.2.2015	For evidence
10	State of Bihar & others	High Court	Civil	11/2015-16	Amount not quantifiable. Penalty if any would be on shared basis between Chola MS & Other Insurance Cos.	To be listed
11	M Sultan	Dist Consumer Forum	Civil	CC/108/2017	Rs.2lacs towards the loss incurred, Rs. 1 lac towards mental agony and cost of litigation	Adjourned
12	Writ Petition against all insurance Cos. for not having office at the region	High Court	Civil	WP(c)(P14) No. 04/2017	Amount not involved	To be listed
13	Malay Das	Dist Consumer Forum	Civil	117/2017		Chola MS is performa party
14	Neelam Patel	Dist Consumer Forum	Civil	CC/196/2017	Rs.5,20,175/- tpwrads repairing charges, Rs. 5000/- towards towing charges, Rs.1lac towards mental harassment and an interest @ 10% w.e.f 2.10.2016	WS to be filed
15	SANJAY KUMAR SAHU	Dist Consumer Forum	Civil	CC/278/2017	Rs.30,000/- towards physical harassment, Rs.50,000/- towards financial loss, Rs.5000/- towards cost of litigation, Rs.10000/- towards Advocate fees.	WS to be filed
16	K Sridevi	DRT	Civil	SA 169/17	Not quatifiable	Chola MS is performa party
17	Niyazuddin Riyazuddin	Dist Consumer Forum	Civil	CC/15/2017	Rs.50,000/- towards losses suffered, Rs.40,000/- towards mental harassment, Rs.10000/- towards cost of lotigation	WS to be filed

Note:- The above claim amount/s is subject to change based on merits/ demerits/courts views'/precedents & such other parameters

CHOLAMANDALAM MS GENEAL INSURANCE CO LIMITED - CLAIMS

Sl. No.	Name of the Parties	Court	Nature of Case	Case No.	Claim Amount (Rs. in lakhs)	Status
1	vivek singh vs Arindam chattergee	JM 1s class	Criminal - 200 Cr.P.C	C/1-1175/2015	NA - Criminal Proceedings	Appearance
2	state of Bihar vs navin kumar	session court	Criminal - 200 Cr.P.C	144/2017	NA - Criminal Proceedings	Moved to high court for quashing the FIR
3	Bharat singh vs MD,Akhileshwar akela & santosh kumar	ACJM	Criminal - 200 Cr.P.C	660c/2014	NA - Criminal Proceedings	Moved to high court for stay order
4	Nardev Singh	Civil Court Narnaul	Civil court	1343/13	Not mentioned in the complaint Copy	11.11.2017 for final arguments
5	Varun Agrawal	Civil Court Tis Hazari	Civil court	1264/15	2603354	15.11.2017 for Petitioner Evidence.
6	Najeeb	Civil Court Manjer	Civil court	66/15	1000000	posted for evidence of petitioner on 20/10/2017
7	Harpal Singh	Civil Court Ambala	Civil court	NA	Not mentioned in the complaint Copy	08.11.2017 for consideration over deletion application.
8	Nitin Agrawal	Civil Court Bilaspur	Civil court	419/15	418325	12/10/2017-For order on our application for deleting name of Chola MS from this proceeding
9	Tirupati Rao & Co	Civil Court Hyderabad	Civil court	449/10	34941000	Further Evidence
10	Alkyl Amines Chemicals Ltd	Civil Court Panvel	Civil court	175/12	4032752	Filing chief affidavit of plaintiff
11	JAGDISH	Civil Court Ujjain	Civil court	008/14	194500	cross examination & next hearing date 26/10/17
12	VINESH KADAMKANT CHHAYA	Civil Court Rajkot	Civil court	084/16	400000	Written statement
13	Kathiravan	Civil Court Chennai	Civil court	2201/16	250010	Counter
14	SMA Mohammed Saleem	Civil Court Chengalpattu	Civil court	49/15	5000000	Counter
15	Amod stampings private limited	Civil Court Chennai	Civil court	366/12	43100414	Counter
16	GUJARAT ENERGY TRANSMISSION CORPORATION LIMITED	Civil Court Vadodara	Civil court	13/17	450000	Appearance
17	BUILDERS & CARRIERS	Civil Court Guwahati	Civil court	390/15	8100000	For Preliminary hearing (10-11-2017)
18	Varsha Devi	Civil Court Rewari	Civil court		Not mentioned in the complaint Copy	The case was put up for appearance on 03.08.17. Further dates have not been updated.
19	Raj Petro Specialities P Limited	Civil Court Chennai	Civil court	135/10	9950000	Counter

