

**MEMORANDUM OF ASSOCIATION**  
**OF**  
**CRAVATEX LIMITED**

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|-----|--|---------------------|
| I   | The Name of the Company is Cravatex Limited.   | Name of the Company |
| II  | The Registered Office of the Company will be situated in the State of Maharashtra.   | Registered Office   |
| III | The Object for which the Company is established are:-  | Objects             |
|     | <p>(1) To acquire and take over as a going concern the business of laundrymen carried on in Bombay by Shri Chunilal U. Padia, Shri K. H. Tilak and Shri A. H. Paranjpe in the firm name and style of Messrs Bombay Power Laundries together with the goodwill thereof and also together with all the properties, assets and liabilities of the said business and for that purpose to enter into the Agreement referred to in Article 5 of the Articles of Association of the Company and to carry the same into effect with or without modification.</p> <p>(2) To carry on the business of Laundrymen, Drycleaners, dyers, printers and bleachers by modern methods utilising plant powered by electricity, steam, gas or by any other method and generally to wash, clean, purify, scour, bleach, dry, iron, colour, dye, disinfect, renovate and prepare for use all articles of wearing apparel, household, domestic and cotton, silk, woollen and other goods, linen and fabrics of all kinds and for the above purposes, to install plant, machinery and equipment and to buy, sell, hire, manufacture, repair, let on hire, alter, improve, treat and-deal in all machinery, apparatus, machine, component parts, accessories, fittings and articles of all kinds.</p> <p>(3) To carry on the business of chemists, druggists and dry salters, oil and colourment, exporters, importers, manufacturers of and dealers in chemicals, drugs, dyes, dyeware, paints. varnishes, colour, pigment. enamel, lacquers, chemical, pharmaceutical, medicinal, industrial and other preparations and articles. antiseptic, germicidal and disinfectant, compositions, water-proofing materials, nitrocellulose paints and lacquers, cements, plastics, glassware, earthenware, pottery, oils, soaps, alkalies, acids, organic and mineral intermediates and products, all kinds of toilet requisites, perfumes, scents, and proprietary articles of all kinds and of electrical chemical, photographic, surgical and scientific apparatus and materials.</p> <p>(4) To carry on the business of exporters, importers, manufacturers of and dealers in soap, starch, tapioca and all kinds of oils, oleagenous and saponaceous substances and all kinds of unguents and ingredients.</p> <p>(5) To carry on the business of stationers, printers, lithographers, stererotypers, electrotypers, photographic printers, photolithographers, engravers, diesinkers, envelope manufacturers, book binders, machine-rulers,</p> |                     |

numerical printers; paper makers, paper bag, makers, box makers, cardboard manufacturers, type founders, photographers, designers, draftsmen, inkmanufacturers, advertising agents, book-sellers, publishers, manufacturers exporters and importers of and dealers in paper, cardboard, parchment, strings and tape of all kinds, ink pencils, fountain pens, stamps, playing, visiting and other cards, photographic materials and things and any other article or thing of a character similar or analogous to the foregoing or any of them or connected therewith.

- (6) To carry on the business of carrying and transporting goods and articles of all kinds and generally to carry on business as general carriers, forwarding agents, warehouse-men and common carriers and general contractors.
- (7) To carry on the business of draper and furnishers in all its branches and generally to carry on the business of silk mercers, silk weavers, cotton spinners, cloth manufacturers, darners, furriers, haberdashers, hosiers. manufacturers, milliners, dress makers, tailors, hatters, clothiers, outfitters, glovers, lace manufacturers and feather dressers, exporters, importers of all kinds and all or any articles or things directly or indirectly connected with any of the foregoing business.
- (8) To carry on the business of mechanical and electrical engineers, manufacturers, importers and exporters of and dealers in machinery, implements and appliances of all kinds, tool makers, brass founders, metal workers, boiler makers, millwrights, iron and steel converters, dies and press makers, wood-makers, builders, painters, metallurgists, distillers, electrical engineers, gas suppliers, timber merchants and contractors and to buy, sell, manufacture, repair, convert, alter, let on hire and deal in minerals, metals machineries, implements, tools, dies, appliances, electrical goods and apparatus, rolling stock and hardware of all kinds and to carry on any other business, manufacturing, trading or otherwise which may seem to the Company capable of being conveniently carried on in connection with any of the business and objects of the company or otherwise calculated directly or indirectly to enhance the value of any of the Company's properties and rights.
- (9) To buy, sell, manipulate and deal both wholesale and retail, in commodities and articles and things of all kinds which can be conveniently dealt with by the Company in connection with any of its objects.
- (10) To act as agents or representatives of companies, corporations, firms and individuals and to transact and carry on all kinds of agency business.
- (11) To carry on the business as commission agents, selling agents and factors upon del credere commission or otherwise in the same manner and to the same extent as a natural person could and buy, sell or otherwise dispose of hold, own, produce, export, import and deal in either as principal or agent or upon commission or otherwise all kinds of personal property whatsoever without limit as to the amount and to make and enter into all kinds of contracts, agreements, Obligations with any person, firm or company for purchasing, acquiring, selling and dealing in of any

article or personal property of any kind whatsoever and generally to perform and carry out any and all acts connected therewith or arising therefrom or incidental thereto.

- (12) To undertake and execute any contract involving the supply, application or use of any machinery and chemicals and product of the Company and to carry out any ancillary or other works comprised in such contracts.
- (13) To carry on the business of exporters and importers and to sell, purchase, export, manufacture, prepare for market or otherwise deal in merchandise, articles and things of any kind or description whatsoever and also all other produce whatever of the Company.
- (14) To construct and erect, equip and maintain mills, factories, works, offices, showrooms, warehouses, godowns and any other building or structure or convenience suitable, necessary or convenient for any of the objects and purposes of the Company.
- (15) To purchase or take on lease or otherwise acquire any mills, works, factories, foundries, plants, machinery and any other real and personal property: appertaining to or in connection with or for the purpose of the business of the Company.
- (16) To buy, sell, manufacture, alter, exchange, let on hire, export, import and deal in all kinds of plant, machinery, engines, pumps, apparatus, tools, implements and other articles and things which may be required for the purposes of the business of the Company or commonly supplied or dealt with by persons engaged in such business, or which may seem capable of being profitably dealt with in connection with any of the said businesses.
- (17) To carry on any other trade or business whether manufacturing or otherwise which may seem to this Company capable of being conveniently carried on, in connection with any of the above businesses or calculated directly or indirectly to enhance the value of or render profitable any of this Company's property or rights.
- (18) To acquire by concession, grant, purchase, barter, lease, licence or otherwise either absolutely or conditionally and either solely or jointly with others and to hold and deal with any tract or tracts or country, lands and estate houses, farms, water rights, way leaves and other works, privileges, rights, hereditaments and any machinery, plant, utensils, apparatus, tools, trade marks and other moveable and immoveable property of any description whatsoever at any place or places in India or any foreign country which this Company may think necessary or convenient for the purpose of any of the aforesaid businesses or otherwise and to expend such sums of money as may be deemed requisite in the exploration, survey, cultivation and development hereof.
- (19) To undertake the payment of the rent and the observance and performance of all covenants, conditions and agreements reserved by and contained in any lease that may be granted or assigned to or be otherwise acquired by this Company and to purchase the reversion or reversions or otherwise acquire the freehold or fee simple of any lands

held by this Company under lease or for an estate less than a freehold estate.

- (20) To extend the business of this Company by adding to, altering or enlarging from time to time all or any of the buildings, structures, premises, plant and machinery for the time being the property of this Company and also by erecting new or additional buildings on all or any of the lands or premises for the time being the property of this Company.
- (21) To acquire and take over any business or undertaking carried on, upon or in connection with any land or building which this Company may desire to acquire or become interested in and the whole or any of the assets, goodwill or liabilities of such business or undertaking and to carry on the same or dispose of or remove or put an end thereto or otherwise deal with the same as may seem expedient.
- (22) To acquire, take over and undertake the whole or any part of the business, property, assets, goodwill and liabilities of any person, firm, corporation or company carrying on any business which this Company is authorised to carry on or possessed of property suitable for the purposes of this Company.
- (23) To promote any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of this Company or for any other purpose which may seem directly or indirectly calculated to benefit this Company.
- (24) To promote and form and be interested in and take, hold and dispose of shares in any other company having objects similar, altogether or in parts, to those of this Company or carry on any business capable of being conducted so as directly or indirectly to benefit this Company and to subsidise or assist any such company financially or otherwise by issuing or subscribing for or guaranteeing the subscription and issue of the shares, stock, debentures, debenture-stock or other securities of such company and to transfer to any such company any property of this Company and to take or otherwise acquire, hold, dispose of shares, debentures and other securities in or of any such company.
- (25) Generally to purchase, take on lease or in exchange, hire or otherwise acquire and to hold any deal with any lands whether freehold, leasehold or any other tenure, with or without buildings and structures situate in Indian Union or elsewhere and any machinery, plant, apparatus, tools, articles and things, rights, privileges or other property or rights of any kind or description whatsoever.
- (26) To apply for, purchase or otherwise acquire and register and protect, prolong, renew any patents, patent right brevets invention, licences, secret processes or privileges, trade-marks or designs and concessions and the like conferring any exclusive or non-exclusive or limited right to use any secret or other information as to any invention which may seem capable of being used for any of the purposes of this Company or the acquisition of which may seem calculated directly or indirectly to benefit this Company and to use, exercise, develop, or grant licence in respect of or otherwise turn to account the property, rights or information required by this Company.

- (27) To make experiments, encourage or do research work in connection with any business which this Company is authorised to carry on and to take over and/or purchase the results thereof.
- (28) To enter into any arrangements with any State Government Railway Company or Authorities municipal, local or otherwise that may seem conducive to this Company's objects or any of them and to obtain from any such State Government Railway Company or authority any rights, privileges, contracts and concessions which this Company may think it desirable to obtain and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.
- (29) To enter into partnership or any arrangements for sharing profit, union of interest, co-operation, joint adventure, reciprocal, concessions or otherwise with any person or company carrying on or engaged in or about to carry on or engage in, any business or transaction which this Company is authorised to carry on or engage in, or in any business or transaction capable of being conducted so as directly or indirectly to benefit this Company and to take or otherwise acquire share or business, assets, securities of any such person or company and to sell, hold, dispose of or otherwise deal with the same.
- (30) To invest and deal with any of the moneys of this Company (not immediately required) in or upon shares, stocks, bonds, debentures, obligation or other securities of any company or association or in Government Securities or in deposit with banks or otherwise in such manner as the Board of Directors may think fit and from time to time to vary, transpose or realise such investments.
- (31) To lend moneys to such person or company and on such terms as may seem expedient and in particular to customers and other having dealings with this Company and to guarantee the performance of contracts by any such persons or Company.
- (32) To borrow, raise or secure payment of moneys or to receive money on deposit at interest or otherwise without giving any security or upon such security in such manner as this Company shall think fit and in particular by the issue of debentures or debenture-stock convertible into share and as security for any such moneys so borrowed, raised or received to mortgage, pledge or charge the whole or any part of the property and assets of this Company present or future including its uncalled capital and to purchase, redeem or payoff any such securities.
- (33) To remunerate any person or company for services rendered or to be rendered in placing or assisting to place or guaranteeing the placing of any of the shares in this Company's capital or any debenture and debenture-stock or securities of the Company or in or about the formation or promotion of the Company or the conduct of the business or for any other reason which this Company may think proper.
- (34) To pay all costs, charges and expenses of or incidental to the negotiations for or the carrying out of any arrangement or arrangements made prior to and with a view to the

formation, promotion and establishment of the Company and the acquisition of its property and all preliminary expenses including therein, the cost of advertisement, printing and stationery and then like.

