



# 32<sup>nd</sup> Annual Report



Wheelabrator Pass-Through Shot Blast machine installed at JCB India

# Key Installations



DISAMATIC C3-150 at  
Om Metal Cast



DISA MATCH 24/28  
at Ashta Liners



DISA FLEX 90 at Atul



Wheelabrator DRT Shot Peening  
Machine at Avtec



DISA Dust Extraction  
System at Walton



DISA Fume Extraction  
System at Sesa Goa

We are **Norican**

DISA | Italpresse | Gauss | StrikoWestofen | Wheelabrator

**BOARD OF DIRECTORS**

ROBERT E JOYCE JR - Chairman (upto 21.06.2017)  
ANDREW THOMAS CARMICHAEL - Chairman (w.e.f. 21.06.2017)  
DEEPA HINGORANI  
SANJAY ARTE  
SHYAMAL KUMAR SINHA  
VIRAJ NAIDU - Managing Director (upto 25.05.2017)  
LOKESH SAXENA - Managing Director (w.e.f. 21.06.2017)

**CHIEF FINANCIAL OFFICER**  
**COMPANY SECRETARY**

AMAR NATH MOHANTY  
G. PRASANNA BAIRY

**BANKERS**

KOTAK MAHINDRA BANK LTD  
HDFC BANK LTD.

**REGISTRARS**

Integrated Registry Management Services Private Limited  
30, Ramana Residency,  
Ground Floor,  
IV Cross, Sampige Road,  
Malleswaram,  
Bangalore - 560 003.  
Ph: +91 80 23460815/816  
E-mail : irg@integratedindia.in

**REGISTERED OFFICE**

5th Floor, Kushal Garden Arcade  
1A, Peenya Industrial Area,  
Peenya 2nd Phase  
Bangalore 560 058  
Ph: +91 80 4020 1400 to 04

**STOCK EXCHANGE**

BSE Ltd.  
Mumbai

**AUDITORS**

Deloitte Haskins & Sells  
Bangalore

**SOLICITORS**

Chander Kumar & Associates  
Bangalore

**INTERNAL AUDITORS**

M.K. Dandekar & Co.  
Chennai

**SECRETARIAL AUDITOR**

Vijayakrishna KT  
Bangalore



## NOTICE

NOTICE is hereby given that the Thirty Second Annual General Meeting of DISA India Limited will be held at Hotel Vivanta by Taj, Yeshwanthpur, Bangalore - 560 022 at 11.00 Hrs on Friday, the 11th day of August, 2017 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2017, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Andrew Thomas Carmichael (DIN: 03634151), who retires by rotation at this Annual General Meeting and being eligible, offers himself for reappointment.
3. To declare a Dividend of Rs. 2.50/- per Equity Share of Rs. 10/- each (25%) for the financial year ended March 31, 2017.
4. To ratify the appointment of Statutory Auditors of the Company:  
To consider and if thought fit, to pass, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the resolution passed by the Members of the Company at the 30th Annual General Meeting held on August 06, 2015 and pursuant to provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014, [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], consent of the Members of the Company be and is hereby accorded for ratification of the appointment of Messrs Deloitte Haskins & Sells, Chartered Accountants, (FRN 008072S), to hold office from the conclusion of Thirty-Second Annual General Meeting until the conclusion of Thirty-Third Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to applicable taxes and re-imbursement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company."

### SPECIAL BUSINESS:

5. Ratification of remuneration of Cost Auditors:  
To consider, and if thought fit, to pass, the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof], Messrs. Rao, Murthy & Associates, Cost Accountants, Bangalore (Reg. No.000065), appointed as Cost Auditors of the Company for conducting the cost audit of the accounts and records for the financial year ended March 31, 2017 with a remuneration of Rs.1,50,000/- (Rupees One Lakh Fifty Thousand only) plus applicable taxes and reimbursement of out of pocket expenses, at actuals, as approved by the Board of Directors, be and is hereby ratified."
6. Appointment of Mr. Lokesh Saxena (DIN: 07823712) as a Director of the Company:  
To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 160 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof], Mr. Lokesh Saxena (DIN: 07823712), who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on June 21, 2017 in terms of Section 161(1) of the Companies Act, 2013 and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company and whose period of office shall not be liable to determination by retirement by rotation."