CHOLAMANDALAM MS GENEAL INSURANCE CO LIMITED - CLAIMS

Sl. No.	Name of the Parties	Court	Nature of Case	Case No.	Claim Amount (Rs. in lakhs)	Status
20	Vinod Kumar Goyal	Civil Court Delhi	Civil court	154/17	1000000	The case was put up for appearance on 27.09.17. Further dates have not been updated.
21	Khairul islam	Civil Court Kamrup	Civil court	365/17	374446	For Service Report (17-11-2017)
22	K. Lalpari	Senior Civil Judge, Kolasib, Mizoram	CIVIL	03/2015	218170	For Written Statement (24-10-2017)
23	DHALL ENTERPRISES AND ENGINEERS PVT LTD VS CHOLA MS	City civil Court	Civil	1478/2015	8161607	Appearance
24	JAGABANDHU DASH VS AJAYA KEJREWAL & OTHERS	CIVIL JUDGE (SENIOR DIVISION)	CIVIL	CS-234/2012	258570	Further evidence
25	Babulal C Sanghvi Vs Universal Logistic and others	High Court	Civil	CS 468/2010	Plaint copy not served	16/06/17 next date not mentioned
26	Vijayakumar Vs cholaMS GIC and 6 others	JM 1s class	Sec 154 of CrPC	FIR no 881/2017	NA - Criminal Proceedings	About to move HC
27	Mega Bluemetals Vs Cholamandalam Ms General Insurance company	Madras High court Madurai Bench	Writ Petition	WP(MD) No 3617/16	NA - WP	Yet to be listed
28	Nixon Vs RTO	HC, Kerala	Writ Petition	WP 8147/2017	NA - WP	Case admitted , Not yet listed for hearing
29	Kristfin Vs BSNL, Chola MS Delhi, IRDA, TRAI	HC, Kerala	Writ Petition	WP29683/2009	NA - WP	Case admitted , Not yet listed for hearing
30	Sivaprasada vs Insurance Ombudsman , Grievanace Cell CholaMS, Chola MS GIC, Union of India	HC, Kerala	Writ Petition	WP 19710/2013	NA - WP	Case admitted , Not yet listed for hearing

CHOLAMANDALAM MS GENERAL INSURANCE COMPANY LTD - INCOME TAX - DETAILS OF APPEALS PENDING AS ON 30-SEP-2017

Sl.No.	Appeal No.	AY	Appeal Pending before	Description of issues in appeal	Disputed Amount - Rs. Lakhs	Tax / Interest - Rs. Lakhs	Company / Department Appeal
1	Various	2003-04	ITAT, Chennai	1. RI Ceded to foreign reinsurers 15% disallowed 2. Depreciation on UPS restricted to 15% 3. u/s 115JB - Applicability of MAT & addition of UPR for MAT computation	52.40	19.26	Both Company & Department Appeals
3	Various	2004-05	ITAT, Chennai	1. RI Ceded to foreign reinsurers 15% disallowed 2. Depreciation on UPS restricted to 15% 3. u/s 115JB - Applicability of MAT & addition of UPR for MAT computation	193.86	69.55	Both Company & Department Appeals
4	Various	2005-06	ITAT, Chennai	1. RI Ceded to foreign reinsurers - Non DTAA countries 100% disallowed 2. Depreciation on UPS restricted to 15% 3. u/s 115JB - Applicability of MAT & addition of UPR for MAT computation	558.73	204.46	Both Company & Department Appeals
5	Various	2006-07	ITAT, Chennai	1. RI Ceded to foreign reinsurers 15% disallowed 2. Depreciation on UPS restricted to 15% 3. u/s 115JB - Applicability of MAT & addition of UPR for MAT computation 4. Disallowance of exemption claimed under Sec. 10(23G)	805.47	271.12	Both Company & Department Appeals
6	Various	2007-08	ITAT, Chennai	1. RI Ceded to foreign reinsurers 15% disallowed 2. Depreciation on UPS restricted to 15% 3. u/s 115JB - Applicability of MAT & addition of UPR for MAT computation	709.66	238.87	Both Company & Department Appeals
7	Various	2008-09	ITAT, Chennai	1. RI Ceded to foreign reinsurers 15% disallowed 2. Depreciation on UPS restricted to 15% 3. u/s 115JB - Applicability of MAT & addition of UPR for MAT computation	1,838.42	624.88	Both Company & Department Appeals
8	Various	2008-09 - reopened Assessment	CIT (Appeals)	1. IBNR/IBNER provision disallowed 2. Disallowance of payments to preferred Motor Dealers 3. Payments to TPAs - Disallowance u/s 40(a)(ia)	6,020.48	2,046.36	Company Appeal
9	Various	2009-10	ITAT, Chennai	1. RI Ceded to foreign reinsurers 15% disallowed 2. Depreciation on UPS restricted to 15% 3. u/s 115JB - Applicability of MAT & addition of UPR for MAT computation	10,361.10	3,521.74	Both Company & Department Appeals
10	58/2014-15	2009-10 - reopened Assessment	CIT (Appeals)	1. Disallowance of excess UPR than in Books of Accounts 2. Depreciation on LMV restricted to 15% instead of 50%	37.56	12.77	Company Appeal
11	Various	2010-11	CIT (Appeals)	1. RI Ceded to foreign reinsurers - 100% disallowed 2. Depreciation on UPS restricted to 15% 3. IBNR/IBNER provision disallowed 4. u/s 115JB - Applicability of MAT & addition of UPR for MAT computation. 5. Disallowance under Sec. 14A 6. Depreciation on LMV restricted to 15% instead of 50% 7. Disallowance of Contingency Risk Reserve	11,609.12	3,945.94	Company Appeal
12	25/2014-15	2010-11 - reopened Assessment	CIT (Appeals)	1. Payments to Motor Dealers disallowed. 2. Payments to TPAs - Disallowed u/s 40(a)(ia) 3. Depreciation on LMV restricted to 15% instead of 50%	2,812.66	956.02	Company Appeal
13	16/2015-16	2011-12	CIT (Appeals)	1. RI Ceded to foreign reinsurers - 100% disallowed 2. Depreciation on UPS restricted to 15% 3. IBNR/IBNER provision disallowed 4. Payments to Motor Dealers Disallowed 5. Payments to TPAs - Disallowed u/s 40(a)(ia) 6. u/s 115JB - Applicability of MAT & addition of UPR for MAT computation. 7. Disallowance under Sec. 14A 8. Depreciation on LMV restricted to 15% instead of 50%	5,507.28	1,829.41	Company Appeal
14	29/2016-17	2012-13	CIT (Appeals)	1. RI Ceded to foreign reinsurers - 100% disallowed 2. Depreciation on UPS restricted to 15% 3. IBNR/IBNER provision disallowed 4. Payments to Motor Dealers Disallowed 5. Payments to TPAs - Disallowed u/s 40(a)(ia) 6. u/s 115JB - Applicability of MAT & addition of UPR for MAT computation. 7. Disallowance under Sec. 14A 8. Depreciation on LMV restricted to 15% instead of 50%	8,108.60	2,630.84	Company Appeal
15	Online Appeal Ack No. 607192861310117 dated 31-01-2017	2013-14	CIT (Appeals)	1. RI Ceded to foreign reinsurers - 100% disallowed 2. Depreciation on UPS restricted to 15% 3. IBNR/IBNER provision disallowed 4. Payments to Motor Dealers Disallowed 5. Payments to TPAs - Disallowed u/s 40(a)(ia) 6. u/s 115JB - Applicability of MAT & addition of UPR for MAT computation. 7. Disallowance under Sec. 14A 8. Depreciation on LMV restricted to 15% instead of 50%	28,743.76	9,325.91	Company Appeal