- (35) To pay for any business, property or rights or privileges acquired or agreed to be acquired by this Company and generally to satisfy any obligation of this Company by the issue or transfer of shares of this or any other company credited as fully or partly paid up or debentures or other securities of this or any other company.
- (36) To make, draw, accept, endorse, negotiate, discount, execute and issue promissory notes, bills of exchange, hundies, bills of lading, warrants, debentures and other negotiable or transferable instruments of this or any other company.
- (37) To open an account or accounts, overdraft or otherwise with any Bank or Banks and to draw and endorse cheques and to operate upon and withdraw moneys from accounts.
- (38) To create any Depreciation Fund, Reserve Fund, Insurance Fund, Sinking Fund, Equalisation or Dividend Fund or any other Special Fund whether for depreciation or for repairing, improving extending or maintaining any of the properties and or business of this Company or for any other purpose conducive to the interests of this Company.
- (39) To place to reserve or distribute as dividend or bonus among the members any moneys or properties of this Company or other wise to apply as this Company may from time to time think fit any moneys received by way of premium on share or debenture's issued at a premium by this Company and any moneys arising from the sale by this Company of forfeited shares or from unclaimed dividend
- (40) To sell or otherwise dispose of or deal with the business, property or undertaking of this Company or any part thereof for such consideration and in such manner and at such rate and/or such premium as this Company may think fit and in particular for shares, debentures and other securities of any other Company having objects altogether or in part similar to those of this Company.
- (41) To sell, improve, manage, develop, exchange, lease, mortgage, dispose of or otherwise deal with all or any part of the property, rights and concessions of this .Company whatsoever.
- (42) To adopt such. means of making known the products and activities of this Company as may be expedient and in particular by advertising in press by circulars, catalogues, show cards and posters, by publication of books and periodicals by granting commission, brokerage, prize, rewards and donations and by such other modes of exhibition as to this Company may seem expedient
- (43) To undertake and execute trusts, the undertaking whereof may seem desirable either gratuitously or otherwise
- (44) To appoint brokers, canvassers, agents and other persons and to establish and maintain agencies and branches in any

part of India or elsewhere for sale of any material or things for the time being at the disposal of this Company and to discharge or discontinue the same.

- (45) To establish, maintain and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit the employee or employees of this Company or the dependents or connections of such persons and to grant bonuses, allowances, pensions, gratuities and to make payment towards insurance, provident fund and to subscribe or guarantee money for charitable or benevolent objects or for any public, general or useful object.
- (46) To establish and maintain local registers, agencies and branch, places of business and procure this Company to be registered or recognised and carry on business in any part of the world.
- (47) To amalgamate with any other Company having objects altogether or in part similar to those of the Company.
- (48) To distribute any of the properties of this Company among the members in specie or kind.
- (49) To do all or any of the above things as principals, agents, contractors, trustees or otherwise and by or through trustee, agents or otherwise and either alone or in conjunction with others.
- (50) Generally to do all such other things as are incidental or conducive to the attainment of the above objects or any of them .

AND IT IS HEREBY DECLARED that the word "Company" in this clause shall be deemed to include any partnership or other body or persons whether incorporated or not and whether domiciled in India or else where and the intention is that the object specified in each paragraph of this clause shall except where otherwise expressed in such paragraph be independent object and shall in nowise be Limited or restricted by reference to or inference from the terms or any other paragraph or the name of the Company.

- IV The liability of the members is limited. Limited Liability
- V\*. The Authorized Share Capital of the Company is Capital  
Rs.15,00,00,000/- (Rupees Fifteen Crores Only) divided into 48,50,000 (Forty Eight Lacs and Fifty Thousand) Equity Shares of Rs.10/- (Rupees Ten Only) each and 1,01,50,000 (One Crore One Lac and Fifty Thousand) Preference shares of Rs. 10/- (Rupees Ten Only) each with power to increase or reduce the capital of the Company for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges, terms and conditions as may be determined or in accordance with the articles of association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the articles of association of the Company.

**\*(Amended vide Ordinary Resolution passed through Postal Ballot on 2<sup>nd</sup> April, 2016)**

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

Names of the Subscribers	Address and description of the Subscribers	No. of shares taken by each Subscriber	Witness
CHUNILAL U. PADIA.	36, Gowalia Tank Road, Bombay. Merchant.	100	Vasant D. Mehta Solicitor. Bombay.
KRISHNAJI HARI TILAK	Commissariat Buildings, 231, Hornby Road, Fort, Bombay. Merchant.	100	
ANANT VAMAN PARANJPE	Bhikoba Nivas, Ghokhale Road, North, Dadar, Bombay. Merchant.	100	

Date this 21<sup>st</sup> day of June 1951



THE COMPANIES ACT, 2013

(1 OF 2013)

COMPANY LIMITED BY  
SHARES

ARTICLES OF ASSOCIATION

OF

CRAVATEX LIMITED

(New Articles of Association of the Company approved and adopted as the Articles of Association of the Company in substitution of the existing articles by the Members, by passing a Special Resolution at Postal Ballot passed on 2<sup>nd</sup> April, 2016)

**Preliminary**

Company To Be  
Governed By These  
Articles

1. The Regulations contained in Table 'F' of schedule I to the Companies Act, 2013 has been incorporated in these Articles and shall apply to the Company, but the regulations for the management of the Company and for the observance of the Members thereof and their representatives, shall subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of, or additional to, its regulation by Special Resolution, as prescribed by the Companies Act, 2013, be such as are contained in this Article. Further, anything not specifically defined in these Articles, shall have the same meaning as defined under the Companies Act, 2013 and any matter not specifically mentioned or dealt with in these Articles, shall be construed to have been adopted from Table F in the Schedule I to the Companies Act, 2013. Anything stated in these Articles, if not notified, shall be dealt with as per the corresponding provisions of the Companies Act, 1956 or Table A until the same is notified. Any subsequent changes in the definition (s), rule( s) or regulation (s) contain in this articles by virtue of any amendments, then the same shall prevail in superstation of the provision(s) or definitions contain in this Articles.

Interpretation

2. In the interpretation of these Articles, unless repugnant to the subject or context:

The Act

"**The Act**" means the Companies Act, 2013, or any statutory modification or re-enactment thereof for the time being in force, read with the relevant rules thereto.

The Seal

"**The Seal**" means the common seal of the Company.

The Company

"**The Company**" or "**this Company**" means **CRAVATEX LIMITED**.

Accounting  
Standards

"**Accounting Standards**" means the standards of accounting or any addendum thereto for companies or class of companies referred to in section 133 of the Act.

Annual General  
Meeting

"**Annual General Meeting**" means a general meeting of the Members held in accordance with the provisions of Section 96 of the Act and any adjournment thereof.

Associate Company

"**Associate Company**" means a company as defined under subsection (6) of section 2 of the Act.

Auditors

"**Auditors**" means and includes those persons appointed as such for the time being by the Company at its General Meeting.

Board	" <b>Board</b> " or " <b>Board of Directors</b> ", in relation to a company, means the collective body of the Directors of the company.
Beneficial Owner	" <b>Beneficial Owner</b> " means a person whose name is recorded as such with a Depository.
Book and Paper	" <b>Book and Paper</b> " and " <b>Book or Paper</b> " shall have the meaning as defined under sub-section (12) of section 2 of the Act.
Books of Account	" <b>Books of Account</b> " shall have the meaning as defined under sub-section (13) of section 2 of the Act.
Capital	" <b>Capital</b> " means the Share capital for the time being raised or authorised to be raised, for the purpose of the Company.
Chief Executive Officer	" <b>Chief Executive Officer</b> " means an officer of a company, who has been designated as such by it.
Chief Financial Officer	" <b>Chief Financial Officer</b> " means a person appointed as the Chief Financial Officer of a company.
Control	" <b>Control</b> " shall have the meaning as defined under sub-section (27) of section 2 of the Act.
Debenture	" <b>Debenture</b> " includes debenture stock, bonds or any other instrument of a company evidencing a debt, whether constituting a charge on the assets of the company or not."
Depositories Act	" <b>Depositories Act</b> " means the Depositories Act, 1996, including any statutory modifications or re-enactment thereof for the time being in force.
Depository	" <b>Depository</b> " means a depository as defined in clause (e) of sub-section (1) of section 2 of the Depositories Act, 1996.
Director	" <b>Director</b> " means a director appointed to the board of a company.
Dividend	" <b>Dividend</b> " includes any interim dividend.
Cravatex Limited or Company	" <b>Cravatex</b> " or Cravatex Limited means a company incorporated in India and shall include (a) its successors and assigns, (b) any company or body corporate in or to which the entire shareholding of Cravatex is transferred, (c) any company or body corporate in which or with which Cravatex is amalgamated or merged, (d) any subsidiary, parent associate, affiliate or assign of Cravatex or of any company or body corporate in which or with which Cravatex amalgamates or merges and (e) such company or body corporate in or with which any subsidiary, parent, associate, affiliate or assignee of Cravatex as aforesaid amalgamates or mergers.
Extraordinary General Meeting	" <b>Extraordinary General Meeting</b> " means an extraordinary general meeting of the Members duly called and constituted and any adjourned holding thereof.
Financial Statement	" <b>Financial Statement</b> " shall have the meaning as defined under sub-section (40) of section 2 of the Act.
Financial Year	" <b>Financial Year</b> " shall have the meaning as defined under sub-section (41) of section 2 of the Act.
Holding Company	" <b>Holding Company</b> ", in relation to one or more other companies, means a company of which such companies are subsidiary companies.

In Writing and Written	<b>"In Writing" and "Written"</b> include printing, lithography and any or all other modes of representing or reproducing words in visible form duly authenticated.
Independent Director	<b>"Independent Director"</b> means an independent director referred under sub-section (5) of section 149 of the Act.
Key Managerial Personnel	<b>"Key Managerial Personnel"</b> shall have the meaning as defined under sub-section (51) of section 2 of the Act.
Manager	<b>"Manager"</b> means an individual as defined under sub-section (53) of section 2 of the Act.
Managing Director	<b>"Managing Director"</b> means a director as defined under sub-section (54) of section 2 of the Act.
Member	<b>"Member"</b> in relation to a company, shall have the meaning as defined under sub-section (55) of section 2 of the Act.
Meeting Or General Meeting	<b>"Meeting" or "General Meeting"</b> means a meeting of directors or members or creditors as the case may be.
Month	<b>"Month"</b> means a calendar month.
Non-Retiring Director	<b>"Non-retiring Director"</b> means a director not subject to retirement by rotation.
Office	<b>"Office"</b> means the registered office for the time being of the Company.
Officer	<b>"Officer"</b> shall have the meaning as defined under sub-section (59) of section 2 of the Act.
Officer Who Is In Default	<b>"Officer who is in default"</b> shall have the meaning as defined under sub-section (60) of section 2 of the Act.
Ordinary Resolution, Special Resolution	<b>"Ordinary Resolution" and "Special Resolution"</b> shall have the meanings assigned thereto by Section 114 of the Act.
Paid Up	<b>"Paid Up"</b> includes capital credited as paid up.
Participant	<b>"Participant"</b> means a person registered as such under Section 12(1A) of the Securities and Exchange Board of India Act, 1992, as amended from time to time.
Person	<b>"Person"</b> means any natural person, firm, company, governmental authority, joint venture, partnership, association or any other entity (whether or not having a separate legal personality).
Private Company	<b>"Private Company"</b> means a company as defined under sub-section (68) of section 2 of the Act.
Promoter	<b>"Promoter"</b> means a person as defined under sub-section (69) of section 2 of the Act.
Public Company	<b>"Public Company"</b> means a company as defined under sub-section (71) of section 2 of the Act.
Register of Members	<b>"Register of Members"</b> means the Register of Members to be kept pursuant to Section 88 of the Act.