7. Appointment of Mr. Lokesh Saxena (DIN: 07823712) as Managing Director of the Company:

To consider and if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the consent of the Shareholders be and is hereby accorded to the appointment of, and remuneration payable to, Mr. Lokesh Saxena (DIN: 07823712), as the Managing Director of the Company for a period of three years with effect from June 21st, 2017 to June 20th, 2020 upon the terms and conditions recommended by Nomination and Remuneration Committee and approved by the Board and subject to Central Government approval, if required, on such terms and conditions as set out below:

- I. Basic Salary:

With effect from	Basic Salary per month
21st June, 2017	Rs. 2,71,000/- (Rupees Two Lakhs Seventy One Thousand only) per month with such changes annually, as may be decided upon.

- II. House Rent Allowance:

Not exceeding 50% of basic salary. House rent allowance will be Rs. 1,35,500/- (Rupees One Lakh Thirty Five Thousand Five hundred only) per month.

- III. Conveyance:

Chauffeur driven car will be provided by the Company for the performance of official duties and personal use. All expenses towards this facility will be borne by the Company.

- IV. Telephone:

A residential telephone, Laptop Computer and one Internet Service connection will be provided by the Company at its cost to facilitate the performance of duties.

- V. Other Allowance:

Other allowance will be Rs. 1,89,700/- (Rupees One Lakh Eighty Nine Thousand Seven Hundred only) per month.

VI. Medical Expenses:

Medical expenses incurred in respect of the self, spouse and two dependent unmarried children less than 21 years of age will be reimbursed to the extent that they do not receive such assistance from any other source. This will be limited to Rs. 1,250/- (Rupees One Thousand Two Hundred Fifty only) per month.

Medi-claim Policy Coverage

Eligible for Medi-claim Policy (premium paid by the Company) covering self, spouse and two dependent children less than 21 years of age as applicable to senior management personnel of the Company.

VII. Leave and Leave Travel Assistance:

Leave entitlement will be as applicable to the senior Managers of the Company. Expenses for self and Family (as defined above) of travel anywhere in India on leave will be paid/reimbursed once a year subject to a ceiling of one month's basic salary.

VIII. Provident Fund:

The Company will contribute 12% of the basic salary to the Provident Fund, as applicable to senior management personnel of the company with changes if any as may be applicable from time to time.

IX. Superannuation Fund:

The Company will contribute 15% of the basic salary to the Superannuation Fund as applicable to Senior Management Personnel of the Company with changes if any as may be applicable from time to time.

X. Gratuity:

After a continuous service of five years, eligible to receive gratuity at the rate of fifteen days basic salary per year of service, limited to a maximum of 30 years. Payment of gratuity will be as per rules and regulations of the Company as applicable to the Senior Management Personnel of the Company with changes if any as may be applicable from time to time.

XI. Reimbursement of Business Expenses:

Eligible for reimbursement of all reasonable expenses on travel, entertainment etc. legitimately incurred in the course of performance of duties.

XII. Sitting Fee:

He will not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof. He will not be liable to retire by rotation.

XIII. Variable Performance Bonus:

He will be eligible for variable performance bonus pay @ 30% of the annual fixed pay every year subject to the standard terms of Norican Annual Incentive Plan (NAIP). NAIP takes into account Group performance, Company performance in terms of Growth and margin expansion and personal objectives measured against agreed objectives for the year.

XIV. Minimum Remuneration

In the event of absence or inadequacy of profits in any Financial Year during the currency of tenure of his appointment, the entire applicable remuneration payable to Mr. Lokesh Saxena by way of Salary and perquisites mentioned above shall be paid as the Minimum Remuneration, subject to the provisions under Schedule V of the

Companies Act, 2013 as amended from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to vary the terms and conditions of appointment of Mr. Lokesh Saxena as Managing Director subject to the limits prescribed under the Schedule V of the Companies Act, 2013."

