

Approved & Adopted as New set of Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association hereof passed in the Extraordinary General Meeting of the members held on 24th July, 2006

THE COMPANIES ACT, 1956

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

TARMAT LIMITED

CONSTITUTION OF THE COMPANY

1. The regulations contained in Table 'A' in the First Schedule of the Company Act, 1956, shall not apply to this Company, but the regulation for the management of the company, and for the observance by the members of the Company and their representatives shall, subject to any exercise of the statutory powers of the company in reference to the repeal or alteration of, or addition to, its regulations by Special Resolution as prescribed by the Companies Act, 1956, be such as are contained in these Articles. *Company to be governed by the Articles and Table 'A' not to apply.*

INTERPRETATION

2. The marginal notes here to shall not affect the construction hereof. In these presents, unless there be something in the subject or context inconsistent therewith. *Interpretation*
- "The Company" or "This Company" means TARMAT LIMITED *Company*
- "The Act" means the Companies Act, 1956 or any statutory modification or re enactment thereof for the time being in force; *Act*
- "The Office" means the Registered Office for the time being of the Company. *Registered Office*
- "The Register" means the Register of Members to be kept pursuant to Section 150 of the Act. *Register*
- "Alter" and "Alteration" shall include the making of additions and omissions. *Alter & Alteration*

<i>Dividend</i>	"Dividend" includes interim dividend and bonus.
<i>Directors</i>	"Directors" means the Directors for the time being of the Company or, as the case may be, the Directors assembled at a Board or acting by circular under the Articles.
<i>Board of Directors or Board</i>	"Board of Directors" or "Board" means a meeting of the Directors duly called and constituted or, as the case may be the Director assembled at a Board or acting by circular under the Articles.
<i>Person</i>	"Person" includes corporation as well as individuals.
<i>Debentures</i>	"Debentures" includes debentures-stock, bonds and other securities of the Company, whether constituting a charge on the assets of the Company or not
<i>Month & year</i>	"Months" and "Years" means respectively a calendar months and calendar year.
<i>In Writing or Written</i>	In "writing" or "written" means and includes words printed, lithographed, represented or reproduced in any mode in visible form.
<i>Modify & Modification</i>	"Modify" and "Modification" shall include the making of addition and omissions.
<i>Ordinary Resolution & Special Resolution</i>	"Ordinary Resolution" or "Special Resolution" shall have the meaning assigned thereto respectively by section 189 of the Act.
<i>Variation & Vary</i>	"Variation" shall include abrogation and "Vary" shall include abrogate.
<i>Small Depositor</i>	"Small depositors" means a depositor who has deposited in a financial year a such not exceeding Rs.20,000/- in the Company.
<i>Beneficial Owner</i>	"Beneficial Owner" means a person whose name is recorded as such with a depository.
	"SEBI" means the Securities and Exchange Board of India.
<i>Depository</i>	"Depository" means a Company formed and registered under the Company Act, 1956 and which has been granted a certificate of Registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.
<i>Singular Number</i>	Words importing the singular number include the plural numbers.
<i>Plural Number</i>	Words importing the plural number also include the singular numbers.
<i>Gender</i>	Words importing the masculine gender also include the feminine gender.

Expression in the Act bear the same meaning in Articles.

Subject as aforesaid, any words or expressions defined in the Act shall except where the subject or context forbids, bear the same meaning in these Articles.

CAPITAL

3. (*) The Authorized Share Capital of the Company is as per Clause V of the memorandum of Association of the Company. **Authorised Share Capital**
- 3A. (1) Notwithstanding anything contained in any other Articles, but subject to the provision of the Companies Act, 1956 or any statutory modification or re-enactment thereof, the company may from time to time and at any time issue to any person(s) as it may deem proper. Share, whether Equity, preference or any other class or any other financial Instrument or Securities, by whatever name called, with non-voting and the share instruments/ Securities so issued may carry rights as to voting, dividend, capital, or otherwise which may be disproportionate to the rights attached to the other Shares or Securities of the Company.
- (2) The Board of directors of the company shall exercise the powers contained in this Articles only after necessary provision for the purpose is incorporated in this companies Act, 1956 or any statutory modification or re-enactment thereof and in such manner and after complying with the condition prescribed in such provision and otherwise.
4. In the issue of Redeemable Preference Shares under the provision of Articles 3, the following provision shall take effect: **Provision in case of Redeemable Preference shares**
- (a) No such shares shall be redeemed except out of profits which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purposes of the redemption;
- (b) No such shares shall be redeemable unless they are fully paid:
- (c) The premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's Share Premium Account before the shares are redeemed:
- (d) Where any such shares are redeemed otherwise than out of the proceed of a fresh issue, there shall. out of profits which

** (Amended pursuant to Special Resolution passed on 18th June, 2019 by Postal Ballot/ E-Voting)*

would otherwise have been available for dividend, be transferred to a Reserve Account, to be called "The Capital Redemption Reserve Account a sum equal to the nominal amount of the shares redeemed, and the provisions of the Act relating to the reduction of the share capital of a Company shall, except as provided by Section 80 of the Act, apply as if the capital Redemption Reserve Account were paid up share capital of the Company.

- (e) Subject to the provisions of Section 80 of the Act, the redemption of preference Shares may be effected in accordance with the terms and conditions of their use and failing that, in such manner as the Board of Directors may think fit and the Company may issue shares up to the nominal amount of the shares redeemed or to be redeemed as if those shares had never been issued;
- (f) Whenever the Company shall redeem any Redeemable Preference Shares the Company shall, within thirty days thereafter, give notice thereof to the Registrar of the Companies as required by Section 95 of the Act.

Increase of capital

- 5. The Company may by ordinary resolution in General Meeting from time to time alter the condition of its Memorandum as follows, that is to say may:
 - (a) Increase its share capital by such amount as it think expedient by issuing new shares of such amount as may be deemed expedient and the new shares shall be issued on 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 be given, as the Board of Directors shall determine, and in particular such shares may be issued with a preferential right to dividends and in the distribution and in the distribution of the assets of the Company.
 - (b) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (c) Convert all or any of its fully paid up shares into stocks and reconvert that stocks into fully paid up shares of any denomination;
 - (d) Sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum so however, that in the sub division of the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
 - (e) Cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled. A cancellation of share in pursuance of this Clause shall not be

deemed to be a reduction of share capital within the meaning of the Act.

6. Whenever the company shall increase its capital beyond its Authorised Capital, the Company shall file with the Registrar of Companies, notice of the increase of capital as required by Section 97 of the Act within thirty days after the passing of the Resolution authorising the increase. The notice shall include particulars of the class affected and the conditions if any, subject to which the new shares have been or are to be issued.

*Notice of
increase of
Share Capital*

The Company shall also comply with the provisions of sub-section (3) of Section 94A within the time thereby limited.

Whenever the company shall do any one or more of the things provided for in Article 5(b), (c), (d) and (e) the Company shall within thirty days after doing so, give notice thereof to the Registrar of Companies as required by Section 95 of Act specifying as the case may be, the shares consolidated, divided, converted and divided, redeemed or cancelled or the stock reconverted.

7. Neither the original nor any increased capital shall be of more than two kinds, namely (a) Equity Share Capital and (b) Preference Share Capital as defined in Section 85 of the Act.

*Capital of two
kinds only*

8. (1) Where at any time after the expiry of two years from the formation of a Company or at anytime after the expiry of one year from the allotment of shares made for the first time after its formation, whichever as earlier, it is proposed to increase the Subscribed Capital of the Company by allotment of further shares then;

*Further issue of
Capital*

(a) Such further shares shall be offered to the persons who at the date of the offer, are holders of the Equity Shares of the Company in proportion as nearly as circumstances admit, to the capital paid up on those at those shares at that date;

(b) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 days from the date of the offer, within which the offer, if not accepted will be deemed to have been declined;

(c) 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 other person and notice referred to in sub-clause (b) hereof shall contain a statement of this right.