Registrar	<b>"Registrar"</b> shall have the meaning as defined under sub-section (75) of section 2 of the Act.
Regulations	<b>"Regulations"</b> means the regulations made by the SEBI.
Related Party	<b>"Related Party"</b> , with reference to a company, means as defined under sub-section (76) of section 2 of the Act.
Relative	<b>"Relative"</b> , with reference to any person, means as defined under sub-section (77) of section 2 of the Act.
Remuneration	<b>"Remuneration"</b> shall have the meaning as defined under sub-section (78) of section 2 of the Act.
Sebi	<b>"SEBI"</b> or <b>"Securities and Exchange Board"</b> means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992.
Secretary	<b>"Secretary"</b> or <b>"Company Secretary"</b> means a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 who is appointed by a company to perform the functions of a company secretary under this Act.
Security	<b>"Securities"</b> means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956.
Share	<b>"Share"</b> means a share in the share capital of a company and includes stock.
Subsidiary	<b>"Subsidiary"</b> or <b>"Subsidiary Company"</b> shall have the meaning as defined under sub-section (87) of section 2 of the Act.
Whole-Time Director	<b>"Whole-time Director"</b> includes a director in the whole-time employment of the company.
Words	<b>"Words"</b> importing the singular number include, where the context admits or requires, the plural number and vice versa.
Year	<b>"Year"</b> means the calendar year and <b>"Financial Year"</b> shall have the meaning assigned thereto by Section 2 (41) of the Act.
Words Bear Same Meaning As Defined Under Act	Subject as aforesaid, any words or expression defined in these Articles shall, except where the subject or context forbids, bear the same meaning in the Act. Save as aforesaid, any words or expression defined in these Articles shall, if not inconsistent with the subject or context, bear the same meaning in the Act; and any words or expression not defined in these Articles shall bear the same meaning in the Act.
Gender	Words importing the masculine gender also include the feminine gender.
Marginal Notes Shall Not Affect Construction	The marginal notes and catch lines used in these Articles shall not affect the constructions hereof.  Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force.

### Entrenchment provisions in the Articles

3. The Company may subject to the provisions of entrenchment in the Articles alter specified provisions of the Articles only if conditions or procedures as that are more restrictive than those applicable in the case of a special resolution, are met or complied with. The provisions for entrenchment shall only be made by an amendment in the Articles by a special resolution. The following are the specified provisions namely:

A) Appointment of Directors:  
shall, as long as its hold not less than twenty six percent [26%] of the total Paid-up Share Capital of the Company, be entitled, by a notice in writing addressed to the Company by its authorised representative, to appoint such number of person or persons as Director or Directors of the Company as shall, together with the Managing Director or Managing Directors constitute one- third of the total number of Directors for the time being of the Company, and to remove such person or persons from office of Director or Directors and on a vacancy being caused in such office due to any cause whatsoever whether by resignation, retirement, death, removal or otherwise, of any such person or persons so appointed, to appoint another or others to fill such vacancy or vacancies. An appointment or removal of the Director or Directors under this Article shall become effective forthwith upon receipt by the Company of the aforesaid writing. Subject to the provisions of the Act, the Managing Director so appointed by shall not be liable to retire at any General Meeting of the Company.

B) Appoint any director as a chairman:  
shall, as long as it holds not less than 26% of the total Paid-up Share Capital of the Company, be entitled, by a notice in writing addressed to the Company by its authorised representative, to appoint any Director as Chairman of the Board of Directors of the Company and to cancel such appointment and on a vacancy being caused in such office due to any cause whatsoever whether by such cancellation or by resignation, retirement, death, removal or otherwise, of any such person so appointed, to appoint any Director to fill such vacancy. An appointment or cancellation of such appointment under this Article shall become effective forthwith upon receipt by the Company of the aforesaid writing.

C) Appoint a director as the Managing Director:  
shall, as long as hold not less than 26% of the total paid-up Share Capital of the Company, be entitled, by a notice in writing addressed to the Company by its authorised representative, to appoint a Director appointed pursuant to the provisions of the Articles of Association as the Managing Director of the Company and to remove such person from office and on a vacancy being caused in such office from any cause whatsoever whether by resignation, retirement, death, removal or otherwise, of any such person so appointed, to appoint another to fill such vacancy. An appointment or removal of the Director under this Article shall become effective forthwith upon receipt by the Company of the writing aforesaid.

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| Act prevail over these Articles of Association | 4. Save as otherwise expressly provided in this Act, the provision of this shall have notwithstanding anything to the contrary contained in the memorandum or Articles of the Company, or any agreement executed by it, or in any resolution passed by the Company in the general meeting or by its Board of Directors, whether the same be registered, executed or passed, as the case may be and any provision contained in the memorandum, Articles, agreement or resolution shall, to the extent to which it is repugnant to the provisions of this Act, become or be void, as the case may be. However, in cases where the flexibility has been provided in the rules, the Company may at its discretion follow the rules. |
| Alteration of Articles of Association          | 5. The Company may subject to provisions of section 14 of the Act and the conditions contained in its memorandum, if any, alter the Articles by way of a special resolution. Every alteration of the Articles and a copy of the order of the Tribunal or any other Statutory Authority for the time being prescribed for the same approving alteration, if any, shall be filed with the Registrar of Companies within a period of fifteen days from the passing of special resolution or the receipt of order from the Tribunal or any other Statutory Authority for the time being prescribed, as the case may be.   |

#### **Share Capital and Variation of Rights**

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| Share Capital  | 6. The Authorized Share Capital of the Company is Rs.15,00,00,000/- (Rupees Fifteen Crores Only) divided into 48,50,000 (Forty Eight Lacs and Fifty Thousand) Equity Shares of Rs.10/- (Rupees Ten Only) each and 1,01,50,000 (One Crore One Lac and Fifty Thousand) Preference Shares of Rs. 10/- (Rupees Ten Only) each with power to increase or reduce the capital of the Company for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges, terms and conditions as may be determined or in accordance with the articles of association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the articles of association of the Company.  |
| Nature of shares and debentures                                      | 7. The shares or debentures or other interest of any member in the Company, subject to Section 44 of the Act, shall be movable property transferable in the manner provided in Articles 70.  |
| Increase of capital by the Company and the manner to give its effect | 8. The Company in General Meeting may, from time to time, 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 amount as the resolution shall prescribe. Subject to the provisions of the Act, any share of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction is given, as the Directors shall determine; 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 meeting 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 64 of the Act |

New capital same as existing capital

9. 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. Provided however that all the equity shares issued by the Company to the Members shall be of the same class and shall be alike ranking *parri passu* in all respect and the holders thereof shall be entitled to identical rights and privileges including, without limitation, to identical rights and privileges with respect to dividend, voting rights, payment of calls, liens, transfers, transmission, forfeiture, and the distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company on a pro rata basis. Provided that the above provision does not prohibit the Company from issuing redeemable preference shares. Subject to Article 21, the Company in general meeting may also, from time to time, by special resolution capitalise the undistributed profits standing to the credit of the Company's Free Reserves and to apply the same in paying up new equity shares in the share capital of the Company and to appropriate the same as capital and not as income and allot and distribute as fully paid-up bonus shares to and amongst the persons registered in the Register of Members as the holders of equity shares of the Company on such date and in such proportion as may be decided by the Board of Directors.

Further issue of share capital

10. Subject to Section 62 of the Act, the Company may further issue shares to persons who:

- A) At the date of the offer, are holders of equity shares of the Company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely:
  - (i) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
  - (ii) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) shall contain a statement of this right;
  - (iii) after the expiry of the time specified in the notice, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the Company;
- B) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such conditions as may be prescribed; or
- C) to any persons, if it is authorised by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed.

Shares at a discount	11. Subject to the provisions, the Company may issue Shares at a discount of a class already issued, if the conditions contained in Sections 53 and 54 of the Act are fulfilled.
Shares without voting rights	12. Subject to the provisions of the Act, the Company may issue shares without voting right attached to them, upon such terms and conditions and with such rights and privileges attached thereto, as the Board may deem fit.
Register of members	<p>13. The Company shall cause to be kept a Register and Index of Members in accordance with Sections 88 of the Act. 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. The following registers shall be kept namely:</p> <ul style="list-style-type: none"> <li>A) Register of members indicating separately for each class of equity and preference shares held by each member residing in or outside India;</li> <li>B) Register of debenture-holders; and</li> <li>C) Register of any other security holders.</li> </ul> <p>14. The Register and Index of beneficial owners maintained by a Depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the corresponding register and index for the purposes of the Act.</p> <p>15. The Company may subject to section 88(4) of the Act keep in any country outside India, a part of register called "foreign register" containing the names and particulars of the members, debenture-holders, other security holders or beneficial owners residing outside India.</p>
Shares to be numbered progressively	16. Save and except for dematerialisation of Share or Shares held in fungible form with a Depository, the shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.
Power to the Company to issue shares in general meeting	17. In addition to and without derogating from the powers for that purpose conferred on the Board under Articles 10 and 24, the Company, in general meeting may, subject to the provisions of the Act, determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such person (whether members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 52, 53 and 54 of the Act) at a premium or at par or at a discount as such general meeting shall determine and with full power to give any person (whether a member or not) the option to call for or be allotted shares of any class of the Company either (subject to compliance with the provisions of Section 52, 53 and 54 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment, or disposal of any shares.
Acceptance of shares	18. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of this Article, and every person who thus or otherwise accepts any shares and whose



name is entered on the Register of Members shall, for the purposes of this Article, be a Member.

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| Deposit and call etc. to be a debt payable immediately         | 19. 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.   |
| Redeemable Preference Shares                                   | 20. Subject to the provisions of Section 55 of the Act, the Company shall have the power to issue Redeemable Preference Shares which are liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.  |
| Repayment in case of winding-up                                | 21. The preference shareholders shall have preferential right with respect to repayment, in case of a winding up or repayment of capital, of the amount of the share capital paid-up or deemed to have been paid-up, whether or not, there is a preferential right to the payment of any fixed premium or premium on any fixed scale, specified in the memorandum or Articles of the Company.   |
| Provisions applicable on Issue of Redeemable Preference Shares | 22. On the issue of Redeemable Preference Shares under the provisions of Article 6 hereof the following provisions shall take effect:<br><br>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 purposes of such redemption;<br><br>B) no such shares shall be redeemed unless they are fully paid;<br><br>C) where such shares are proposed to be redeemed out of the profits of the Company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the Capital Redemption Reserve Account, and the provisions of the Act relating to reduction of share capital of the Company shall, except as provided in Section 55 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and<br><br>D) (i) in case of such class of companies, as may be prescribed and whose financial statement comply with the accounting standards prescribed for such class of companies under section 133 of the Act, the premium, if any, payable on redemption shall be provided for out of the profits of the Company, before the shares are redeemed:<br>Provided also that premium, if any, payable on redemption of any preference shares issued on or before the commencement of the Act by the Company shall be provided for out of the profits of the Company or out of the Company's securities premium account, before such shares are redeemed.<br><br>(ii) in a case not falling under sub-clause (i) above, the premium, if any, payable on redemption shall be provided for out of the profits of the Company or out of the Company's securities premium account, before such shares are redeemed. |

- Shares under the control of Directors
23. Subject to the provisions of the Act and this Article, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
- Share Certificate
24. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,
- A) one certificate for all his shares without payment of any charges; or
- B) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
25. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
26. 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.
- Renewal of Share Certificate
27. A) No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the cages on the reverse for recording transfers have been duly utilised unless the certificate in lieu of which it is issued is surrendered to the Company.
- B) When a new share certificate has been issued in pursuance of clause (a) of this Article, it shall state on the face of it and the stub or counterfoil to the effect that it is "issued in lieu of share certificate No. And sub-divided/ replaced/on consolidation of shares".
- C) If a share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board or its duly constituted Committee and on such terms, if any, as to evidence and indemnity as to the payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit.
- D) When a new share certificate has been issued in pursuance of clause (c) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "duplicate issued in lieu of share certificate No. ". The word "Duplicate" shall be stamped or punched in bold letters across the face of the share certificate.
- E) Where a new share certificate has been issued in pursuance of clause (a) or clause (c) of this Article, particulars of every such share certificate shall be entered in a Register of Renewal and Duplicate Certificates indicating against the name of the persons to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross reference in the "Remarks" Column.

- F) All blank forms to be issued for issue of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may appoint for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
- G) The Managing Director of the Company for the time being or, if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates except the blank forms of shares certificates referred to in Sub-Article (F).
- First named holder is deemed to be sole owner 28. If any share stand in the names of two or more persons, the person first named in the Register of Members shall as regards receipt of dividends or bonus or service of notices and all or any other matter connected with Company, except voting at meetings, and the transfer of the shares, be deemed the sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share and for all incidents thereof according to the Company's regulations.
- Issue of New Share Certificate 29. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate. The provisions of Articles (25), (26), (27) and (28) shall mutatis mutandis apply to debentures of the Company.
- Issue of Duplicate share certificate 30. A duplicate certificate of shares may be issued, if such certificate:  
A) is proved to have been lost or destroyed; or  
B) has been defaced, mutilated or torn and is surrendered to the Company.  
The provisions of Articles (25), (26), (27), (28) shall mutatis mutandis apply to debentures of the Company.
- Company not bound to recognize any interest in share other than that of registered holder 31. 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 recognize (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.
- Dematerialisation of Securities 32. Notwithstanding anything contained in this Article, the Company shall be entitled to dematerialise its existing securities, rematerialise its securities held in the Depositories and / or offer its fresh securities in a dematerialised form pursuant to the Depositories Act, and the rules framed thereunder, if any.