8. Alteration of the Objects Clause of the Memorandum of Association of the Company:

To consider and if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 13 of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 and other applicable provisions of the Companies Act, 2013, the Memorandum of Association of the Company be and is hereby altered in the following manner:

- a) By replacing numbering format 'I', 'II', 'III', 'IV', 'V' and 'VI' with '1st', '2nd', '3rd', '4th', '5th' and '6th' respectively to represent the various main clauses in the Memorandum of Association.
- b) 3rd (a) of the Objects Clause of the Memorandum of Association of the Company be titled as "The objects to be pursued by the company on its incorporation"
- c) 3rd (b) of the Objects Clause of the Memorandum of Association of the Company be titled as "Matters which are necessary for furtherance of the objects specified in clause 3(a)"
- d) By deleting the existing Clause III (C).
- e) By deleting the existing Clause 4 and by substituting the following new Clause 4th thereof as hereunder:

The Liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.'

RESOLVED FURTHER THAT the Board of Directors of the Company (herein referred to as the "Board" which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred by the Board by this resolution) be and is hereby authorized to take all such actions as may be necessary, desirable or expedient and to do all necessary acts, deeds and things that may be incidental or pertinent to give effect to the aforesaid resolution."

9. Alteration of Articles of Association of the Company:

To consider and if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and as warranted by the aforesaid Act, Articles of Association of the Company be and are hereby altered by deleting the existing Articles and by adopting the Articles from Table F under the said Act, with such modifications as may be applicable and relevant to the Company and as may be suggested by the Stock Exchanges in terms of the Listing Agreements executed by the Company with them, and as per the draft Articles of Association available for inspection at the Registered Office of the Company and as may be

uploaded on the website of the Company, be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

RESOLVED FURTHER THAT the new set of Articles of Association be and are hereby adopted by the shareholders to incorporate the provisions relating to the Companies Act, 2013 as below:

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### ARTICLES OF ASSOCIATION

#### OF

#### DISA India Limited

(Company Limited by Shares)

(Incorporated under the Companies Act, 1956 as amended under the Companies Act, 2013)

#### PRELIMINARY

(i) In these Articles:

"The Act" and reference to any Section or provision thereof respectively means and includes the Companies Act, 2013 and any statutory modification or re-enactment thereof for the time being in force and reference to the Section or provisions of the Act or such statutory modification.

"Affiliate" in respect of any Company, means any legal entity which, controls or is controlled by that Company, or is controlled by the same individual or entity which controls that Company. For the purposes of this definition, any entity is controlled by another entity or individual where that entity or individual owns, directly or indirectly, more than fifty percent of the shares entitled to a vote at general meetings of shareholders or has the power to cause the election of a majority of the Board of Directors of the first entity.

"Article" or "these Articles" means the Articles set out herein.

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

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

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

"Chairman" means the Chairman of the General Meetings and Board as referred to, in these Articles.

"the Company" or "the Corporation" means DISA India Limited.

"Debentures" includes Debenture Stock, Bonds and any other Securities of a Company, whether constituting a charge on the assets of the Company or not.

"Director" means a Director appointed to the Board of the Company.

"Document" includes notice, requisition, order, other legal process and registers whether issued, sent or kept in pursuance of this or any other Act or otherwise.

"Managing Director" means the Managing Director or Managing Directors of the Company for the time being.

"Dividend" includes any interim dividend.

"General Meeting" means the Annual General Meeting and Extraordinary General Meeting of the Company, as the case may be, as defined by the relevant provisions of the Act.

"Member" means a duly registered holder of Shares from time to time and includes the subscribers to the memorandum of the Company and beneficial owners as defined in the Depositories Act, 1996.

"Month" means Calendar Month.

"Non-retiring Director" means a Director not subject to retirement by rotation.

"Office" means the registered office for the time being of the Company.

"Ordinary Resolution" and 'Special Resolution' shall have the meaning respectively assigned to these terms by Section 114 of the Act.

"Paid up" includes credited as paid-up.

"Person" includes corporations as well as individuals.

"Public Holiday" means a public holiday within the meaning of the Negotiable Instruments Act 1881.

"Register of Members" means the Register of Members to be kept pursuant to the Act.

"The Registrar" means the Registrar of Companies of the State in which the Office of the Company is for the time.

"Secretary" includes a temporary or Assistant Secretary and any person or persons appointed by the Board to perform any of the duties of the Secretary of the Company in pursuance of Section 203 of the Act.

"Seal" means the common seal for the time being of the Company.

"Shareholder" means any person(s) who is a holder of any class of Shares.

"Share" means Share in the Share Capital of the Company and includes Stock except where a distinction between Stock and Shares is expressed or implied.