(d) After the expiry of the time specified in the notice aforesaid or in 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 as they think most beneficial to the Company

- (2) Notwithstanding anything contained in sub-clause (1), the further shares aforesaid may be offered to any person including employees of the Company (employees stock option) (whether or not those include the persons referred to in sub-clause (1) (a) in any manner whatsoever;
- (a) If special resolution to that effect is passed by the Company in General Meeting, or
 - (b) Where no such Special Resolution is passed, if the votes cast whether on a show of hands or on a poll (as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members, who being entitled to do, vote in person, or by proxy, exceed the vote, if any cast against the proposal by members so entitled voting and the Central Government is satisfied, on an application made by the Board of Directors in that behalf that the proposal, is most beneficial to the Company.
- (3) Nothing in Clause (c) of sub-clause (1) hereof shall be Deemed :
- (a) To extend the time within which the offer should be accepted; or
 - (b) To authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
- (4) Nothing in the Articles shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or loans raised by the Company;
- (i) To convert such debentures or loans into shares in the Company; or
 - (ii) To subscribe for shares in the Company (whether such option is conferred in these Articles or otherwise).
- PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a terms providing for such option and such terms:
- (a) Either has been approved by the central Government before the issue of debentures or the raising of the loans or is in conformity with the Rules, if any, made by that Government in this behalf; and

(b) In this case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed, by the Company in General Meeting before the issue of the debentures or raising of the loans.

9. Except so far as otherwise provided by the conditions of issued or by these Presents any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions herein contained with forfeiture, lien, surrender, voting and otherwise. *How far new shares to rank with shares of original capital*

10. The Company may from time to time by Special Resolution subject to confirmation by the Court and subject to the provisions of Sections 78, 80 and 100 to 105 of the Act, reduce its Share Capital, and Capital Redemption Reserve Account and Share Premium Account in any way and in particular without prejudice to the generality of the foregoing power by :

(a) Extinguishing or reducing the liability on any of its shares in respect of the Share Capital not paid up; or

(b) Canceling, either with or without extinguishing or reducing liability on any of its shares, any paid up Share Capital which is lost or is unrepresented by available assets; or

(c) Paying off, either with or without extinguishing or reducing liability on any of its shares, any paid up Share Capital which is in excess of the wants of the Company, and capital may be paid off upon the footing that it may be called up again or otherwise and paid up capital may be cancelled as aforesaid without reducing the nominal amount of shares by the like amount to the intent that the unpaid and uncallable capital shall be increased by the like amount.

MODIFICATION OF RIGHTS

11. Subject to the provisions of Section 77A, 77AA, 77B and other applicable provisions of the Act, the Company may buy back, from the existing holders of shares, giving right to subscribe for the share of the Company, on a proportionate basis and/or from the open market and/or from the lots smaller than market lots of the shares (odd lots) and/or by purchasing the shares issued to the employees or as may hereafter be notified by the Central Government or any other regulatory authority, from time to time from out of its free reserves or shares premium account of the Company or out of the proceeds of any issue made by the Company specifically for the purpose, or from such other sources as may be prescribed by law from time to time; provided that the aggregate of the shares so bought back be within the limits, if any, as specified in law. *Buy back of Company's shares*

12. Subject to the provision of Section 94 of the Act, the Company in General Meeting may, from time to time, sub-divide, or consolidate its shares, or any of them and the resolution whereby any shares is *Sub-division Consolidation and Cancellation of shares*

sub-divided, may determine that, as between the holders of the shares resulting from such sub-division, one or more of such shares shall have the same preference or special advantage as regards dividend, capital or otherwise over or as compared with the other or others. Subject as aforesaid, the Company in General Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

Power to modify rights

13. Whenever, the Share Capital is divided into different classes of shares, the rights attached to the shares of any class may subject to the provisions of Sections 106 and 107 of the Act be varied with :

- (a) the consent in writing of the holders of not less than three-fourth of the issued share of that class; or
- (b) the sanction of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class;

and all the provisions hereafter contained as to General Meetings (including the provisions relating to quorum at such meetings) shall mutatis mutandis apply to every such meeting.

SHARES

Shares to be numbered progressively

14. The shares in the capital shall be numbered progressively according to their several denominations, provided here ever that the provision relating to progressive numbering shall not apply to the shares which are dematerialized or may be dematerialized in future or issued in future in dematerialized form every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.

Dematerialisation of shares

15. The Company shall be entitled to dematerialize its; existing shares, dematerialize its shares held in depositories and/or to offer its fresh shares in dematerialized form pursuant to the Depositories Act, 1996 and the rules framed there under, if any.

Shares at the disposal of the Directors

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

17. (1) Where the Company issues shares at a premium whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those shares shall be transferred to an account, to be called, 'The Share premium Account' and the provisions of the Act relating to the reduction of Share Capital of the Company shall except as provided in this Article, apply as if the share Premium Account were paid up Share Capital of the Company. *Application of premium received on shares*
- (2) The Share Premium Account may notwithstanding anything in sub-clause (1) hereof, be applied by the Company.
- (a) In paying the unissued shares of the Company to be issued to members of the Company as fully paid bonus shares;
- (b) In writing off the preliminary expenses of the Company.
- (c) In writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; or
- (d) In providing for the premium payable on the redemption of any Redeemable Preference Shares or of any debenture of the Company.
18. The Company may issue at a discount shares in the Company of a class already issued, if the following conditions are fulfilled, namely : *Shares at a discount*
- (i) The issue of shares at a discount is authorized by a resolution passed by the Company in General Meeting, and sanctioned by the Company Law Board.
- (ii) The Resolution specifies the maximum rate of discount (not exceeding 10% or such higher percentage as the Company Law Board may permit in any special case) at which the shares are to be issued;
- (iii) The shares to be issued at a discount are issued within two months after the date on which issue is sanctioned by the Company Law Board or within such extended time as the Company Law Board may allow.
19. Subject to the provisions of the Act and these Articles the Board may allot and issue shares in the capital of the Company as payment for any property sold or transferred or for services rendered to the Company in the conduct of its business and any shares which may be so issued shall be deemed to be fully paid up shares. *The Board may issue shares as fully paid up*
20. An application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein shall be acceptable of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles be a Member. *Acceptance Shares*

- Deposit and calls etc. to be a debt payable immediately* 21. The money (if any) which the Directors shall on 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, shall immediately on the inscription of the name of the allotment 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 allotment thereof and shall be paid by him accordingly.
- Installment on shares to be duly paid* 22. If by the conditions of allotment of any share the whole or any part of the amount or issue price thereof shall be payable by installments every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.
- Liability of Members* 23. Every member or his heirs, executors and administrators' shall pay to the Company the proportion of the capital represented by his share or shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Company's regulations require or fix for the payment thereof.
- Joint holders* 24. Where two or more persons are registered as the holders of any shares they shall be deemed to hold the same as joint tenants with benefits of survivorship subject to the following provisions.
- (a) The Joint-holders of a share shall be liable severally as well as jointly in respect of all payments which ought to be made in respect of such share.
 - (b) On the death of any one of such joint-holders the survivor or survivors shall be the only person or persons recognized by the Company as having any title to such share but the Directors may require such evidence of death as they deem fit.
 - (c) Any one of the such joint-holders may give effectual receipts for any dividend payable to such joint-holders.
 - (d) Only the person whose name stands first in Register as one of the Joint-holders of any share shall be entitled to delivery of the certificates relating to such share or to receive notice from the Company and delivery of such Certificate or any notice give, to such person shall be deemed delivered or notice as the case may be, to all the joint-holders.
- Trusts not recognized* 25. Except as required by law no person shall be recognized 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 (event when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of share, or (except only as 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.
- No purchase of or loans on Company's shares* 26. None of the funds of the Company shall except as provided by Section 77 of the Act be employed, in the purchase of its own shares unless the consequent reduction of capital is effected and

sanctioned in pursuance of Sections 100 to 105 and of Section 402 of the Act or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person or for any shares in the Company or in its holding Company or in loan upon the Securities of its shares.