Depository to furnish information	33. Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.
Cancellation of certificates upon surrender by a person	34. Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a Participant, the Company shall cancel such certificate and substitute in its records the name of Depository as the registered owner in respect of the said securities and shall also inform the Depository accordingly.
Service of Documents by Depository	35. Notwithstanding anything in the Act, or this Article to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.
Provisions of Articles to apply to shares held in Depository	36. Except as specifically provided in this Article, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares in physical form subject to the provisions of the Depository Act.
Distinctive number of securities held in a Depository	37. The shares in the capital shall be numbered progressively according to their several denominations provided, however, that the provision relating to progressive numbering shall not apply to the shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.
Payment of commission	38. The Company may exercise the powers of paying commissions, conferred by sub-section (6) of section 40 of the Act, provided that the rate of commission paid or agreed to be paid shall not exceed, in case of shares, five percent of the price at which the shares are issued, and in case of debentures, shall not exceed two and a half per cent of the price at which the debentures are issued.
	39. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
Brokerage on issue of Shares or Debentures	40. The Company may pay a reasonable sum for brokerage.
Joint Holders	41. Where two or more persons are registered as the holders of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint holders with benefits of survivorship subject to the following and other provisions contained in this Article:- <ul style="list-style-type: none"> <li>A) The Company shall be entitled to decline to register more than three persons as the holders of any share.</li> <li>B) The joint-holders shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of the share.</li> <li>C) On the death of any one or more of such joint- holders, the survivor or survivors shall be the only person or persons recognised by the Company as having any title to the share but the directors may require such evidence of death as may</li> </ul>

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.

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| Effect of Receipts   | 42. | Any one of such joint-holders may give effectual receipts of any dividends or other moneys payable in respect of such share.  |
| Delivery of Certificate and giving of notice to first named holder | 43. | Only the person whose name stands first in the Register of Members as one of the joint-holders shall be entitled to delivery of the certificates relating to the share or to receive notices. In the case of shares held in a dematerialised or fungible form every beneficial owner in the records of the Depository shall be entitled to receive notices.   |
| Votes of Joint-holders   | 44. | Any one of two or more joint-holders may vote at any meeting either personally or by an agent duly authorised under a power of attorney or by proxy in respect of a share as if he were solely entitled thereto and if more than one of such persons be present, that person whose name stands first or higher (as the case may be) on the Register in respect of such share shall alone be entitled to vote.<br><br>Provided always that a person present at any meeting personally shall be entitled to vote in preference to a person present by an agent, duly authorised under power of attorney or by proxy although the name of such person present by an agent or proxy stands first or higher in the Register. Several executors of a deceased member in whose (deceased member's) name any share stands shall for the purposes of this sub clause be deemed joint-holders.  |
| Death of one or more joint-holders of shares                       | 45. | In the case of the death of any one or more of the persons named in the Register of Members as the joint holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from an liability on shares held by him jointly with any other person.  |
| Title to shares of deceased holders                                | 46. | In absence of a nomination recorded in accordance with Section 72 of the Act, read with Section 56 of the Act, which shall, in any event, have precedent, the executors or administrators of holders of a Succession Certificate or the legal representatives of a deceased member (not being one or two or more joint-holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such Member and the Company shall not be bound to recognize such executors or administrators or holders of a Succession Certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be, from a duly constituted court in the Union of India; provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of Probate or Letters of Administration or Succession Certificate, upon such terms as to indemnify or otherwise as the Board in its absolute discretion may think necessary and under Article 92 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a Member. |

- Variation of rights
47. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48 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.
  48. To every such separate meeting, the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
  49. 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.

## Lien

- Company's lien on shares
50. The Company shall have a first and paramount lien (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company, Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
  51. 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.
- Sell of shares on which the Company has lien
52. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has lien, provided that no sale shall be made (a) unless a sum in respect of which the lien exists is presently payable; or (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
  53. 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 in reference to the sale.
- Application of proceeds of sale
54. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

## Calls on shares

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| Directors may make calls                       | 55. | 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.   |
| Call may be revoked or postponed               | 56. | A call may be revoked or postponed at the discretion of the Board.  |
| Call to date from resolution                   | 57. | 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.  |
| Liability of joint holders                     | 58. | The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.   |
| Directors may extend time                      | 59. | The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the Members who from residence at a distance or other cause, the Board may, deem fairly entitled to such extension but no Member shall be entitled to such extension save as a matter of grace and favour.  |
| Calls to carry interest                        | 60. | If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.   |
| Proof on trial of suit for money due to shares | 61. | On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder, at or subsequently to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered; that the resolution making the call is duly recorded in the Minute Book, and that notice of such call was duly given to the Member or his representatives issued in pursuance of this Article, and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt. |
| Waiver of payment                              | 62. | The Board shall be at liberty to waive payment of any such interest wholly or in part.  |
| Sums deemed to be calls                        | 63. | Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. In case of non-payment of such sum, all the relevant provisions of these   |

regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

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| Payment made in advance                             | 64. The Board 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 upon all or any of the monies so advanced, may (until the same would, but exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.  |
| Partial payment not to preclude forfeiture          | 65. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.   |
| Voting rights in respect of calls in advance        | 66. No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.   |
| <b>Transfer of shares</b>                           |   |
| Register of Transfers                               | 67. The Company shall keep a "Register of Transfer" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share in the material form.   |
| Form of Transfer                                    | 68. 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.   |
| Director's power to refuse to register a transfer   | 69. The Board may, subject to the right of appeal conferred by section 58 of the Act decline to register:<br>A) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or<br>B) any transfer of shares on which the Company has a lien.  |
|   | 70. No share shall in any circumstances be transferred to any minor, insolvent or person of unsound mind.   |
| Director's power to decline instrument of transfer  | 71. The Board may decline to recognise any instrument of transfer unless:<br>A) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56 of the Act;<br>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<br>C) the instrument of transfer is in respect of only one class of shares. |
| Closure of Register of members of Debenture holders | 72. The Company may close the register of members or the register of debentureholders 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 Securities and Exchange Board.   |



Notice of application when to be given 73. Where, in the case of partly paid share, an application for registration is made by the transferor, the Company shall give notice of the application to the Transferee in accordance with the provisions of the Act.

Suspension of share transfer 74. On giving not less than seven days' previous notice in accordance with section 91 of the Act and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine, Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

### **Transmission of Shares**

Transmission clause 75. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares. Nothing in clause 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.

Power of Board to refuse transmission of shares 76. 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 to be registered himself as holder of the share or 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.

77. 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.

The Company is not liable for disregard of notice prohibiting registration of transfer 78. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to an 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 said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound to be required to regard or attend to 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 some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

Right of successors 79. 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.

Nomination 80. Pursuant to Section 72 of the Act, every shareholder or debenture holder of the Company, may at anytime, nominate, in the prescribed manner, a person to whom his shares in, or debentures of the Company shall vest in the event of his death.

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

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

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

#### **Forfeiture of Shares**

In default of payment, shares to be forfeited 84. 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.

Disposal of shares forfeited 85. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit or at any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

Effect of forfeiture 86. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares. 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.

- Evidence of forfeiture
87. 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.
88. The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed and 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 or disposal of the share.
89. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
- Cancellation of share certificate in respect of forfeited shares
90. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate share certificates in respect of the said shares to the person or persons entitled thereto.
- Power to annul forfeiture
91. The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof, upon such conditions as it think fit.
- Copies of Memorandum and Articles to be sent to Members
92. A copy of the Memorandum and Articles of Association of the Company and other documents referred to in the Act shall be sent by the Company to every member at his request within seven days of the request on payment of the sum of Rupee One for each copy.
- Alteration of capital**
93. The Company may, from time to time, by special resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
94. The Company may subject to the provisions of section 61 of the Act, by special resolution:
- A) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - B) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - C) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
  - D) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

95. Where shares are converted into stock:
- A) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit;  
Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
  - B) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
  - C) such of the regulations of the Company as are applicable to paid up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stockholder" respectively.
96. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law:
- A) its share capital;
  - B) any capital redemption reserve account; or
  - C) any share premium account.

#### **Capitalization of profits**

97. The Company in general meeting may, upon the recommendation of the Board, resolve 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 that such sum be accordingly set free for distribution in the manner specified hereunder 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, either in or towards:
- A) paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - B) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
  - C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
  - D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
  - E) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

98. Whenever a resolution in Article 100 shall have been passed, the Board shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares, if any and generally do all acts and things required to give effect thereto.
99. The Board shall have power to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fraction and to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares. Any agreement made under such authority shall be effective and binding on such members.

#### **Buy back of Shares**

100. Subject to the provisions of sections 68, 69 and 70 of the Act, the Company may buy-back the Company's shares or other specified securities out of its free reserves or its securities premium account or from the proceeds of any shares or other specified securities; Provided that no buy-back of any kind of shares or other specified securities shall be made out of the proceeds of an earlier issue of the same kind of shares or the same kind of other specified securities.

#### **General Meetings**

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| Annual General Meeting        | 101. Subject to the provisions of Section 96 of the Act, the Company shall in each year hold in addition to any other meetings, a general meeting as its annual general meeting and shall specify the meeting as such in the notices calling it, and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next.  |
| Time and place of the Meeting | 102. The Company shall call an annual general meeting during business hours, that is, between 9.30 a.m. and 6 p.m. on any day that is not a National Holiday and shall be held either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situate.   |
|                               | 103. All general meetings other than annual general meeting shall be called extraordinary general meeting.  |
| Extraordinary General Meeting | 104. The Board may, subject to Section 100 of the Act, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing or through electronic mode by any Member or Members holding in the aggregate not less than one-tenth of such of the paid-up capital as at that date carries the right of voting in regard to the matter in respect of which the requisition has been made. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board. |

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| Requisition of Members to state object of Meeting   | 105. | The requisition made under sub-section (2) of Section 100 of the Act shall set out the matters for the consideration of which the meeting is to be called and shall be signed by the requisitionists and sent to the registered office of the Company.  |
| On receipt of requisition, directors to call Meeting and in default requisitionists may do so | 106. | If the Board does not, within twenty-one days from the date of receipt of a valid requisition in regard to any matter, proceed to call a meeting for the consideration of that matter on a day not later than forty-five days from the date of receipt of such requisition, the meeting may be called and held by the requisitionists themselves within a period of three months from the date of the requisition.  |
| Meeting called by requisitionists   | 107. | Any Meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.  |
| Notice of Meeting   | 108. | Subject to Section 101 of the Act, the Company may call a general meeting by giving not less than clear twenty-one days' notice either in writing or through electronic mode in such manner as prescribed in the rules, Provided that a general meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by not less than ninety-five per cent. of the members entitled to vote at such meeting.  |
|   | 109. | Every notice of a 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 of every meeting of the Company shall be given to: <ul style="list-style-type: none"> <li>A) every member of the Company, legal representative of any deceased member or the assignee of an insolvent member;</li> <li>B) the auditor or auditors of the Company; and</li> <li>C) every director of the Company.</li> </ul> |
| Omission to give notice not to invalidate a resolution passed Chairman of meetings            | 110. | The accidental omission to give any such notice of the meeting to any of the Members, or the non receipt thereof shall not invalidate any resolution passed at any such Meeting.  |
|   | 111. | Subject to this Article, the members personally present at the meeting shall elect one of themselves to be the Chairman thereof on a show of hands.   |
|   | 112. | If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and the Chairman elected on a show of hands under sub-section (1) of Section 104 of the Act shall continue to be the Chairman of the meeting until some other person is elected as Chairman as a result of the poll, and such other person shall be the Chairman for the rest of the meeting.   |