"Special Resolution" shall have the meaning assigned thereto by Section 114 of the Act.

"Year" means the calendar year, and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.

Words importing the masculine gender also include the feminine gender.

Words importing the singular number include, where the context admits or requires, the plural number and vice versa.

"In writing" and "written" include printing or lithography or any other modes of representing or reproducing words in visible form.

"These Presents" or the "Articles" means these Articles of Association as originally framed or as altered from time to time by Special Resolution.

The Marginal notes used in these Articles shall not affect the construction thereof.

Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

#### 1. APPLICATION OF TABLE 'F'

For the matters not provided herein, the provisions contained in Table 'F' shall apply to the Company.

## 2. PUBLIC COMPANY

The Company is a Public Company within the meaning of Section 2(71) of the Companies Act, 2013, with a minimum Paid up Capital of Rupees Five Lakhs or such higher paid up capital as may be prescribed and accordingly:

- (i) Does not restrict the right to transfer its shares;
- (ii) Does not limit the number of its members to be two hundred:

Provided further that-

- (A) persons who are in the employment of the company; and
- (B) persons who, having been formerly in the employment of the company, were members of the company while in that employment and have continued to be members after the employment ceased, shall not be included in the number of members; and

- (iii) does not prohibit any invitation to the public to subscribe for any securities of the Company;

## 3. CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

1. The Authorized Share Capital of the Company shall be such amount as stated in the Company's Memorandum from time to time, with such rights, privileges and conditions attaching thereto as may be determined by the Company in General Meeting, and if no direction be given, as the Directors may determine.
2. The Shares of the Company shall be under the Control of the Board, subject to the provisions of the Act and Articles contained herein. The Board may issue, allot, or otherwise dispose off Shares in such manner as it may deem proper.
3. The Company in General Meeting may, from time to time, by an Ordinary Resolution increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the resolution shall prescribe and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with a right of voting at General Meetings of the Company in conformity with Section 47 of the Act. Whenever the Capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 67 of the Act.
4. Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
5. Subject to the provisions of Section 55 of the Act, the Company shall have the power to issue Preference Shares which are or at the option of the Company are to be liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.
6. On the issue of Redeemable Preference Shares under the provisions of Article 7 hereof the following provisions shall take effect:
  - a) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of Shares made for the purpose of the redemption; No such Shares

shall be redeemed unless they are fully paid;

- b) The premium, if any, payable on redemption must have been provided for out of the profits of the Company or the Company's Share Premium Account before the shares are redeemed;
- c) Where any such shares are redeemed otherwise than out of the proceeds of fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called the 'Capital Redemption Reserve Account' a sum equal to the nominal amount of shares redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act, apply as if the Capital Redemption Reserve Account where paid-up share capital of the Company.

7. The Company may (subject to the provisions of Sections 52, 55 and 66 inclusive, of the Act) from time to time by Special Resolution, reduce its Capital and any Capital Redemption Reserve Account or Premium Account in any manner for the time being authorised by law, and in particular capital may be paid off On the footing that it may be called up again or otherwise. The Article is not to derogate from any power the Company would have if it were omitted.
8. Subject to the provisions of Section 61 of the Act, the Company in General Meeting may, from time to time subdivide or consolidate its shares, or any of them and the resolution whereby any share is sub-divided, may determine that, as between the holders of the shares resulting from such sub-division of one or more of such shares shall have some preference or special advantage as regards dividend, capital, or otherwise over or as compared with the others or other, Subject as aforesaid the Company in General Meeting may also cancel Shares which 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.
9. Whenever the capital, by reason of the issue Preference Shares or otherwise, is divided into different classes of shares all or any of the rights and privileges attached to each class may subject to the provisions of Section 48 of the Act be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of atleast three-fourths in nominal value of the issued shares of the class or is confirmed by a Special Resolution passed at a separate General Meeting of the holders of Shares of that class.

## 4. TRANSFER OF SHARES

The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share held in material form. Nothing contained in these Articles shall apply to transfer of securities held in Depository.