			Total	77,359.09	25,697.11
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CHOLAMANDALAM MS GENERAL INSURANCE COMPANY LTD - SERVICE TAX RELATED CASES

S.No	Appeal No	Fin Year / Period	Pending Before	Issue Involved	Tax Impact - Rs.	Penalty - Rs.	Company Appeal / Department Appeal
1	A No.ST/47/12 Dt.25-Jan-2012.	July 2007 to March 2010	CESTAT, Chennai	Denial of CENVAT Credit on Authorised Service Stations.	596.93	596.93	Company Appeal
2	A No. ST/327 /2012 dated 31-May-2012.	Apr 2010 to March 2011	CESTAT, Chennai	Denial of CENVAT Credit on Authorised Service Stations.	196.65	50.00	Company Appeal
3	A No. ST/40679 /2013 dated 28/03/2013.	2006-07 to 2010-11	CESTAT, Chennai	Payment of ORCs to Insurance Agents - ST levied under reverse charge method.	1,228.42	1,228.42	Company Appeal
4	A No. ST/40679 /2013 dated 28/03/2013.	2006-07 to 2010-11	CESTAT, Chennai	Alleged self generation of invoices - Reversal of Input Credit	114.01	114.01	Company Appeal
5	A No. 423372016 dated 20-Oct-2016.	2005-06 to 2009-10	CESTAT, Chennai	Penalty under Sec 78 in respect of service tax on group company debit notes.	15.86	-	Company Appeal
6	A No. ST/40082/2014 dated 20-01-2014.	FY 2011-12	CESTAT, Chennai	Payment of ORCs to Insurance Agents - ST levied under reverse charge method.	130.85	-	Company Appeal
7	A No. 423432016 dated 20-Oct-2016.	FY 2008-09 to 2011-12	CESTAT, Chennai	Penalty for short remittance / wrong adjustment of input credit - S.14AA Special Audit Findings	-	17.32	Company Appeal
8	Diary No. 408252017 dated 3-May-2017	FY 2010-11 to 2014-15	CESTAT, Chennai	Denial of CENVAT credit in respect of Payments made to Preferred Motor Dealers	1,905.78	1,134.60	Company Appeal
9	Appeal filed. No. to be allotted	FY 2014-15	CESTAT, Chennai	Denial of CENVAT credit in respect of Accommodation & Cleaning Service	18.66	1.90	Company Appeal
				Total	4,207.14	3,143.17	

PARRY SUGAR REFINARY INDIA PRIVATE LIMITED

Details of material litigations direct and indirect taxes in the past 3 years: -

Particulars	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015
	INR Lakhs	INR Lakhs	INR Lakhs
Disputed Income Tax demand which is under appeal at Income tax Appellate Tribunal (entire amount has been paid under protest).*	170.68	170.68	--
Disputed Customs Duty demand which is under appeal * * Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.	874.00	--	--