**Proceedings at general meetings**

113. a. The Chairman, if any, of the Board shall preside as 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 directors present shall elect one of their members 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 choose one of their members to be Chairman of the meeting.

	b. At any General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands, unless before or on the declaration of the result of the show of hands, a poll is ordered to be taken by the Chairman of the meeting of his own motion or unless a poll is demanded by any member or members present in person or by proxy and having not less than one-tenth of the total voting power or holding shares on which aggregate sum of not less than five lakh rupees or such higher amount as has been paid up.
	114. A declaration by the Chairman of the meeting of the passing of a resolution or otherwise by show of hands under sub-section (1) of Section 107 of the Act and an entry to that effect in the books containing the minutes of the meeting of the Company shall be conclusive evidence of the fact of passing of such resolution or otherwise.
Poll to be taken, if demanded	115. A poll demanded on any question other than adjournment of the meeting or appointment of Chairman 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.
Scrutineers at poll	116. Where a poll is to be taken, the Chairman of the meeting shall appoint such number of persons, as he deems necessary, to scrutinise the poll process and votes given on the poll and to report thereon to him in the manner prescribed in the rules.
In what case poll taken without adjournment	117. Any poll duly demanded on the election of a Chairman of a Meeting or on any question of adjournment shall be taken at the Meeting forthwith.
Voting through electronic means	118. Subject to Section 108 of the Act and the provisions notified by the Central Government with reference to electronic voting and/or voting through any other mode, the Company shall have the option to avail the facilities subject to the Rules, Regulations and the Company shall have the discretion to avail the same.
Chairman's casting vote	119. In the case of an equality of votes, the Chairman shall both on a show of hands and at a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a Member.
Adjournment of meeting	120. The Chairman may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. 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 as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
Power of Tribunal/ Other Statutory Authorities to call meetings of members, etc.	121. If for any reason it is impracticable to call a meeting of the Company, other than an annual general meeting, in any manner in which meetings of the Company may be called, or to hold or conduct the meeting of the Company in the manner prescribed by this Act or the Articles of the Company, the Tribunal may, either suo motu or on the application of any director or member of the Company who would be entitled to vote at the meeting, order a meeting of the Company to be called, held and conducted in such manner as the Tribunal or any other Statutory Authority for the time being prescribed thinks fit and give such ancillary or consequential directions as the Tribunal or any other Statutory Authority for the

time being prescribed thinks expedient, including directions modifying or supplementing in relation to the calling, holding and conducting of the meeting, the operation of the provisions of this Act or Articles of the Company, Provided that such directions may include a direction that one member of the Company present in person or by proxy shall be deemed to constitute a meeting. Any meeting called, held and conducted in accordance with any order, for all purposes, be deemed to be a meeting of the Company duly called, held and conducted.

Quorum of the meeting

122. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103 of the Act as under:
- a) five members personally present if the number of members as on the date of meeting is not more than one thousand;
  - b) fifteen members personally present if the number of members as on the date of 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;

Body Corporate deemed to be personally present

123. A body corporate, whether the Company within the meaning of the Act or not, may,
- A) if it is a member of the Company within the meaning of the Act, by resolution of its Board of Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company, or at any meeting of any class of members of the Company;
  - B) if it is a creditor, including a holder of debentures, of the Company within the meaning of the Act, by resolution of its directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of any creditors of the Company held in pursuance of the Act or of any rules made thereunder, or in pursuance of the provisions contained in any debenture or trust deed, as the case may be.

Postal Ballot

124. Subject to Section 110 of the Act, the Company shall transact the business which are mentioned Rule 22 of Chapter VII of the Act by means of postal ballot and may, in respect of any item of business, other than ordinary business and any business in respect of which directors or auditors have a right to be heard at any meeting, transact by means of postal ballot, instead of transacting such business at a general meeting.
125. If a resolution is assented to by the requisite majority of the shareholders by means of postal ballot, it shall be deemed to have been duly passed at a general meeting convened in that behalf.

Minutes of Meeting

126. Subject to Section 118 of the Act, the Company shall cause minutes of the proceedings of every general meeting of any class of shareholders or creditors, and every resolution passed by postal ballot and every meeting of its Board of Directors or of every committee of the Board, to be prepared and signed in such manner as may be prescribed and kept within thirty days of the conclusion



of every such meeting concerned, or passing of resolution by postal ballot in books kept for that purpose with their pages consecutively numbered.

127. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
128. All appointments made at any of the meetings aforesaid shall be included in the minutes of the meeting.
- Resolutions requiring special notice
129. Where a special notice is required of any resolution, notice of the intention to move such resolution shall be given to the Company by such number of members holding not less than one percent of total voting power or holding shares on which such aggregate sum not exceeding five lakh rupees, has been paid-up and the Company shall give its members notice of the resolution atleast seven days before the meeting. The notice shall be sent by members to the Company not earlier than three months but at least fourteen days before the date of the meeting at which the resolution is to be moved, exclusive of the day on which the notice is given and the day of the meeting.
- Resolutions and agreements to be filed
130. The Company shall be required to file a copy of every resolution or any agreement, in respect of matters specified in sub-section (3) of Section 117 of the Act together with the explanatory statement under section 102 of the Act, if any, annexed to the notice calling the meeting in which the resolution is proposed, with the Registrar within thirty days of the passing or making thereof in such manner and with such fees as may be prescribed within the time specified under section 403 of the Act. The provisions of Section 117 of the Act shall apply to:
- A) special resolutions;
  - B) resolutions which have been agreed to by all the members of the Company, but which, if not so agreed to, would not have been effective for their purpose unless they had been passed as special resolutions;
  - C) any resolution of the Board of Directors of the Company or agreement executed by the Company, relating to the appointment, re-appointment or renewal of the appointment, or variation of the terms of appointment, of a managing director;
  - D) resolutions or agreements which have been agreed to by any class of members but which, if not so agreed to, would not have been effective for their purpose unless they had been passed by a specified majority or otherwise in some particular manner and all resolutions or agreements which effectively bind such class of members though not agreed to by all those members;
  - E) resolutions passed by the Company according consent to the exercise by its Board of Directors of any of the powers under clause (a) and clause (c) of sub-section (1) of section 180 of the Act;
  - F) resolutions requiring the Company to be wound up voluntarily passed in pursuance of section 304 of the Act;
  - G) resolutions passed in pursuance of sub-section (3) of section 179 of the Act; and

- H) any other resolution or agreement as may be prescribed and placed in the public domain.

### **Voting rights**

- 131. Subject to any rights or restrictions for the time being attached to any class or classes of shares:
  - A) on a show of hands, every member present in person shall have one vote; and
  - B) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.
- 132. A member may exercise his vote at a meeting by electronic means in accordance with section 108 of the Act and shall vote only once.
- 133. 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.
- 134. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
- 135. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
- 136. 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.
- 137. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.

### **Proxy**

- 138. Subject to section 105 of the Act, any member of Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as a proxy to attend and vote at the meeting on his behalf, Provided that a proxy shall not have the right to speak at such meeting and shall not be entitled to vote except on a poll.
- 139. A person appointed as proxy shall act on behalf of such member or number of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights, Provided that a member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
- 140. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office

of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

141. Every instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105 of the Act.
142. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

### **Board of Directors**

- Number of Directors 143. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors shall not be less than three and not be more than fifteen, Provided that the Company may appoint more than fifteen directors after passing a special resolution. Provided further that the Company shall have at least one woman director on the Board of Directors.
144. 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.
145. The Company shall have at least one-third of the total number of directors as independent directors and the minimum number of independent directors shall be two.
- First Directors of the Company 146. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.
- The first Directors of the Company shall be:
1. Mr. Ram Kumar Batra
  2. Mr. Hira Khubchand Advani
  3. Mr. Gordhandas Rochiram Panjabi
- Appointment of Director 147. Save as otherwise expressly provided in the Act, every director shall be appointed by the Company in the general meeting. No person shall be appointed as a director of the Company unless he has been allotted the Director Identification under section 154 of the Act.
- Right to appoint Directors 148. shall, as long as its hold not less than twenty six percent [26%] of the total Paid-up Share Capital of the Company, be entitled, by a notice in writing addressed to the Company by its authorised representative, to appoint such number of person or persons as director or directors of the Company as shall, together with the managing / whole-time director(s) constitute one- third of the total number of directors for the time being of the Company, and to remove such person or persons from office of director or directors and on a vacancy being caused in such office due to any cause whatsoever whether by resignation, retirement, death, removal or otherwise, of any such person or persons so appointed, to appoint

another or others to fill such vacancy or vacancies. An appointment or removal of the director or directors under this Article shall become effective forthwith upon receipt by the Company of the aforesaid notice. Subject to the provisions of the Act, the managing/whole-time director(s) so appointed by shall not be liable to retire at any General Meeting of the Company.

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| Retirement by rotation               | 149. Unless the Articles provide for the retirement of all directors at every annual general meeting, not less than two-thirds of the total number of directors of a public company shall be persons whose period of office is liable to determination by retirement of directors by rotation and save as otherwise expressly provided in this Act, be appointed by the Company in general meeting. The remaining directors in the case of any such company shall, in default of, and subject to any regulations in the Articles of the Company, also be appointed by the Company in general meeting. At every subsequent annual general meeting, 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 from office. The directors to retire by rotation 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 the annual general meeting at which a director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring director or some other person thereto. |
| Effect when vacancy is not filled up | 150. If the vacancy of the retiring director is not so 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 also, the vacancy of the retiring director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring director shall be deemed to have been re-appointed at the adjourned meeting, unless: <ul style="list-style-type: none"><li>A) at that meeting or at the previous meeting a resolution for the re-appointment of such director has been put to the meeting and lost;</li><li>B) the retiring director has, by a notice in writing addressed to the Company or its Board of directors, expressed his unwillingness to be so re-appointed;</li><li>C) he is not qualified or is disqualified for appointment;</li><li>D) a resolution, whether special or ordinary, is required for his appointment or re-appointment by virtue of any provisions of this Act; or</li><li>E) Section 162 of the Act is applicable to the case.</li></ul>   |
| Appointment of Additional Director   | 151. Subject to the provisions of section 161 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. Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.   |
| Appointment of Alternate Director    | 152. The Board of Directors of the Company may, if so authorised by its Articles or by a resolution passed by the Company in general meeting, appoint a person, not being a person holding any alternate   |

directorship for any other director in the Company, to act as an alternate director for a director during his absence for a period of not less than three months from India, Provided that 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 this Act, Provided further that an alternate director shall not hold office for a period longer than that permissible to the director in whose place he has been appointed and shall vacate the office if and when the director in whose place he has been appointed returns to India.