27. All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in sections 153, 153A, 153B, 187B, 187C and 372A of the Act apply to the depository in respect to the securities held by it in behalf of the beneficial owners. *Securities in depositories to be in fungible form*
28. (a) Notwithstanding anything to the contrary contained in the Act of these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security in behalf of the beneficial owner. *Rights of depositories and beneficial owners*
- (b) Save as otherwise provided in (a) above, the depository and the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and be benefits and the subject to all the liabilities in respect of his securities which are held by a depository.
29. Notwithstanding anything in the Act or these Articles to the Contrary, where securities are held in a depository, 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 disks. *Service of Document*
30. The register and index of the beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be registered and Index of numbers and Security holders for the purpose of these Articles. *Register and Index of beneficial owner*
31. The Company shall on being so required by a member send to him within seven days of requirement and subject to the payment of a fee of Re. 1 a copy of each of the following documents as in force for the time being: *Copy of Memorandum and Articles of Association to be given to members*
- (a) The Memorandum;
- (b) The Articles;
- (c) the Agreement, if any entered into or proposed to be entered into by the Company with any person appointed or to be appointed as its Managing Director or is as its whole time Director; and
- (d) every other agreement and every resolution referred in Section 192 of the Act, if and in so far as they have not been embodied in the Memorandum of the Company or these Articles.

SHARE CERTIFICATE

*Limitation of
time for issue of
certificates*

32. (a) Every member shall be entitled, without payment, to one or more Certificates in marketable lots for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the application of registration of transfer, transmission, sub-division consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be a sufficient delivery to all such holder.

(b) Any two or more allottees of a share shall, for the purpose of this Article, be treated as single member, and the certificate of any share, which may be subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them. for any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupee One. The Company shall comply with the provisions of the Section 113 of the Act.

(c) A Director may sign a Share Certificate by affixing his signature thereon by means of Any machine, equipment or any other mechanical means such as, engraving in metal or lithography, but not by means of rubber stamp, provided that the director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose

*Allotment of
Securities dealt
with in a
depository*

33. Notwithstanding anything in the Act or these Articles were securities are dealt with in a Depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

*Distinctive
numbers of
securities held in
a depository*

34. Nothing Contained in the Act or these regarding the necessity of having distinctive numbers for securities held with a depository.

*Renewal of
Share Certificate*

35. (a) No Certificates 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 reserve for recording transfer have been duty utilized, unless the certificate in lieu of which it is issued is surrendered to the Company. The Company shall be entitled to charge fees, no exceeding Rupees Two per Certificate, issued on splitting or consolidation of Share Certificates or any replacements of

Share Certificates that are defaced or torn as the Board think fit.

(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's against the stub of counterfoil to the effect that it is "issued in lieu of Share Certificate No. Sub-divided / replaced / on consolidation of Shares".

(c) If any certificates be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the company, 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, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every Certificate under the articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (Not exceeding Rs./- 2 for each certificate) as the director shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. Proved that not withstanding what is stated above the directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf. The provision of this Articles shall mutates mutandis apply to debenture of the Company

Issue of New Certificate in place of one defaced, lost or destroyed

(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 "a 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) When 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 the Register of Renewed and Duplicate Certificates indicating against the name or names of the person or persons to whom the certificate is issued, the number and the date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changing indicated in the Register of Members by suitable cross references in the "Remarks" column.

(f) All blank forms to be used for issue of share certificates shall be printed and be 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 block, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the secretary or

such other person as the board may be appoint for he purpose; and the secretary or he 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 Company shall be responsible for the maintenance, preservation and safe custody all books and documents relating the issue of share certificates reference to in sub-clause (f).
- (h) All book referred to in the sub-clause (g) shall be preserved in good order permanently.

UNDERWRITING AND BROKERAGE

Commission for placing shares

- 36.** (1) The Company may at any time pay a commission to any person in consideration of :
- (a) his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in, any debentures or Company; or
 - (b) his proceeding or agreeing to procure subscription whether absolute or conditional for any share in, or debenture of the Company.

If the following conditions are fulfilled, namely:

- (i) The Commission paid or agreed to be paid does not exceed in the case of Shares, five percent of the price at which the shares are issued and in the case debenture two and a half percent of the price at which the debenture are issued.
 - (ii) The amount or rate percent of the commission paid or agreed to paid is in the case of shares or debenture offer to the public for subscription, disclosed in the prospectus, and in the case of shares or debenture not offered to the public for subscription, disclosed in the statement in lieu of prospectus, or in a statement I the form prescribed in the Act signed in like mannered as the statement in lieu of Prospectus before the payment of commission with the Registrar of the Companies and, where a circular or notice, not begin a prospectus inviting subscription for the shares or debenture is issued also disclosed in that circular or notice, and
 - (iii) The number of shares or debentures which persons have agreed for a commission to subscribe absolutely or conditionally is disclosed in the manner aforesaid.
- (2) Save as aforesaid and save as provide in Section 79 of the Act, the company shall not allot any shares or debenture or apply any of its money or directly or indirectly in payment of

any commission, discount or allowance to any person in consideration of:

- (a) his subscribing or agreeing to subscribe whether absolutely or conditionally, for any shares in or debentures of the Company; or
- (b) his procuring or agreeing to procure subscription whether absolutely or conditionally, for any shares in or debentures of the Company.

Whether the Shares, debentures or money by so allotted or applied being added to the purchase money of any property acquired by the Company, or the contract price of any work to be executed by the Company, or the money be paid out of the nominal purchase money or contract price or otherwise.

- (3) Nothing in this clause shall affect the power of the Company to pay such brokerage as it is lawful for the Company to pay.
- (4) A vendor to, promoter of or other person who receives payment in shares, debentures or money from the Company shall have and shall be deemed always to have had power to apply any part of the shares, debentures or money so received in payment of any commission the payment of which if made directly by the company would have been legal under this clause.
- (5) The Commission may be paid or satisfied subject to the provisions of the Act and these presents in cash or in shares or in debentures of the Company.

- 37. Where the Company has paid any sum by way of commission in respect of any shares or debentures or allowed any sums by way of discount in respect of any debentures such statement thereof as required by Part of Schedule V of the Act shall be made in the Annual Return to be made by the Company under Section 159 of the Act. *Commission to be included in the Annual Return*
- 38. The Company may pay a reasonable sum by way of brokerage on any issue of shares and debentures *Brokerage*

INTEREST OUT OF CAPITAL

- 39. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building or the provision of any plant which cannot be made profitable for a lengthy period, the Company may with the previous sanction of the Central Government. *Payment of Interest*
 - (a) Pay interest on so much for that Share Capital as is for the time being paid up for the period and subject to the condition and restriction mentioned in sub – section (2) to (7) of Section 208 of the Act; and
 - (b) Charge the sum so paid by way of interest to capital as part of the cost of construction of the work or building or the provisions of the plant.