## 5. TRANSMISSION OF SHARES

- a) On the death of sole member, his nominee(s), if any, shall be the only person(s) recognized by the Company as having any title to his interest in the shares to the exclusion of succession laws applicable to the deceased member.
- b) Every member shall deliver to the Company a nomination in accordance with and subject to the Rules made by the Board.
- c) In case, the nomination is not made as provided above, it shall be deemed that a nomination has been made by the deceased

member himself, in the following order of precedence:

- a. a spouse, if any;
- b. child or children, if any, jointly;

EXPLANATION: This includes both unmarried and married children of both sexes.

### 6. NOMINATION

Equity holders of shares/Debentures may nominate a person to whom its shares in, or the debentures of the Company, shall vest, in accordance with the provisions contained in Companies Act, 2013.

### 7. SHARES IN ELECTRONIC FORM

#### (A). Definition:

'Depository' shall mean a Depository as defined under clause (e) of sub section (1) of Section 2 of the Depositories Act, 1996.

'Beneficial Owner' shall mean the beneficial owner as defined in clause (a) of sub section (1) of Section 2 of the Depositories Act, 1996.

'Shareholder' or 'Member' means the duly registered holder of the shares from time to time and includes the subscribers to the Memorandum of Association of the Company and the beneficial owner(s) as defined in clause (a) of sub section (1) of section 2 of the Depositories Act, 1996.

'SEBI Board' means the Securities and Exchange Board of India;

'Bye-laws' means bye-laws made by a Depository under Section 26 of the Depositories Act, 1996:

'Depositories Act' means the Depositories Act, 1996 including any statutory modifications or re-enactment thereof for the time being in force:

'Record' includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the Regulations:

'Regulations' means the regulations made by the SEBI Board;

'Security' means shares, debentures and such other security as may be specified by the SEBI Board from time to time.

#### (B). Dematerialisation of securities

Notwithstanding anything contained in these articles, the Company shall be entitled to dematerialize its securities in a dematerialised form, pursuant to the Depositories Act and the rules framed there under.

5(e) 'The shares in the capital shall be numbered progressively according to their several denominations, provided however, that the provisions relating to progressive numbering shall not apply to the shares of the Company which are dematerialised in future or issued in future in dematerialised form'.

5(f) 'The Company shall be entitled to dematerialize its existing shares, rematerialise its shares held in the Depositories and/or to offer its fresh shares, debentures and other securities, in a in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed there under, if any'.

#### (C). Option to receive security certificates or hold securities with Depository

- (1) Every person subscribing to the securities offered by the Company shall have the option to receive the security certificates or hold securities with a depository.
- (2) Where a person opts to hold a security with a Depository, the company shall intimate such depository the details of allotment of the security, and on receipt of such information the Depository

shall enter in its record the name of the allottee as the beneficial owner of the security.

#### (D). Securities in depositories to be in fungible form

- (1) All securities held by a Depository shall be dematerialised and shall be in fungible form.
- (2) Nothing contained in Section 89 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.
- (3) In case of transfer or transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in any electronic and fungible form, the provisions of the Depositories Act, 1996, shall apply".

#### (E). Rights of Depositors and Beneficial Owners

- (1) Notwithstanding anything to the contrary contained in the Articles or in any other law for the time being in force, a Depository shall be deemed to be registered owner for the purpose of effecting transfer of ownership of security on behalf of a beneficial owner.
- (2) Save as otherwise provided in clause (1) above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of securities held by it.
- (3) Every person holding securities of the Company and whose name is entered as beneficial owner in the records of the Depository shall be deemed to be the member of the Company. The beneficial owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of his securities held by a Depository.
- (4) Nothing contained in the foregoing Article shall apply to transfer of security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the records of Depository.

#### (F). Depository to furnish information

Every Depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owners at such intervals and in such manner as may be specified by the bye-laws and the Company in this behalf.

#### (G). Option to opt out in respect of any such security

- (1) If a beneficial owner seeks to opt out of a Depository in respect of any security, he shall inform the Depository accordingly.
- (2) The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company.
- (3) The Company shall, within (30) days of the receipt of intimation from a Depository and fulfilment of such conditions and on payment of such fees as may be specified by the Regulations, issue the certificate of securities to the beneficial owner or the transferee, as the case may be.

#### (H). Section 56 of the Act not to apply

Notwithstanding anything to the contrary contained in the Articles:

- (1) Nothing contained in Section 56 of the Act shall apply to a transferor and the transferee both of whom are entered as beneficial owners in the records of a Depository.