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| Appointment of Nominee Director   | 153. | Subject to this Article, the Board may appoint any person as 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 by the Central Government or the State Government by virtue of its shareholding in a Government company.  |
| Appointment of director elected by small shareholders   | 154. | Subject to Section 151 of the Act, the Company may have one director elected by such small shareholders in such manner and with such terms and conditions as may be deemed fit.   |
| Remuneration of Directors   | 155. | The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day. In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by the in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company or in connection with the business of the Company  |
| Reimbursement of expenses   | 156. | The Board may pay all expenses incurred in getting up and registering the Company.  |
| Travelling expenses incurred by Director not a bonafide resident or by Director going out on Company's business | 157. | The Board may allow and pay to any Director, who travels for the purpose of attending and returning from meetings of the Board of Directors or any Committee/s thereof or General Meetings, or in connection with the business of the Company, his travelling and hotel and other expenses incurred by him in consequence or for the purpose of his attendance, and in connection with the business of the Company in addition to his fees for attending such meetings as above specified and other remuneration payable to him.<br><br>Provided that if so desired by the Corporation appointing a Corporation Director, the Company may instead reimburse the Corporation appointing such Director any sums that may be paid by it to that Director in respect of his attendance at the meeting of the Board. |
| Directors may act notwithstanding any vacancy   | 158. | The continuing Directors may act, notwithstanding any vacancy in their body, but if and so long as their number is reduced below the minimum fixed by Article 149 hereof. The continuing Directors, not being less than two, may act for the purpose of increasing the number of Directors to that number, or of summoning a General Meeting but for no other purpose.  |
| Maintenance of Register   | 159. | The Company may exercise the powers conferred on it by section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may thinks fit respecting the keeping of any such register.   |

Delegation of Authority by Board	<p>160. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.</p> <p>161. 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.</p>
Qualification of Directors	<p>162. A Director shall not be required to hold any share qualification.</p>
Vacation of office before the expiry of term	<p>163. Subject to this Article, 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, in default of and subject to any regulations in the Articles of the Company, be filled by the Board of Directors at a meeting of the Board, Provided that any person 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.</p>
Proportional Representation for appointment of Directors	<p>164. Subject to these Article, the Company may provide for the appointment of not less than two-thirds of the total number of the directors of the Company in accordance with the principle of proportional representation, whether by the single transferable vote or by a system of cumulative voting or otherwise and such appointments may be made once in every three years and casual vacancies of such directors shall be filled as provided in sub-section (4) of section 161 of the Act.</p>
Disqualification of Director	<p>165. (1) A person shall not be eligible for appointment as a director of the Company, if:</p> <ul style="list-style-type: none"> <li>A) he is of unsound mind and stands so declared by a competent court;</li> <li>B) he is an undischarged insolvent;</li> <li>C) he has applied to be adjudicated as an insolvent and his application is pending;</li> <li>D) 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;</li> <li>E) an order disqualifying him for appointment as a director has been passed by a court or Tribunal or any Statutory Authority for the time being prescribed and the order is in force;</li> <li>F) 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;</li> <li>G) he has been convicted of the offence dealing with related party transaction under section 188 of the Act at any time during the last preceding five years; or</li> <li>H) he has not complied with sub-section (3) of section 152 of the Act.</li> </ul> <p>(2) No person who is or has been a director of the Company which—</p> <ul style="list-style-type: none"> <li>A) has not filed financial statements or annual returns for any continuous period of three financial years; or</li> </ul>

- 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 re-appointed as a director of that company or appointed in other company for a period of five years from the date on which the said company fails to do so.
- Duties of Directors      166. Subject to the provisions of this Act, a director of the Company shall act in accordance with the Articles of the Company.
- A) A director of the Company shall act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment.
- B) A director of the Company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- C) A director of the Company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- D) A director of the Company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Company.
- E) A director of the Company shall not assign his office and any assignment so made shall be void.
- Vacation of office of Director      167. (1) The office of a director shall become vacant in case –
- 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 or any Statutory Authority for the time being prescribed;
- 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;
- G) Provided that the office shall be vacated by the director even if he has filed an appeal against the order of such court;
- H) he is removed in pursuance of the provisions of this Act;
- I) 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.
- (2) Where all the directors of the Company vacate their offices under any of the disqualifications specified in sub-section (1) of section 167 of the Act, the promoter or, in his absence, the Central Government shall appoint the required number of directors who shall hold office till the directors are appointed by the Company in the general meeting.

## Proceedings of the Board

- Meeting of Directors 168. (a) The Board of Directors may meet for the conduct of business, adjourned and otherwise regulate its meeting, as it thinks fit. A Director may, and the Manager or Secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.
- (b) Subject to this Article, the Company shall hold a minimum number of four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board.
169. The participation of directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, which are capable of recording and recognising the participation of the directors and of recording and storing the proceedings of such meetings along with date and time.
- Notice of Directors Meeting 170. The 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, if any, shall be present at the meeting:
- Provided further that 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, if any.
- Question at Board Meeting how to be decided 171. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes and in case of an equality of votes, the Chairman of the Board, if any, shall have a second or casting vote.
- Quorum for Board Meeting 172. Subject to this Article, the quorum for a meeting of the Board of Directors of the Company 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.
173. 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.
174. Where at any time the number of interested directors exceeds or is equal to two-thirds of the total strength of the Board of Directors, 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.
175. Where a meeting of the Board could not be held for want of quorum, 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.



Chairman of Board Meeting

176. The Board may elect a Chairman of its meetings and determine the period for which he is to hold office. 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 directors present may choose one of their number to be Chairman of the meeting.
177. The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
178. A committee may elect a Chairman of its meetings. 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.
179. A committee may meet and adjourn as it thinks fit. Any questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairman shall have a second or casting vote.
180. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
181. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.
182. Subject to the restrictions contained in Section 179 of the Act, the Board may delegate any of their powers to one or more Committees of the Board consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such Committee of the Board either wholly or in part, and either as to persons or purposes; but every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may, from time to time, be imposed on it by the Board. All acts done by any such Committee of the Board shall be in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board. Provided that every such Committee shall have, as one of its member, the Director referred to in Article 176 or his alternate Director.
183. No resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the directors, or members of the committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be prescribed and has been approved by a majority of the directors or members, who are entitled to vote on the resolution:

Provided that, where not less than one-third of the total number of directors of the Company for the time being require that any resolution under circulation must be decided at a meeting, the Chairman shall put the resolution to be decided at a meeting of the Board.

184. A resolution under sub-section (1) of Section 175 of the Act shall be noted at a subsequent meeting of the Board or the committee thereof, as the case may be, and made part of the minutes of such meeting.
- Right to Appoint Director as Chairman 185. shall, as long as it holds not less than 26% of the total Paid-up Share Capital of the Company, be entitled, by a notice in writing addressed to the Company by its authorised representative, to appoint any director as chairman of the Board of Directors of the Company and to cancel such appointment and on a vacancy being caused in such office due to any cause whatsoever whether by such cancellation or by resignation, retirement, death, removal or otherwise, of any such person so appointed, to appoint any director to fill such vacancy. An appointment or cancellation of such appointment under this Article shall become effective forthwith upon receipt by the Company of the aforesaid notice.
- Defects in appointment of director 186. Subject to Section 176 of the Act, no act done by a person as a director shall be deemed to be invalid, notwithstanding that it was subsequently noticed that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provision contained in the Act or in the Articles of the Company, Provided that nothing in this section shall be deemed to give validity to any act done by the director after his appointment has been noticed by the Company to be invalid or to have terminated.
- Powers of Board 187. Subject to Section 179 of the Act and provisions contained in the Articles of the Company, the Board of Directors shall exercise the following powers on behalf of the Company by means of resolutions passed at meetings of the Board, namely:
- A) to make calls on shareholders in respect of money unpaid on their shares;
  - B) to authorise buy-back of securities under section 68 of the Act;
  - C) to issue securities, including debentures, whether in or outside India to borrow monies;
  - D) to invest the funds of the Company;
  - E) to grant loans or give guarantee or provide security in respect of loans;
  - F) to approve financial statement and the Board's report;
  - G) to diversify the business of the Company;
  - H) to approve amalgamation, merger or reconstruction;
  - I) to take over the Company or acquire a controlling or substantial stake in another company;
  - J) any other matter which may be prescribed.
- Terms of issue of Debentures 188. Any debentures, debentures stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in general meeting accorded by a Special Resolution.

Register and Index of Debenture holders	189.	The Company shall, if at any time it issues debentures, keep a Register and Index of Debenture- holders in accordance with the provision of the Act. The Company shall have the power to keep in any state or country outside India a branch Register of Debenture-holders resident in that State or country.
Register of mortgages, etc. to be kept	190.	The Board shall cause a proper Register to be kept in accordance with the provisions of the Act of all mortgages, debentures and charges specifically affecting the property of the Company.
	191.	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, the powers specified in clauses (d) to (f) of Section 179 of the Act on such conditions as it may specify in the resolution.
Contribution to political funds	192.	Subject to Section 182 of the Act, the Company may contribute any amount directly or indirectly to any political party, Provided that the aggregate of the amount which may be so contributed by the Company in any financial year shall not exceed seven and a half per cent. of its average net profits during the three immediately preceding financial years.
Contribution to National Defense Fund	193.	Subject to Section 183 of the Act, the Board of Directors of the Company or any person or authority exercising the powers of the Board of Directors of the Company, or of the Company in general meeting, may, notwithstanding anything contained in sections 180, 181 and section 182 or any other provision of this Act or in the memorandum, Articles or any other instrument relating to the Company, contribute such amount as it thinks fit to the National Defence Fund or any other Fund approved by the Central Government for the purpose of national defence.
Certain Powers of the Board	194.	<p>Without prejudice to the general powers conferred by Article 192 and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by this Article, but subject to the restrictions contained in Article 192, it is hereby declared that the Directors shall have the following powers, that is to say, power:</p> <p>A) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company;</p> <p>B) To pay and charge to the capital account of the Company commission or interest lawfully payable thereout under the provisions of Section 40 of the Act;</p> <p>C) Subject to Sections 179, 180 and 188 of the Act, to purchase or otherwise acquire for the Company any property, right or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition, to accept such title as the Directors may believe or may be advised to be reasonably satisfied.</p> <p>D) At their discretion and subject to the provisions of the Act, to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in share, bonds, debentures, mortgages, or otherwise 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, mortgages or other securities may be either specifically charged upon all or any part of the property of the</p>

- Company and its uncalled capital or not so charged;
- E) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit;
  - F) To accept from any Member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed;
  - G) To appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purpose and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;
  - H) 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 and of any claim or demands by or against the Company and to refer any differences to arbitration and observe and perform any awards made thereon;
  - I) To act on behalf of the Company in all matters relating to bankrupts and insolvents.;
  - J) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company;
  - K) Subject to the provisions of Sections 179, 185, and 186 of the Act, 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 vary or realise such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name;
  - L) 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 surety, for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon;
  - M) 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 purpose;
  - N) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company and to give to any office or other person employed by the Company a commission on the profits of any particular business or transaction, and to charge such bonus or commission as part of the working expenses of the Company;
  - O) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing provident and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other

attendance and other assistance as the Board shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee any charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise;

- P) 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 depreciation fund, or to an insurance fund, or as Reserve Fund or any special fund to meet contingencies or to repay debentures or debentures stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purpose referred to in the preceding clause), as the Board may, in their absolute discretion, think conducive to the interest of the Company and subject to Section 179 of the Act, to invest several sums so set aside or so much thereof as required to be invested, upon such investments (other than shares of the Company) as they 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 such part thereof for the benefit of the Company, in such a manner and for such purposes as the Board in their absolute discretion, think conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon which they expend 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 Fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of Reserve Fund or division of a Reserve Fund and with full power to employ assets constituting all or any of the above funds, including the depreciation fund, in the business of the Company or in the purchase or repayment of debentures or debenture stock, and without being bound to pay interest on the same with power however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper;
- Q) To appoint and at their discretion, remove or suspend, such general managers, managers, secretaries, assistants, supervisors, clerks, agents and servants 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 or remuneration, and to require security in such instances and to such amount as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think and the provisions contained in the four next following sub-clauses shall be without prejudice to the generally conferred by this sub-clause;
- R) From time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of such local Boards, and to fix their remuneration;
- S) Subject to Section 179 of the Act, from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow money, and to authorise the members for the

time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such terms and subject to such conditions as the Board may think fit, and Board may at any time remove any person so appointed, and may annul or vary any such delegation;

- T) At any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and subject to the provisions of Section 179 of the Act) 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 think fit) be made in favour of any company, or the shareholders, directors, nominees, or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and such Power of Attorney may contain such Powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers authorities and discretions for the time being vested in them;
- U) Subject to Section 179 of the Act, 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;
- V) To constitute such Committees and to formulate policies or guidelines as may be mandated by the Act or the Listing Agreement or any other agreement which may be executed or is to be executed by the Company from time to time.
- W) From time to time to make, vary and repeal by laws for the regulations of the business of the Company, its officers and servants;
- X) To comply with the requirements of any local law which in their opinion it shall, in the interest of the Company, be necessary or expedient to comply with.

Directors may contract with the Company

195. Except with the consent of the Board of Directors given by a resolution at a meeting of the Board, no company shall enter into any contract or arrangement with a related party with respect to –
- A) sale, purchase or supply of any goods or materials;
  - B) selling or otherwise disposing of, or buying, property of any kind;
  - C) leasing of property of any kind;
  - D) availing or rendering of any services;
  - E) appointment of any agent for purchase or sale of goods, materials, services or property;
  - F) such related party's appointment to any office or place of profit in the Company, its subsidiary company or associate company; and
  - G) underwriting the subscription of any securities or derivatives thereof, of the Company;

Provided that no contract or arrangement, shall be entered into except with the prior approval of the Company by a special resolution:

Provided further that no member of the Company shall vote on such special resolution, to approve any contract or arrangement which may be entered into by the Company, if such member is a related party:

Provided also that nothing in this sub-section shall apply to any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis.