TRANSFER AND TRANSMISSION OF SHARES

- Register of transfer etc.* 40. The Company shall keep a book called "The Register of Transfers" and therein shall fairly and distinctly enter the particulars of every transfer or transmission of any shares.
- Execution of transfer etc.* 41. No transfer shall be registered unless a proper instrument of transfer has been delivered to the Company. The instrument of transfer of any share shall be duly stamped and be executed by or on behalf of the transferor and by or on behalf of the transferee and shall specify the name, address and occupation, if any of the transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect thereof. Shares of different classes shall not be included in the same instrument of transfer.
- Form of transfer* 42. The instrument of transfer shall be in writing and all provisions of Section 108 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.
- The Board may refuse to Register transfer* 43. Subject to the provisions of Section 111A, these Articles and other applicable provisions of the Act or any other law for the time being in force the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or transmission by operation of law of the right to any shares or interest of a member in or debentures of the company. The company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.
- Transfer of shares* 44. (1) An application for registration of transfer of share may be made either by the transferor or transferee.
- (2) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.
- (3) For the purpose of sub-clause (2) hereof notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been duly delivered in the ordinary course of post.
- (4) It shall be lawful for the Company to refuse to register a transfer of any shares, unless a proper instrument of transfer

duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificate relating to the shares or if no such certificate is in existence along with the letter of allotment of shares provided that where on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is provided to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor or on behalf of the transferee has been lost the Company may register the transfer on such terms as to indemnity as the Board may think fit.

- (5) If the Company refuses to register any such transfer or transmission of right, the Company shall within one month from the date on which the instrument of transfer or the intimation of such transmission as the case may be was delivered to the Company send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be giving reasons for such refusal.

Nothing in sub-clause (4) hereof shall prejudice any power of the Company hereunder to refuse to register the transfer of or the transmission by operation of law of the right to any shares in or debentures of the Company.

The Company shall comply with the provisions of Section 108 of the Act.

45. Where any instrument of transfer of shares has been delivered to the company for registration and the transfer of such shares has not been registered by the Company, it shall notwithstanding anything contained in any other provision of these Articles shall;
- (a) transfer the dividend in relation to such shares to the Special Account referred to in Section 205-A of the Act, unless the Company is authorized by the registered holder of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer, and
- (b) keep in abeyance in relation to such shares any offer of rights shares under clause (a) of sub-section (1) of Section 81 and any issue of fully paid-up shares in pursuance of sub-section (3) of Section 205.
46. Every instrument of transfer duly executed and stamped shall be left at the office for registration accompanied by the certificate of the shares to be transferred and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.
47. All instruments of transfer which shall be registered shall be retained by the Company but any instrument of transfer which the Directors may decline to register shall, on demand, be returned to the person depositing the same. The Directors may cause to be destroyed all
- Right to dividend, right shares and bonus shares to be held in abeyance pending registration of transfer of shares*
- Transfer to be left at office as evidence of title given*
- When transfer to be retained*

transfer deeds lying with the Company after such periods as they may determine.

Transfer of Securities

48. Nothing contained in Section 10B of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

Nomination of shares and / or debentures

49. (1) Every holder of Shares in, or debenture of the Company may at any time nominate, in the manner prescribed under the Act, a person to whom his shares in, or debentures of the Company shall vest in the event of his death.
- (2) Where the shares in, or debentures of the Company are held by more than one person(s) jointly, the joint holders may together nominate, in the manner prescribed under the Act, a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of all the joint holders.
- (3) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the shares or debentures where a nomination made in the manner prescribed under the Act, purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall on the death of the shareholder or the debenture holder concerned or on the death of the joint holders become entitled to all the rights in relation to such shares or debentures to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner prescribed under the Act.
- (4) Where the nominee is a minor, the holder of the shares or debentures concerned, can make the nomination to appoint in the manner prescribed under the Act, any person to become entitled to the shares or debentures concerned in the vent of his death during the minority.

Closure of transfer Books

50. The Directors may after giving not less than seven days previous notice advertisement as required by Section 154 of the Act close the Register of Members or the Register of Debenture holders for any period or periods not exceeding in the aggregate 45 days in each year but not exceeding thirty days at any one time.

Transmission of shares

51. The Executors or administrators of a deceased share holder (whether European, Hindu, Mohamedan, Parsi and otherwise) or the holder of a succession certificate shall be the only persons to be recognized by the Company as having any title to his share except in case of joint holders in which case the surviving holder or holders or the executors or administrators of the last surviving holder shall be the only persons entitled to be so recognized but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any shares held jointly by him. The Company shall not be bound to recognize such executor or administrator of the holder of a succession certificate unless he shall have obtained Probate or Letters of Administration or a Succession

Certificate or other legal representation as the case may be from a duly constituted competent court in India or from any court or authority authorized by any Act of the Legislature of India or by any order or notification of the President of India to grant such Probate, Letters of Administration, Succession Certificate or other legal representation. Provided nevertheless that it shall be lawful for the Directors in their absolute discretion to dispense with the production of Probate or Letters of Administration or Succession Certificate or other legal representation upon such terms as to indemnity or otherwise as the Directors may deem fit.

52. Any person becoming entitled to shares in consequence of the death, lunacy or insolvency of any member upon producing proper evidence of the grant of Probate or Letters of Administration or Succession Certificate or such other evidence that he sustains the character in respect of which he proposes to act under this clause or of his title, as the Directors think sufficient, may with the consent of the Directors (which they shall not be under any obligation to give) be registered as a member in respect of such share or may subject to the regulation as to transfer herein before contained, transfer such shares. This Clause is herein referred to as "The Transmission Clause". *Transmission clause*
53. The Directors shall subject to the provisions of Article 51 hereof have the same right to refuse to register a person entitled by transmission to any shares or his nominee, as if he were the transferee named in an ordinary transfer presented for registration. *Director's right to refuse to register*
54. Every transmission of share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until and unless an indemnity be given to the Company with regard to such registration which the Directors in their discretion shall consider sufficient; Provided nevertheless that there shall not be any obligations on the Company or the Directors to accept an indemnity. *Board may require evidence of transmission*
55. No fee shall be charged for registration of transfer, transmission, probate, succession Certificate and Letters of administration, certificate of Death or Marriage, Power of Attorney or similar other document. *Fee on transfer or transmission*
56. The Certification by the Company of any instrument of transfer of shares in, or debentures of the company shall be taken as a representation by the Company to any person acting on the faith of the certification that there have been produced to the Company such documents as on the face of them show a prima facie title to the shares or debentures in the transferor named in the instrument of transfer but not as a representation that the transferor has an title to the shares or debentures. *Certificate of transfer*
57. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purported to be made by any apparent legal owner thereof (as shown or appearing on the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest, or *Company not liable for disregard of notice prohibiting registration of transfer*

notice prohibiting registration of such transfer and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to attend or give effect to any such notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting to do so, 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 Directors shall so think fit.

*Transfer of
Debenture*

58. The provisions of these Articles mutatis mutandis apply to the transfer of or the transmission by operation of law of the right to debenture of the Company.

*Transmission in
case of
nomination*

59. (1) Any person who becomes a nominee by virtue of the provisions of Section 109A, upon the production of such evidence as may be required by the Board and subject as hereinafter provided elect either –
- (a) to register himself as the holder of the share(s) or debenture(s) as the case may be; or
 - (b) to make such transfer of share(s) or debenture(s) as the case may be, as the deceased share holder or debenture holder as the case may be, could have made.
- (2) If the person being a nominee, so entitled, elects to be registered as holder of the share(s) or debentures) himself as the case may be, he shall deliver or send to the Company a notice in writing duly signed by him stating that the nominee concerned so elects and such notice shall be accompanied with death certificate of the deceased share holder/ debenture holder as the case may be.
- (3) All the limitations, restrictions and provisions of the Act relating to the right to transfer and the registration of transfer of shares and debentures shall be applicable to any such notice or transfer were signed by that share holder or debenture holder, as the case may be;
- (4) A person being a nominee, becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debenture except that he shall not, before being registered as a member in respect of his share(s) or debenture(s), be entitled in respect of it to exercise any rights) 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 register himself or to transfer the share(s) or debenture(s), and if the notice is not complied with within ninety days, the Board may thereafter withhold payments of all dividends, bonuses or other moneys payable in respect of the share(s) debenture(s) until the requirements of the notice have been complied with.