#### (I). Registers and Index of beneficial owners

- (1) The Register and index of beneficial owners maintained by a Depository under Section 11 of the Depositories Act shall be deemed to be the Register and index of members for the purposes of the Act and these Articles.
- (2) Except as ordered by a court of competent jurisdiction or by Law required, the Company shall be entitled to treat the person whose name appears on the Register of members as the holder of any



share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust, or equity and equitable contingent or other claim to or interest in such share on the part of any other person, whether or not it shall have express or implied notice thereof.

- (3) The Company shall keep a Register and index of Members in accordance with all applicable provisions of the Companies Act, 2013 and the Depositories Act, 1996 with details of shares held in material and dematerialised forms in any media as may be permitted by Law including in any form of electronic media. The Company shall be entitled to keep in any State or Country outside India, a branch Register of members resident in that State or Country.
- (4) The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share held in material form. The transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered on the Register of Members in respect thereof.

## **8. DIVIDEND**

### **DIVISION OF PROFITS**

- a) The profits of the Company, subject to any special rights relating thereto created or authorized to be created by these Articles shall be divisible among the members in proportion to the amount of capital paid-up or credited as paid-up on the shares half by them respectively.

### **THE COMPANY IN GENERAL MEETING MAY DECLARE A DIVIDEND**

- b) The Company in General Meeting may declare dividends to be paid to members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

### **DIVIDENDS ONLY TO BE PAID OUT OF PROFITS**

- c) No dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Act or out of the profit of the Company and remaining undistributed or out of both, provided that;
- d) If the Company has not provided for depreciation for any previous financial year or years, it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years;
- e) If the company has incurred any loss in any previous financial year or years, the amounts of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both case after providing for depreciation in accordance with the provisions of Section 123 of the Act or against both.

### **INTERIM DIVIDEND**

- f) The Board may subject to provisions of the Act, from time to time, pay to the members, such interim dividend as in its judgment the position of the Company justifies.

### **CAPITAL PAID UP IN ADVANCE AT INTEREST NOT TO EARN DIVIDEND**

- g) Where capital is paid in advance of call, such capital may carry

interest but shall not in respect thereof confer a right to dividend or participate in profits or voting rights.

### **DIVIDEND IN PROPORTION TO AMOUNT PAID-UP**

- h) 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 accordingly.

### **RETENTION OF DIVIDENDS UNTIL COMPLETION OF TRANSFER**

- i) The Board may retain the dividends payable upon shares in respect of which any person is entitled to transfer, until such person shall become a member, in respect of such shares or shall duly transfer the same.

### **DIVIDEND ETC., TO JOINT HOLDERS**

- j) Any one of several persons who are registered as the Joint-Holders of any share may give effectual receipts for all dividends or bonus or other moneys payable in respect of such shares.

### **NO MEMBER TO RECEIVE DIVIDEND WHILE INDEBTED TO THE COMPANY AND COMPANY'S RIGHT OF REIMBURSEMENT THEREOF**

- k) No member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, while any money may be due or owing from him to the Company in respect of such share or shares, or otherwise, however, either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any member all sums of the money so due from him to the Company.

### **TRANSFER OF SHARES MUST BE REGISTERED**

- l) A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

### **DIVIDEND HOW REMITTED**

- m) Unless otherwise directed, any dividend may be paid by Cheque or warrant or by a pay slip or receipt having the force of a cheque or warrant sent through the post to the registered address of the member or person entitled or in case of joint holders to that one of them first named in Register in respect of the joint holders. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission; or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay slip or receipt or the fraudulent recovery of the dividend by any other means.

### **UNCLAIMED DIVIDEND**

- n) Dividends unclaimed for one year after having been declared may be invested or otherwise issued by the Board for the benefit of the Company until claimed. All dividends unclaimed on becoming barred by law may be forfeited by the Directors for the benefit of the Company. The Directors may remit the forfeiture whenever then may think proper. No unclaimed dividend shall be forfeited before the claim thereto becomes barred by law.

### **NO INTEREST ON DIVIDENDS**

- o) No unpaid dividend shall bear interest as against the Company.

### **TRANSFER TO SPECIAL BANK ACCOUNT**

- p) The Company after having declared the dividend must transfer

the unpaid or unclaimed dividend, if any, to special account in a Dividend Account of DISA INDIA LIMITED within 7 days after the expiry of 30 days commencing from the date of declaration of dividend.