196. Every contract or arrangement entered into under the aforesaid Article shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.
197. Where any contract or arrangement is entered into by a director or any other employee, without obtaining the consent of the Board or approval by a special resolution in the general meeting under sub-section (1) of Section 188 of the Act and if it is not ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board and if the contract or arrangement is with a related party to any director, or is authorised by any other director, the directors concerned shall indemnify the Company against any loss incurred by it.
198. Subject to the provision of the Act, it shall be open to the Company to proceed against a director or any other employee who had entered into such contract or arrangement in contravention of the provisions of Section 188 of the Act for recovery of any loss sustained by it as a result of such contract or arrangement.
- Disclosure of interest 199. Subject to Section 184 of the Act, every director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding, in such manner as may be prescribed. Every director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into:
  - A) with a body corporate in which such director or such director in association with any other director, holds more than two per cent. shareholding of that body corporate, or is a promoter, manager, Chief Executive Officer of that body corporate; or
  - B) with a firm or other entity in which, such director is a partner, owner or member, as the case may be,shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting, Provided that where any director who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested

Nothing in this section:

- A) shall be taken to prejudice the operation of any rule of law restricting a director of the Company from having any concern or interest in any contract or arrangement with the Company;
- B) shall apply to any contract or arrangement entered into or to be entered into between two companies where any of the directors of the one company or two or more of them together holds or hold not more than two per cent. of the paid-up share capital in the other company.

General notice of interest

200. A General notice given to the Board by the Director, to the effect that he is a director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made.

Register of Contracts in which Directors are interested

201. Subject to Section 189 of the Act, the Company shall keep one or more registers giving separately the particulars of all contracts or arrangements to which sub-section (2) of section 184 or section 188 of the Act applies, subject to the rules which has been prescribed and after entering the particulars, such register or registers shall be placed before the next meeting of the Board and signed by all the directors present at the meeting. Every director or key managerial personnel shall, within a period of thirty days of his appointment, or relinquishment of his office, as the case may be, disclose to the Company the particulars specified in sub-section (1) of section 184 of the Act relating to his concern or interest in the other associations which are required to be included in the register under that sub-section or such other information relating to himself as may be prescribed.

202. The register referred to in sub-section (1) of Section 189 of the Act shall be kept at the registered office of the Company and it shall be open for inspection at such office during business hours and extracts may be taken there from, and copies thereof as may be required by any member of the Company shall be furnished by the Company to such extent, in such manner, and on payment of such fees in accordance with the provisions of the Act. The register to be kept under Section 189 of the Act shall also be produced at the commencement of every annual general meeting of the Company and shall remain open and accessible during the continuance of the meeting to any person having the right to attend the meeting.

Register of directors and key managerial personnel and their shareholding

203. Subject to Section 170 of the Act, the Company shall keep at its registered office a register containing the particulars of its directors and key managerial personnel, which shall include the details of securities held by each of them in the Company or its holding, subsidiary, subsidiary of company's holding company or associate companies.

Restriction on Management

204. The Managing Director or Managing Directors shall not exercise the power to:
- A) make calls on shareholders in respect of money unpaid on the shares in the Company,
  - B) issue debentures,
- and except to the extent mentioned in the resolution passed at the Board meeting under Section 179 of the Act, shall also not exercise the power to :
- C) borrow moneys, other than on debentures,



- D) invest the funds of the Company and  
E) make loans.
- Minutes of Board Meeting      205. A) The Company shall cause minutes of all proceedings of every meeting of the Board and Committee thereof to be kept by making within thirty days of the conclusion of every such meeting entries thereof in books kept for that purpose with their pages consecutively numbered.  
B) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the next succeeding meeting. In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.  
C) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.  
D) All appointments made at any of the meetings aforesaid shall be included in the minutes of the meeting.  
E) The minutes shall also contain -  
    i. The name of the Directors present at the meeting; and  
    ii. In the case of each resolution passed at the meeting, the name of the Directors, if any, dissenting from or not concurring in the resolution.  
F) There shall not be included in the minutes, any matter which, in the opinion of the Chairman of the meeting, –  
    i. is or could reasonably be regarded as defamatory of any person; or  
    ii. is irrelevant or immaterial to the proceedings; or  
    iii. is detrimental to the interests of the Company.  
G) The Chairman shall exercise an absolute discretion in regard to the inclusion or non- inclusion of any matter in the minutes on the grounds specified in this sub-clause (5) of Section 118 of the Act.  
H) The minutes kept in accordance with the provisions of this section shall be evidence of the proceedings recorded therein.

#### **Audit Committee**

- Constitution of Audit Committee      206. Subject to Section 177 of the Act, The Board of Directors of the Company shall constitute an Audit Committee which shall consist of a minimum of three directors with independent directors forming a majority:

Provided that majority of members of Audit Committee including its Chairman shall be persons with ability to read and understand, the financial statement.

- Act of Audit Committee      207. The Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, *inter alia*, include:  
A) the recommendation for appointment, remuneration and terms of appointment of auditors of the Company;  
B) review and monitor the auditor's independence and performance, and effectiveness of audit process;  
C) examination of the financial statement and the auditors' report thereon;  
D) approval or any subsequent modification of transactions of the Company with related parties;  
E) scrutiny of inter-corporate loans and investments;  
F) valuation of undertakings or assets of the Company, wherever it is necessary;  
G) evaluation of internal financial controls and risk management systems;

- H) monitoring the end use of funds raised through public offers and related matter.

Authority to investigate 208. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in Section 177 of the Act or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company.

Vigil mechanism 209. Subject to the provision of the Act, the Company shall establish a vigil mechanism for directors and employees to report genuine concerns. The vigil mechanism under sub-section (9) of Section 177 of the Act shall provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases:

Provided that the details of establishment of such mechanism shall be disclosed by the Company on its website, if any, and in the Board's report.

#### **Nomination and Remuneration Committee**

Constitution of Nomination and Remuneration Committee 210. Subject to Section 178 of the Act, the Board of Directors of the Company shall constitute the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half shall be independent directors:

Provided that the Chairman of the Company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.

Act of Nomination and Remuneration Committee 211. A) The Nomination and Remuneration Committee shall 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 shall carry out evaluation of every director's performance.

B) The Nomination and Remuneration Committee shall 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. The Nomination and Remuneration Committee shall, while formulating the policy ensure that:

- i. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- iii. remuneration to directors, key managerial personnel and senior management 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:

Chairman or in his absence member of Committee to attend General Meetings of the Company 212. The Chairman of the Committee or, in his absence, any other member of the Committee authorised by him in this behalf shall attend the general meetings of the Company.

### Stakeholders Relationship Committee

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| Constitution of Stakeholder Relationship Committee                                       | 213. | Subject to Section 178 of the Act, the Board of Directors of the Company shall constitute a Stakeholders Relationship Committee consisting of a Chairman who shall be a non-executive director and such other members as may be decided by the Board. |
| Act of Stakeholder Relationship Committee  | 214. | The Stakeholders Relationship Committee shall consider and resolve the grievances of security holders of the Company.   |
| Chairman or in his absence member of Committee to attend General Meetings of the Company | 215. | The Chairman of the Committee or, in his absence, any other member of the Committee authorised by him in this behalf shall attend the general meetings of the Company.  |

### Investments to be held in Company's name

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|-----------------------------------|------|--|
| Register of Investments           | 216. | Subject to Section 187 of the Act, all investments made or held by the Company in any property, security or other asset shall be made and held by it in its own name, Provided that the Company may hold any shares in its subsidiary Company in the name of any nominee or nominees of the Company, if it is necessary to do so, to ensure that the number of members of the subsidiary company is not reduced below the statutory limit. Nothing in Section 187 of the Act shall prevent the Company:<br>A) from depositing with a bank, being the bankers of the Company, any shares or securities for the collection of any dividend or interest payable thereon; or<br>B) from depositing with, or transferring to, or holding in the name of, the State Bank of India or a scheduled bank, being the bankers of the Company, shares or securities, in order to facilitate the transfer thereof, Provided that if within a period of six months from the date on which the shares or securities are transferred by the Company to, or are first held by the Company in the name of, the State Bank of India or a scheduled bank as aforesaid, no transfer of such shares or securities takes place, the Company shall, as soon as practicable after the expiry of that period, have the shares or securities re-transferred to it from the State Bank of India or the scheduled bank or, as the case may be, again hold the shares or securities in its own name; or<br>C) from depositing with, or transferring to, any person any shares or securities, by way of security for the repayment of any loan advanced to the Company or the performance of any obligation undertaken by it;<br>D) from holding investments in the name of a depository when such investments are in the form of securities held by the Company as a beneficial owner. |
| Register of Investments           | 217. | The Company shall in case any shares or securities in which investments have been made by the Company are not held by it in its own name, maintain a Register which shall contain such particulars as have been prescribed in the rules and such Register shall be open to inspection by any member or debenture-holder of the Company without any charge during business hours.   |
| Inspection of register of charges | 218. | The register of charges and instrument of charges, kept under section 85 of the Act shall be open for inspection during business hours by any member or creditor without any payment of fees or by any other person or payment of such fees as may be prescribed.  |

## Key Managerial Personnel

219. Subject to Section 203 of the Act, the Company may have the following whole-time key managerial personnel:
- A) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time director;
  - B) Company Secretary; and
  - C) Chief Financial Officer.
220. No individual shall be appointed or reappointed as the Chairman of the Company, as well as the managing director or Chief Executive Officer of the Company at the same time after the date of unless, the Articles of the Company provide otherwise or the Company does not carry multiple businesses.
- Appointment of Key Managerial Personnel
221. a. Subject to Section 197(2) of the Act, the Company shall appoint a whole time key managerial personnel by means of a resolution of the Board containing the terms and conditions of the appointment including the remuneration.
- b. A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.
222. The whole-time key managerial personnel shall not hold office in more than one company except in its subsidiary company at the same time, Provided that nothing contained in sub-section (3) of Section 197 of the Act shall disentitle a key managerial personnel from being a director of any company with the permission of the Board.
223. The Company may appoint or employ a person as its managing director, if he is the managing director or manager of one, and of not more than one, other company and such appointment or employment is made or approved by a resolution passed at a meeting of the Board with the consent of all the directors present at the meeting and of which meeting, and of the resolution to be moved thereat, specific notice has been given to all the directors then in India.
224. If the office of any whole-time key managerial personnel is vacated, the resulting vacancy shall be filled-up by the Board at a meeting of the Board within a period of six months from the date of such vacancy.
- Right to appoint Managing Director
225. shall, as long as hold not less than 26% of the total paid-up Share Capital of the Company, be entitled, by a notice in writing addressed to the Company by its authorised representative, to appoint a director appointed pursuant to the provisions of Articles of Association as the managing/ whole-time director of the Company and to remove such person from office and on a vacancy being caused in such office from any cause whatsoever whether by resignation, retirement, death, removal or otherwise, of any such person so appointed, to appoint another to fill such vacancy. An appointment or removal of the director under this Article shall become effective forthwith upon receipt by the Company of the aforesaid notice.