60. Subject to Section 91 of the Act, the Directors may, from time to time by resolution passed at a meeting of the Directors and not by a circular resolution, make such calls as they may think fit, upon the members in respect of all moneys unpaid on the shares held by them respectively, 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 and each member shall pay the amount of every call so made him to the persons and at the times and places appointed by the Directors. A call may be made payable by installments. *Calls*
61. If by the condition of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by installments every such installment shall when due be paid to the Company by the person who for the time being shall be the registered holder of the share of his legal representative. *Payment by installments of issue price*
62. All calls shall be made on a uniform basis on all shares falling under the same class. Shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class. *Restrictions on power to call*
63. A call shall be deemed to have been made at the time when the resolution of the Directors authorizing such call was passed at a meeting of the Directors and may be made payable by the members, on the Register of Members on a subsequent date to be fixed by the Directors. *When calls deemed to have been made*
64. Fifteen days notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid provided that before the time for payment of such call the Directors may by notice in writing to the members, revoke the same. *Notice of calls*
65. If by the terms of issue of any share or otherwise any amount is payable at any fixed time or by installments at fixed times, whether on account of the nominal amount of the share or by way of premium every such amount or installment shall be payable as if it were a call duly made by the Directors and payable on the date in which by the terms of issue such sum becomes payable and of which due notice has been given. In cases of non-payment of such sum, all the relevant provisions herein contained as to payment of interest and expenses, for future or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified. *When amount payable*
66. If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof, the holder for the time being or allottee of the share in respect of which the call shall have been made or the installment shall be due, shall pay interest for the same from the day appointed for payment thereof to the time of actual payment at the rate of 18% per annum or at such lower rate as the Directors may determine. The Directors shall be at liberty to waive the payment of any such interest wholly or in part. *When interest on call or installment payable*
67. The Directors may from time to time at their discretion extend the time fixed for the payment of any call and may extend such time as to all or any of the share holders who from residence or other cause the Directors may deem fairly entitled to such extension but no *Directors may extend time*

share holders shall be entitled to such extension save as a matter of grace and favour.

Liability of joint holders

68. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

Evidence in action for call

69. On the trial of hearing of any action for the recovery of money due for any call it shall be sufficient to prove that the name of the member sued is entered in the Register as the holder or one of the holders of the shares in respect of which such debt, accrued; that the resolution making a call is duly recorded in the minute book; and that notice of such calls was duly given to the member sued, in pursuance of those Present; and it shall not be necessary to prove the appointment of the Directors who made such call nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Payment of calls in advance

70. The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any members willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividends. The Directors may at any time repay the amount so advanced.

The member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.

Particulars of calls paid and not paid to be shown in annual return

71. Particulars (a) amount called upto the date of Company's Annual General Meeting on each share, (b) the total amount of calls paid and received upon that date and (c) the total amount of calls unpaid at that date shall be shown in the Annual Return.

FORFEITURE

If calls or installment not paid notice may be given

72. If any member fails to pay any call or installment of a call on or before the date appointed for the payment of the same, the Directors may at any time thereafter, during such time as the call or installment remains unpaid, serve a notice on such member requiring him to pay the same together with any interest that may be accrued and all expenses that may have been incurred by Company by reason of such non-payment.

Form of notice

73. The notice shall name a day (not being earlier than the expiry of fourteen days from the date of service of the notice) and a place, on and at which such call or installment and such interest expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment on or before the time and at the place appointed,

the shares in respect of which the call was made for installment is payable, will be liable to be forfeited.

74. If the requirements of any such notice as aforesaid are not complied with any shares in respect of which such notice has been given may, at any time thereafter before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture. *If notices not complied with shares may be forfeited*
75. When any share shall have been so forfeited notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and any entry of the forfeited with the date thereof shall forthwith be made in the Register provided however that the failure to give the notice will not in any way invalidate the forfeiture. *Notice after forfeiture*
76. Any shares so forfeited shall be deemed to be the property of the Company and the Directors may sell, reallocate and otherwise dispose of the same in such manner as they think fit. *Forfeited share to become property of the Company*
77. The Directors may at any time before any shares so forfeited shall have been sold, reallocated or otherwise disposed of, annul the forfeiture thereof as a matter of grace and favour but not as of right upon such terms and conditions as they may think fit. *Power to annul forfeiture*
78. Any members whose share shall have been forfeited shall, notwithstanding be liable to pay and shall forthwith pay to the Company all calls, installments, interests and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at the rate of 18% per annum and the directors may enforce the payment of such money or any part thereof if they think fit, but shall not be under any obligation to do so. *Arrears to be paid notwithstanding forfeiture*
79. The forfeiture shall involve the extinction of all interest in, and also all claims and demands made against the company in respect of the share and all other rights incident to the share except only such of those rights as by these Articles are expressly saved. *Effect of forfeiture*
80. A duly verified declaration in writing that the declarant is a Director the Manager or 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 person entitled to the share. *Certificate of forfeiture*
81. The Company may receive the consideration if any given for the share on any sale, reallocation or other disposal thereof and may execute a transfer of the share in favour of the person to whom such share is sold reallocated or disposed of and the person to whom such share is sold, reallocated or disposed of if any may not (unless by express agreement) be liable to pay any calls, amounts, installments, interest and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interest or bonuses accrued or which might have accrued upon the share before the *Title of Purchaser and allottee of forfeited shares*

time of completing such purchase or before such allotment. Such purchaser or allottee 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, reallocation or disposal of the share.

*Partial payment
not to preclude
forfeiture*

82. Neither a judgement nor a decree in favour of the company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any members in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such as herein provided.

*The provision of
these Articles as
to forfeiture to
apply in case of
non-payment of
any sum*

83. The provisions of these Articles as to forfeiture shall apply to the case of non-payment of any sum which by the terms of issue of a share become 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.

*Company's lien
on shares/
debenture*

84. The Company shall have first and paramount lien upon all shares/debentures (other than fully paid up fully paid shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all money (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any shares shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends from time to time declared and payable in respect of such shares /debentures. Unless otherwise, agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The Directors may at any time declare any share/debentures wholly or in part to be exempt from the provisions of this clause.

*As to enforcing
lien by sale*

85. For the purpose of enforcing such lien the Board of Directors may sell the shares subject thereto in such manner as they think fit but no sale shall be made unless a sum in respect of which the lien exists is presently payable and until notice in writing of the intention to sell shall have been served on such member or the person or persons entitled by transmission to the shares and default shall have been made by him or them in the payment of sum payable as aforesaid for seven days after the date of such notice.

*Application of
proceeds of sale*

86. The net proceeds of any such sale, after payment of the cost of such sale, shall be applied in or towards satisfaction of all moneys called and payable in respect of such shares and the residue (if any) paid to such member or to the person (if any) entitled by transmission to the shares so sold.