### TRANSFER TO GENERAL REVENUE ACCOUNT

- q) If any dividend remains unpaid or unclaimed for a period of seven years after the amount is transferred to the special bank Account, the amount remaining in the special bank Account will have to be transferred to the General Revenue Account of the Central Government, containing the details of the shareholders who have not been paid the dividend and the amount of dividend unclaimed.

### DIVIDEND AND CALL TOGETHER

- r) Any General Meeting declaring a dividend may, on the recommendation of the Directors, make a call on the members of such amount as the meeting fixes, but so that call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend; and the dividend may, if so arranged, between the company and the member, be set off against the calls.

## 9. CAPITALIZATION OF RESERVE

- a) The Company in General Meeting, may upon the recommendation of the Board, resolve:
- That it is desirable to capitalize 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
  - That such sum be accordingly set free for the distribution in the manner specified in Section (2) amongst the members who have been entitled thereto, if distributed by way of dividend and in the same proportions.
- b) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in Section (3), either in or towards:
- Paying up any amounts for the time being unpaid on any shares held by such members respectively
  - Paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportion aforesaid or
  - Partly in the way specified in sub Section (a) and partly in that specified in sub Section
- c) A share premium account and a capital redemption reserve account may for the purpose of this regulation, only be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares.
- d) The Board shall give effect to the resolution passed by the company in pursuance of this article.

## 10. NUMBER OF DIRECTORS

There shall be a minimum of 3 and maximum of 15 Directors including all kinds of Directors but excluding nominee Directors of the financial institutions.

## 11. APPOINTMENT AND TENURE OF DIRECTORS

- a) The first Directors of the Company are:
1. Mr. Bhalchandra Purushottam Vaidya
  2. Mr. Vilas Karnik

3. Mr. Arvind Hejmadi

- b) The Directors shall cease to be Directors in case of death, resignation or removal as per the Act or disqualification or withdrawal of nomination by the nominating authority.
- c) The Board may appoint additional Directors in accordance with the provisions of Section 161(1) of the Companies Act for the benefit of the Company in general, and in particular, when there is no quorum at the Board Meeting, and such meeting has to be conducted without adjournment.
- d) The Board may appoint Alternate Directors as and when required subject to the provisions of Section 161(2) of the Companies Act.
- e) Nominee Director
- Notwithstanding anything contained in sub-article (1) and (2) hereof, financial institutions or banks who have granted long term loans to the Company may appoint Nominee Directors, during the period of their loans remaining unpaid, subject to the provisions of Section 25 of the Industrial Finance Corporation Act, 1948 and Section 27 of the Finance Corporation Act, 1951, as the case may be, or such agreement or arrangement, as has been mutually agreed upon.
  - The Nominee Directors so appointed shall not retire by rotation.
  - The Nominee Directors shall have the same rights and privileges in respect of voting rights at the Board Meetings, payment of sitting fee and reimbursement of travelling expenses in the same manner as admissible to other directors.

## 12. QUALIFICATION OF DIRECTORS

- a) Director shall be required to hold qualification shares.

## 13. SITTING FEE AND COMMISSION

- a) The Company may pay sitting fees to any Director for attending the Board, Committee or General Meetings of the Company as may be decided by the Board of Directors from time to time. Subject to the requisite approvals, the Directors may be paid commission on profits also.
- b) The Directors may however be paid all travelling, hotel and other expenses properly incurred by them:
- In attending and returning from Meetings of the Board or any committee thereof or General Meeting of the Company; or
  - In connection with the activities of the Company.

## 14. APPOINTMENT OF MANAGING/WHOLE TIME DIRECTOR

- a) The Board may appoint one or more of its body to the office of the Managing Director or Whole Time Director by whatsoever designation on such terms and conditions, including remuneration and privileges, as may be thought proper.
- b) The Board may vest in such appointee(s) such powers and discretion as may be deemed necessary and expedient.
- c) Notwithstanding anything contained herein, the Board shall have power to revoke such appointments before expiry of their tenure in the best interest of the Company and such revocation shall not be deemed to be removal within the meaning of Section 284 of the Act.

## 15. POWERS OF THE BOARD

Without prejudice to the general powers conferred on the Board