Remuneration of  
Directors, Managing  
Directors &  
Wholetime Directorsl

226. Subject to Section 197 of the Act, the total managerial remuneration payable by the Company, to its directors, including managing director and whole-time director, and its manager in respect of any financial year shall not exceed eleven per cent. of the net profits for that financial year computed in the manner laid down in section 198 of the Act except that the remuneration of the directors shall not be deducted from the gross profits: Provided that the Company in general meeting may, with the approval of the Central Government, authorise the payment of remuneration exceeding eleven per cent. of the net profits of the Company, subject to the provisions of Schedule V, Provided further that, except with the approval of the Company in general meeting:
- A) the remuneration payable to any one managing director; or whole-time director or manager shall not exceed five per cent. of the net profits of the Company and if there is more than one such director remuneration shall not exceed ten per cent. of the net profits to all such directors and manager taken together;
  - B) the remuneration payable to directors who are neither managing directors nor whole-time directors shall not exceed –
    - i. one per cent. of the net profits of the Company, if there is a managing or whole-time director or manager;
    - ii. three per cent. of the net profits in any other case. The percentages aforesaid shall be exclusive of any fees payable to directors under sub-section (5) of Section 197 of the Act.
227. The Company, subject to the provisions of Schedule V, if, in any financial year, has no profits or its profits are inadequate, shall not pay to its directors, including any managing or whole time director or manager, by way of remuneration any sum exclusive of any fees payable to directors under sub-section (5) of Section 197 of the Act except in accordance with the provisions of Schedule V and if it is not able to comply with such provisions, with the previous approval of the Central Government.
228. Notwithstanding anything contained in any other provision of the Act but subject to the provisions of Section 197 of the Act, independent director of the Company shall not be entitled to any stock option and may receive remuneration by way of fees provided under sub-section (5) of Section 197 of the Act, reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be approved by the members.
229. Where any insurance is taken by the Company on behalf of its managing director, whole-time director, manager, Chief Executive Officer, Chief Financial Officer or Company Secretary for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel, Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
230. Subject to the Section 197 of the Act, any director who is in receipt of any commission from the Company and who is a managing or whole-time director of the Company shall not be disqualified from receiving any remuneration or commission from any holding company or subsidiary company of such company subject to its disclosure by the C ompany in the Board’s report.

#### Sitting fees

231. Subject to the provision of the Act, the directors of the Company may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board, Provided that the amount of such fees shall not exceed one lakh rupees per meeting of the Board or Committee thereof or such higher amount as may be prescribed under the act of the rules made thereunder, Provided further in respect of independent director the sitting fees shall not be less than the sitting fee payable to other Directors.

#### The Seal

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

The Company shall also be at liberty to have an official Seal for use in any territory, district or place outside India.

#### Dividend and Reserve

233. Subject to the provision of Section 123 of the Act, no dividend shall be declared or paid by the Company for any financial year except:
- A) out of the profits of the Company for that year arrived at after providing for depreciation in accordance with the provisions of sub-section (2) of Section 123 of the 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:

Provided that the Company may, before the declaration of any dividend in any financial year, transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of the Company:

Provided further that where, owing to inadequacy or absence of profits in any financial year, the Company proposes to declare dividend out of the accumulated profits earned by it in previous years and transferred by the Company to the reserves, such declaration of dividend shall not be made except in accordance with such rules in this behalf:

Provided also that no dividend shall be declared or paid by the Company from its reserves other than free reserves.

234. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

#### Interim Dividend

235. The Board of Directors of the Company may declare interim dividend during any financial year out of the surplus in the profit and loss account and out of profits of the financial year in which such interim dividend is sought to be declared,

Provided that in case the Company has incurred loss during the current financial year up to the end of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the average dividends declared by the Company during the immediately preceding three financial years.

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| Deposit of Dividend declared                     | 236. Subject to the provision of the Act, the amount of the dividend, including interim dividend, shall be deposited in a scheduled bank in a separate account within five days from the date of declaration of such dividend.   |
| Payment of dividend to registered shareholder    | 237. No dividend shall be paid by the Company in respect of any share therein except to the registered shareholder of such share or to his order or to his banker and shall not be payable except in cash:<br><br>Provided that nothing in sub-section (5) of Section 123 of the Act shall be deemed to prohibit the capitalization of profits or reserves of the Company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the Company:<br><br>Provided further that any dividend payable in cash may be paid by cheque or warrant or in any electronic mode to the shareholder entitled to the payment of the dividend.                                   |
| Company not to declare dividend in certain cases | 238. The Company if fails to comply with the provisions of sections 73 and 74 of the Act shall not, so long as such failure continues, declare any dividend on its equity shares.<br><br>239. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. |
| Apportionment and payment of dividend            | 240. 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.  |
| Deduction from dividend                          | 241. 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.  |
| Dividend to joint holders                        | 242. In case of joint holders, any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of one of the joint holders who is first named on the register of members, or to such person and to such other address as the joint holders may in writing direct.<br><br>243. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.<br><br>244. No dividend shall bear interest against the Company.  |

- Unclaimed Dividend Account 245. Subject to the provisions of the Act, where a dividend has been declared by the Company but has not been paid or claimed within thirty days from the date of the declaration to any shareholder entitled to the payment of the dividend, the Company shall, within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the Company in that behalf in any scheduled bank to be called the Unpaid Dividend Account.
246. The Company shall, within a period of ninety days of making any transfer of an amount under sub-section (1) of Section 124 of the Act to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the Company, if any, and also on any other website approved by the Central Government for this purpose, in such form, manner and other particulars as may be prescribed.

### Accounts

- Company to keep books of accounts 247. Subject to Section 128 of the Act, the Company shall prepare and keep at its registered office books of account and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of the affairs of the company, including that of its branch office or offices, if any, and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting:

Provided that all or any of the books of account aforesaid and other relevant papers may be kept at such other place in India as the Board of Directors may decide and where such a decision is taken, the Company shall, within seven days thereof, file with the Registrar a notice in writing giving the full address of that other place:

Provided further that the Company may keep such books of account or other relevant papers in electronic mode in such manner as prescribed.

- Books of Account at Branch office 248. Where the Company has a branch office in India or outside India, it shall be deemed to have complied with the provisions of sub-section (1) of Section 128 of the Act, if proper books of account relating to the transactions effected at the branch office are kept at that office and proper summarized returns periodically are sent by the branch office to the Company at its registered office or the other place referred to in sub-section (1) of Section 128 of the Act.

- Inspection of Books of Accounts 249. Subject to this Article, the books of account and other books and papers maintained by the Company within India shall be open for inspection at the registered office of the Company or at such other place in India by any director during business hours, and in the case of financial information, if any, maintained outside the country, copies of such financial information shall be maintained and produced for inspection by any director subject to conditions as provided in the Act: Further, no Member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.



Provided that the inspection in respect of any subsidiary of the Company shall be done only by the person authorised in this behalf by a resolution of the Board of Directors.

Audit	250.	Auditors shall be appointed and their rights and duties regulated in accordance with Sections 139, 140 and 142 of the Act.
<b>Documents and Notice</b>		
Manner or service of documents or notice on Members by Company	251.	A document or notice may be served or given by the Company on any Member either personally or by sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, in India supplied by him to the Company for serving documents or notices on him or through electronic mail/ electronic mode, if and to the extent permitted by the relevant authorities in the manner prescribed from time to time.
When notices of documents served on Members	252.	Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, preparing and posting a letter containing the document or notice, provided that where a Member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall be deemed to be effected if it is sent in the manner intimated by the member and such service shall be deemed to have been effected in the case of a notice of a meeting, at the expiration of forty eight hours (48) after the letter containing the document or notice is posted and in any other case, at the time at which the letter would be delivered in the ordinary course of post and in case of service through electronic mail/ electronic mode (if and to the extent permitted by the relevant authorities in the manner prescribed from time to time), at the time when electronic mail/ electronic communication is sent to a Member.
By Advertisement	253.	A document or notice advertised in a newspaper circulating in the neighbourhood of the office shall be deemed to be duly served or sent on the day on which the advertisement appears on to every member who has no registered address in India and has not supplied to the Company an address within India for the serving of documents on or the sending of notices to him.
On Joint Holders	254.	A document or notice may be served or given by the Company on or to the joint-holders of a share by serving or giving the document or notice on or to the joint-holder named first in the Register of Members in respect of the share.
On personal representatives, etc.	255.	A document or notice may be served or given by the Company on or to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in prepaid letter addressed to them by name or by the title of representatives of the deceased, or assignee of the deceased, or assignee of the insolvent or by any like description, at the address (if any) in India supplied for the purpose by the persons claiming to be entitled, or (until such an address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred.
To whom documents or notices must be given	256.	Documents or notices of every General Meeting shall be served or given in same manner hereinbefore authorised on or to (a) every Member, (b) every person entitled to a share in consequence of the death or insolvency of a member, and (c) the Auditor or Auditors for the time being of the Company.

Members bounds or documents or notices served on or given to previous holders 257. Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any share shall be bound by every document or notice in respect of such share, which previously to his name and address being entered on the Register of Members, shall have been duly served on or given to the person from whom he derives his title to such shares.

Service of documents 258. Subject to Section 20 of the Act, a document may be served on the Company or an officer thereof by sending it to the Company or the officer at the registered office of the Company by registered post or by speed post or by courier service or by leaving it at its registered office or by means of such electronic or other mode as may be prescribed:

Provided that where securities are held with a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic or other mode.

Documents or notice by Company and signature thereto 259. Any documents or notice to be served or given by the Company may be signed by a Director or some person duly authorised by the Board of Directors for such purpose and the signature thereto may be written, printed or lithographed.

### **Winding-up**

Voluntary winding up 260. The Company may, subject to Section 304 of the Act, be wound up voluntarily, if the Company, in General Meeting passes a resolution requiring the Company to be wound up voluntarily as a result of the expiry of the period for its duration, if any, fixed by its Articles or on the occurrence of any event in respect of which the Articles provide that the Company should be dissolved or if the Company passes a special resolution that the Company be wound up voluntarily.

261. Subject to the provisions of Chapter XX of the Act:  
A) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.  
B) 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.  
C) 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.

Obligations of directors 262. As per Section 286 of the Act, any person who is or has been a Director or Manager, whose liability is unlimited under the provisions of the Act, shall, in addition to his liability, if any, to contribute as an ordinary member, be liable to make a further contribution as if he were at the commencement of winding up, a member of an Unlimited Company, provided that-

A) A person who has been a Director or Manager shall not be liable to make such further contribution, if he has ceased to hold office for a year or upwards before the commencement of the winding up;  
B) a person who has been a Director or Manager shall not be liable to make such further contribution in respect of any debt or liability of the Company contracted after he ceased to hold office;

- C) Subject to this Article, a Director or Manager shall not be liable to make such further contribution unless the Tribunal or any other Statutory Authority for the time being prescribed deems it necessary to require the contribution in order to satisfy the debts and liabilities of the Company, and the costs, charges and expenses of the winding up.

Distribution of property of the Company

- 263. Subject to the provisions of the Act as to overriding preferential payments under Section 326 of the Act, the assets of the Company shall, on its winding up, be applied in satisfaction of its liabilities pari passu and, subject to such application, shall, unless the Articles otherwise provide, be distributed among the members according to their rights and interests in the Company.

Wrongful withholding of property

- 264. According to Section 452 of the Act, if any officer or employee of the Company wrongfully obtains possession of any property, including cash of the Company or having any such property including cash in his possession, wrongfully withholds it or knowingly applies it for the purposes other than those expressed or directed in the Articles and authorised by this Act, he shall, on the complaint of the Company or of any member or creditor or contributory thereof, be punishable as per provision of the Act.

**Indemnity**

Indemnity

- 265. Every officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal or any other Statutory Authority for the time being prescribed.

**Secrecy Clause**

Secrecy Clause

- 266. A) Every Director, Manager, Auditor, Treasurer, Trustee, member of a committee, officer, servant, agent, accountant, or other person employed in the business of the Company shall, if so required by the Board, before entering upon his duties sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
- B) No member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process of any other matter, which may relate to the conduct of the business of opinion of Directors, it would be inexpedient in the interest of the Company to disclose.

We, the several persons, whose names and addresses are subscribed hereunder, are desirous of being formed into a Company, in pursuance of these Articles of Association

<b>Names of Subscribers</b>	<b>Addresses description and occupation of Subscribers</b>	<b>No, of shares taken by Subscribers</b>	<b>Witness to the signature, of Subscribers with address, description and occupation</b>
CHUNILAL U. PADIA	36, Gowalia Tank Road, Bombay. Merchant	100	
KRISHNAJI HARI TILAK	Commissariat Buildings, 231, Hornby Road, Fort, Bombay. Merchant.	100	Vasant D. Mehta Solicitor. Mumbai.
ANANTVAMAN PARANJPE	Bhikoba Nivas,  Ghokhale Road, North, Dadar, Bombay. Merchant.	100	

Place : Mumbai

Date: 21st day of June 1951