*Validity of sales
under Articles 71
& 72*

87. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Directors may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold and the purchaser shall not be bound to see the regularity of the proceedings or to the application

of the purchase money and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

CONVERSION OF SHARES INTO STOCK

88. The Company by resolution in General Meeting may convert any paid up shares in to stock and may convert any stock into paid up shares of any denomination. Where any shares have been converted into stock, the several holders of such stock may, henceforth transfer their respective interests therein, or any part of such interests, in the same manner and subject to the same regulation as and subject to which fully paid up shares in the Company's capital may transferred or a near thereto as circumstances will admit. But the Directors may from time to time, if they think fit, fix the minimum amount of stock transferable and direct that fractions of Rupee shall not be dealt with power, nevertheless at their discretion to waive such rules in any particular case. *Conversion of shares into stock*
89. The stocks shall confer on the holder thereof respectively the same privileges and advantages, as regards participation in profits and voting at meetings of the company, and for other purposes, as would have been conferred by shares of equal amount in the capital of the Company for the same class as the share from which such stock, as converted, but so that none of such privileges or advantages except in the participation in profits of the Company, or in assets of the company, on a winding up, shall be conferred by any such aliquot part of stock as would not, if existing in shares, have conferred such privileges or advantages. No such conversion shall effect or prejudice any preference or other special privilege attached to the shares so converted. Save as aforesaid, but subject to the provision of Section 96 of the Act, all the provisions herein contained shall, so far as circumstances will admit, apply to stock as well as to shares. *Right of share holders*

SHARE WARRANTS

90. The Company may issue share warrants subject to, and in accordance with, the provisions of Sections 114 & 115 of the Companies Act and accordingly the Board may in its discretion with respect to any share which is fully paid-up on application in writing signed by the persons registered as holder of the shares, and authenticated, by such evidence (if any) as the Board may, from time to time, require as to identify the person signing the application, and on receiving the certificate (if any) of the share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant. *Power to issue share warrants*
91. (1) The bearer of a share warrant may at any time deposit the warrant may at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privilege of a Member at any meeting held after the *Deposit of share warrant*

expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the share included in the deposited warrant.

- (2) Not more than one person shall be recognized as depositor of the share warrant.
- (3) The Company shall, on two days' written notice, return the deposited share warrant to the depositor.

MEETINGS

Privileges and disabilities of the holder of share warrant

92. (1) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant sign a requisition for calling a meeting of the Company, or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.
- (2) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the share included in the warrant, and shall be a Member of the Company. The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

Annual General Meeting

93. (1) (a) The Company in each year hold in addition to any other meetings, a general meeting as its Annual General Meeting and shall specify the meeting as Annual General Meeting in the notices calling the same.
- (b) Annual General Meeting shall be held by the Company within six months after the expiry of each financial year; and
- (c) Not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next;

Unless the Registrar of Companies have for any special reason extended the time for holding any Annual General Meeting.

- (2) Every Annual General Meeting shall be called for at a time during the business hours on a day that is not a public 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 is situated.

Annual Returns

94. Subject to the provisions of Section 159, the Company shall within sixty days from the day on which the Annual general Meeting is held, prepare and file with the Registrar of Companies.

- (1) A return in Form set out in Part II Schedule V of the Act or as near thereto as the circumstances will admit signed by both a Director and by Manager or Secretary of the Company and where there are no Manager or Secretary, by two of the Directors of the Company, one of whom shall be the Managing Director where there is one, containing the particulars specified in Part I of the said Schedule V as they stood on that day, regarding :
- (a) its Registered Office;
 - (b) the register of its members;
 - (c) the register of its debenture holders;
 - (d) its shares and debentures;
 - (e) its indebtedness;
 - (f) its members and debenture holders, past and present; and
 - (g) its directors, managing directors, whole time directors, managers and secretaries past and present;

Provided that if any of the immediately preceding returns have given as at the date of the Annual General Meeting with reference to which it was submitted, the full particulars required as to past and present members and the shares held and transferred by them, the return in question may contain only of such of the particulars as relate to persons ceasing to be or becoming members since that date and to shares members since that date and to shares transferred since that date or to changes as compared with that date in the number of shares held by a member;

- (2) The reference in this Article to the day on which an Annual General Meeting is held or to the date of the Annual General Meeting shall, where the Annual General Meeting for any year has not been held, be construed as a reference to the latest day on before which the meeting should have been held in accordance with the provisions of the Act;
- (3) Where the return is filed even though the Annual General Meeting has to been held on or before the latest day by which it should have been held in accordance with the provisions of the Act, the Company shall file with the return a statement specifying the reasons for not holding the Annual General Meeting.
- (4) A Certificate signed by the signatories to the above return stating that the return states the facts as they stood on the day of the Annual General Meeting correctly and completely and that since the day of the last Annual Return the transfer of all the shares and debentures and the issue of all further certificates of shares and debenture, have appropriately recorded in the books maintained for that purpose;

- (5) (i) Three copies of the Balance Sheet and the Profit and Loss Account laid before the Annual General Meeting within thirty days from the date on which the Balance Sheet and Profit and Loss Account were so laid or where the Annual General Meeting for any year has not been held within thirty days from the latest day on or before which the meeting should have been held, shall be filed with the Registrar Director, Manager or Secretary or if there be none of these by a Director of the Company together with three copies of all documents required by the Act to be annexed or attached to such Balance Sheet or Profit & Loss Account.
- (ii) If the Annual General Meeting of the Company before which the Balance Sheet is laid does not adopt the Balance Sheet or if the Annual General Meeting for any year has not been held, a statement on that fact and of the reasons therefore shall be annexed to the Balance Sheet and to the copies thereof required to be filed with the Registrar.

*Circulation of
members
resolution*

95. (1) Subject to the provisions of Section 188, of the Act, the Director shall on the requisition in writing of such number of member as is hereinafter specified and (unless the Annual general Meeting otherwise resolves) at the expenses of the requisitions.
- (a) Give to the members of the Company entitled to receive notice of the next Annual general Meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting.
- (b) Circulate to members entitled to have notice of any General Meeting sent to them, any statement of not more than one thousand words with respect to the matter referred to if any proposed resolution or any business to be dealt with at that meeting.
- (2) The number of members necessary for a requisition under sub-clause (1) shall be :
- (a) such number of member of represent not less than one twentieth of the total voting power of all the members at the date of the requisition a right to vote on the resolution of business to which the requisition relates; or
- (b) not less than one hundred members having the right aforesaid and holding shares in the Company on which there has been paid up an aggregate sum of not less than Rupees one lac in all.
- (3) Notice of any such resolution shall be given and any such statement shall be circulated to members of the Company entitled to have notice of the meeting sent to them, by serving a copy of the resolution or statement on each

member in any manner permitted by the Act for service of notice of the meeting and notice of any such resolution shall be given to any other member of the Company by giving notice of the general effect of the resolution in any manner permitted by the Act for giving him notice of meeting of the Company. The copy of the resolution shall be served or notice of the effect of the resolution shall be given as the case may be, in the same time as the notice of the meeting and where it is not practicable for it to be served or given at that time, it shall be served or given as soon as practicable thereafter.

- (4) The Company shall not be bound under this article to give notice of any resolution or to circulate any statement unless a copy of the resolution signed by the requisitionists (or two or more copies of which between them contain the signatures of all the requisitionists) is deposited at the Registered Office of the Company (i) in the case of a requisition requiring notice of resolution not less than six weeks before the meeting and (ii) in the case of any other requisition, not less than two weeks before the meeting; and there is deposited or tendered with the requisition a sum reasonably sufficient to meet the Company's expenses in giving effect thereto; Provided that if after a copy of the requisition requiring notice of resolution has been deposited at the Registered Office of the Company, an Annual General Meeting is called for a date six weeks or less after such copy has been deposited, the copy although not deposited within the time required by this Article shall be deemed to have been properly deposited for the purposes thereof.
- (5) The Company shall also not be bound under this Article to circulate any statement, if on the application either of the Company or of any other person who claims to be aggrieved, the court is satisfied that the rights conferred by this article are being abused to secure needless publicity for defamatory matter.
- (6) Notwithstanding anything in these present contained, the business which may be dealt with at an Annual General Meeting shall include any resolution of which notice is given in accordance with this Article and for the purposes of this sub-clause notice shall be deemed to have been so given notwithstanding accidental omission in giving it, to one or more members.

96. All meetings of the company other than the Annual General Meeting shall be called "Extra-ordinary General Meeting". *Extraordinary General Meeting*
97. The Directors may whenever they think fit, convene an Extraordinary General Meeting. *Directors may call*
98. (1) The Directors shall on the requisition of such number of members of the Company as is specified in sub-clause (4) hereof forthwith proceed duly to call an Extra-ordinary General Meeting of the Company and in the case of such requisition the following provisions shall have effect. *Calling of Extraordinary General Meeting on requisition*

- (2) The requisition shall set out the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company
- (3) The requisition may consist of several documents in the like form each signed by one or more requisitionists.
- (4) The number of members entitled to requisition a meeting in regard to any matter shall be such number as hold at the date of deposit of the requisition, not less than one tenth of such of the paid up Capital of the Company as at that date carries the right of voting in regard to that matter.
- (5) Where two or more distinct matters are specified in the requisition, the provisions of sub-clause 94) hereof shall apply separately in regard to each such matter and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that sub clause is fulfilled.
- (6) If the Directors do not, within twenty one days from the date of the deposit of a valid requisition in regard to any matter, proceed duly to call a meeting for the consideration of those matters on a day not later than forty five days from the date of the deposit of requisition, the meeting may be called by the requisitionists themselves or by such of the requisitionists as represent either a majority in value of the paid-up share capital held by all of them or not less than one tenth of such of the paid up share capital of the Company as at the deposit of the requisition carries the right of voting in regard to the matter referred to in the requisition whichever is less but any meeting so convened shall not be held after the expiry of three months from the date of the deposit of the requisition provided however that nothing herein contained shall be deemed to prevent a meeting duly commenced before the expiry of the said period of three months from adjourning to some other day after the expiry of that period.
- (7) In the case of a meeting at which resolution is to be proposed as a Special Resolution, the Directors shall be deemed not to have duly convened the meeting if they do not give such notice thereof as is required to be given for a special resolution under section 189(2) of the Act.
- (8) Any meeting convened under this Article by the requisitionists or any of them shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by the Directors.
- (9) Where two or more persons hold any shares in the Company jointly, a requisition or a notice calling a meeting signed by one or more only of them shall for the purpose of this clause have the same force and effect as it had been signed by all of them.

(10) Any reasonable expenses incurred by the requisitionists, by reason of the failure of the Directors duly to call a meeting shall be repaid to the requisitionists by the Company and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

99. (1) Any General Meeting of the Company whether Annual General Meeting or Extraordinary General Meeting may be called by giving not less than twenty-one days notice in writing.

Length of notice for calling meeting

(2) A General Meeting may be called after giving shorter notice than that specified in sub-clause (1) hereof if consent is accorded thereto:

(i) in the case an Annual General Meeting by all the members entitled to vote thereat; and

(ii) in the case of any other meeting, by members of the Company holding not less than ninety-five per cent of such part of the paid up Share Capital of the Company as gives a right to vote at the meeting;

Provided that where any members of the Company are entitled to vote only on some resolutions to be moved at the meeting and not on the others, those members shall be taken into account for the purposes of this sub-clause in respect of the former resolution or resolutions and not in respect of the later.

100. (1) Every notice of the meeting of the Company shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat.

Contract and manner of service of notice and persons on whom to be served

(2) Notice of every meeting of the Company shall be given :

To the whom notice of meetings to be given

(i) to every member of the Company in any manner authorized by sub-sections (1) to (4) of the Section 53 of the Act;

(ii) to the persons entitled to a share in consequences of the death or insolvency of a member, by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or assignees 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 so entitled, or until such address has been so supplied, by giving the notice in any manner in which it might have given if the death or insolvency had not occurred;

(iii) to the Auditor or auditors for the time being of the Company in any manner authorized by section 53 of the Act in the case of any manner or members of the Company.

Special Business 101. All business to be transacted at an Annual General Meeting with the exception of the business relating to (i) the consideration of the Accounts, Balance Sheet and the Reports of the auditor and Directors (ii) the declaration of a dividend; (iii) the appointment of Directors in the place of those retiring; and (iv) the appointment of and the fixing of the remuneration of the Auditors, and business to be transacted at any other meeting of the company shall be deemed "Special".

Explanatory statement to be annexed to notice 102. Where any items of business to be transacted any meeting of the Company are deemed to be Special as aforesaid, there shall be annexed to the notice of the meeting a Statement setting out all material facts concerning each such item of business including in particular the nature of the concern or interest if any, therein of every Director, and the Manager, if any, and specifying where any item of business consists of the according of approval to any document by the meeting, the place and time where the document can be inspected.

Provided that where any items of Special Business to be transacted at a meeting relates to or affects any other company, the extent of shareholding interest in that other company of every director and the manager, if any, of the company, shall be set out in the statement if the extent of such shareholding interests is not less than twenty per cent of the paid up capital of that company.

Special Notice 103. No General Meeting shall be competent to enter upon, discuss or transact any item of Business deemed to be Special unless notice thereof is given in to notice convening the meeting.

Quorum 104. Five members entitled to vote and present in persons shall be a quorum for a General Meeting. When more than one of the joint holders of a share is present, not more than one of them shall be counted for ascertaining the quorum. Several executors or administrators of a deceased person in whose sole name shares stand shall for the purposes of this clause be joint holders thereof.

Presence of Quorum 105. No business shall be transacted at any General Meeting unless the quorum requisite is present at the commencement of the business.

Chairman of General Meeting 106. The Chairmen of the Board of Directors shall be entitled to take the chair every General Meeting. If there be no such Chairmen of it at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or being present declines to take chair, the Directors present may choose one of their member to be Chairman and in default of their doing so, the members present shall choose one of the Directors to be Chairman, and, if no Director present be willing to take the chair, shall on show of hands elect one of their member to be Chairman of the meeting. 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 Chairman elected on a show of hands shall exercise all the powers of the Chairman under the said provisions.

If some other persons is elected Chairman as a result of the Poll, he shall be the Chairman for the rest of the meeting.

107. No business shall be discussed in any General Meeting except election of a Chairman while the chair is vacant. *Business of election of Chairman*
108. No resolution submitted to a meeting proposed by the Chairman of the meeting, shall be discussed nor put to vote until the same has been proposed by a member present and entitled to vote at such meeting and seconded by another member present and entitled to vote at such meeting. *Resolution must be proposed and seconded*
109. At any General Meeting a resolution put to the vote of the meeting shall unless a poll is demanded be decided on a show of hands or where specified by the Act through poster ballot. *How questions to be decided at meeting*
110. A declaration by the chairman that on a show of hands a resolution has or has not been carried or has or has not been carried either unanimously or by a particular majority 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 without proof of number of proportion of the votes cast in favour of or against such resolution. *Chairman declaration of result of voting by show of hands to be conclusive*
111. (1) Before or on the declaration of the result of the voting on any resolution on a show of hands a poll may be ordered to be taken by the Chairman of the meeting of his own motion, and shall be ordered to be taken by him on a demand made in that behalf by the persons or person specified below, that is to say:
- (a) any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one tenth of the total voting power in respect of the resolution; or
- (b) by any member or members present in persons or by proxy and shares in the Company on which an aggregate sum of not less than fifty thousand rupees has been paid up.
- (2) The demand for a poll may be withdrawn at any time by the person or persons who made the demand. *Demanded for poll*
112. Subject to the provisions of the Act the Chairman of the meeting shall have power to regulate the manner in which shall have power to regulate the manner in which a poll shall be taken. The result of the poll shall be deemed to be the decision of the meeting of the resolution on which the poll was taken. *Manner of taking poll and result thereof*
113. The Chairman of the General Meeting may, with the consent of the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. *Power to adjourn General Meeting*
114. Any poll duly demanded on the question of adjournment shall be taken forthwith. A poll demanded on any other question (not being question relating to the election of a chairman) shall be taken at such time when the demand was made as the Chairman may direct. *Time of taking poll*

- Business may proceed notwithstanding demand for poll* 115. The demand of a poll shall not prevent the continuances of a meeting for the transaction of any business of business other than the question on which a poll has been demanded.
- Members not entitled to vote will not be entitled to demand poll* 116. No member shall be entitled to demand a poll or exercise voting rights if any calls or other sums payable by him in respect of any shares registered in his name have not been paid or in regard to which the company has exercised any right of lien.
- Right of member to use his vote differently* 117. On a poll taken at a meeting of the company a member entitled to more than one vote or his proxy or other person entitled to vote for him as case may be need not, if he votes, use all his votes or cast in the same way all the votes he uses.
- Scrutineers at poll* 118. Where a poll is to be taken the chairman of the meeting shall appoint two scrutineers to scrutinize the votes given on the and to report thereon to him. The chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and to fill vacancies in the office of scrutineer arising from such removal and from any other cause, of the two scrutineers so to be appointed, one shall always be a member (not being an officer or employee of the Company) present at the meeting provided such a member is available and is willing to be appointed.
- Chairman to be the sole judge of the validity of the vote tendered at poll* 119. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
- Chairman's casting vote* 120. In the case of equality of votes, the chairman shall both on a show of hands and on a poll, have a second or casting vote in addition to the vote or votes to which he may be entitled as a member.
- If no quorum meeting to be dissolved when to be adjourned* 121. If within half an hour from time appointed for the meeting a quorum is not present the meeting if called upon such requisition as aforesaid, shall be dissolved but in any other case, it shall stand adjourned to the same day in the next week, at the same time and place or to such other day, time and place, as the Board of Directors may determine.
- Adjourn meeting to transact business* 122. If at the adjourned meeting also a quorum is not present within half an hour from time appointed for holding the meeting, the members present shall be quorum and may transact the business for which the meeting was called.
- Resolution passed at adjourned meeting* 123. Where a resolution is passed at an adjourned meeting of the company the resolution shall, for the purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.
- Special Notice* 124. Where by any provision contained in act or in these presents, special notice is required of any resolution, notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the meeting at which it is to be moved exclusively of the day on which notice is served or deemed to be served and the day of the meeting. The company shall immediately after received by it, give its members notice of the resolution in the

same manner, as it gives notices of the meeting or if that is not practicable, shall give them notice thereof advertisement in a newspaper having an appropriate circulation not less than seven days before the meeting.

125. The following resolutions shall require special notice:

*Resolutions
requiring special
notice*

- (1) Resolution under Section 225 of the Act, an Annual General Meeting appointing as Auditor a person other than retiring auditor or providing expressly that a retiring auditor shall not be re-appointed.
- (2) Resolution under Section 284 of the Act, removing a Director or appointing somebody in his stead.

126. The Company shall subject to Section 192 of the Act, with the Register of the Companies printed or typewritten copies of :

*Registration of
certain
documents and
agreement with
the Registrar*

- (a) Special Resolutions;
- (b) Resolution which have been agreed to by all the members of the company.
- (c) Any resolution of the Board of Directors or a agreement executed by a Company relating to appointment re-appointment or renewal of the appointment or variations of the terms of appointment of a Managing Director;
- (d) Resolution or agreement which have been agreed to by all the members of any class of shareholders, or by a particulars majority or otherwise in some practical manner required by the Act or by these Presents;
- (e) Resolutions passed by the Company :
 - (i) According consent to the exercise by the Board of Directors of any of the powers under Clause (a) Clause (d) and Clause (e) sub-section (1) of Section 293.
 - (ii) Approving the appointment of the Sole Selling Agents under Section 294 or Section 294AA.
- (f) Resolution for voluntary winding-up of the Company.
- (g) The terms and conditions of appointment of a sole selling Agent appointed under Section 294 or of a sole selling agent appointed or other person appointed under section 294AA of the Act;

Together with a copy of the statement of the material facts annexed under section 173 of the Act to the notice of the meeting in which the aforesaid resolutions were passed. Such resolution shall be duly certified under the signature of an officer of the company within thirty days after the passing or making thereof and shall embody in or annex copies of the resolution altering the articles and of such agreements to

every copy of the Articles issued after the passing of such resolutions or making of such copy of the Articles issued after the passing the resolution or making of such agreements

VOTING RIGHTS

- Members paying any moneys in advance not to be entitled to vote in respect thereof* **127.** A member paying the whole or the part of the amount remaining unpaid on any shares held by him, although no part of that amount has been called up shall not be entitled to any voting rights in respect of the moneys so paid by him until the same, would but for such payment, become presently payable.
- Restrictions on exercise or voting right of members entitled* **128.** No member shall exercise any voting right in respect of any shares registered in his name, on which any calls or other sums presently payable by him have not been paid or in regard to which the company has exercised any right of lien.
- Number of votes to which members entitled* **129.** Subject to the provisions of these Articles and with prejudice to any privileges or restrictions as to voting for the time being attached to any class for the time being forming part of the capital of the company, every member, not disqualified by the last preceding Article shall be entitled to be present and to speak and vote at such meeting, and on a show of hands every member present shall have one vote and upon a poll the voting rights of every member present in person or by proxy shall be in proportion of his paid up share capital of the company.
- Voting right of preference Shareholders* **130.** Subject to the provision of the Section 87 of the Companies Act, 1956, the holder of the Preference Share shall have in respect of such preference shares held by them, the right to vote only on resolutions placed before the company in General Meeting which directly affect the rights attached to such Preference Shares.
- Voting right of new preference shares* **131.** (1) Subject to the provision of the Article 130 every member of the company holding Preference Share Capital, be entitled to vote on every resolution placed before the company at any meeting, if the dividend due on such capital or any part of such dividend as remained unpaid -
- (i) in the case of Cumulative Preference Shares, in respect of an aggregate period of not less than two years proceeding the date of commencement of the meeting; and
 - (ii) in the case of Non - cumulative Preference Share either in respect of a period of not less than two years ending with the expiry of the financial year immediately preceding the commencement of the meeting or in respect of any aggregate period of not less than three years comprised in the six years ending with the expiry of the financial year aforesaid.
- (2) For the purpose of sub-clause (1) hereof, dividend shall be deemed to be due on Preference shares in respect of any periods whether a dividend has been declared by the company on such shares for such period or not-

- (a) on the last day specified for payment of such dividend for such period, in any instrument executed by the company in that behalf; or
- (b) in case no day is so specified on the day immediately following such period.
- (3) Where the holder of any Preference Share has a right to vote on any resolution in accordance with the provisions of the sub-clause (1) hereof his voting right on a poll, as the holder of such share, shall subject in the provisions of Section 89 and sub-section (2) of Section 92 of the Act, be in the same proportion as the capital paid up in respect of the Preference Share bears total paid up Equity Capital of the Company.
132. No member not personally present shall be entitled to vote on a show of hands unless such member is a company or a corporation present by proxy or by a representative duly authorized under Section 187 of the Act in which case, such proxy or representative may vote on a show of hands as if he were a member of the Company. *Voting by proxy show of hands*
133. Votes may be given either personally or by proxy or in the case of a Company or other corporation, by a representative duly authorized as aforesaid. *Proxy permitted*
134. The instrument appointing a proxy shall be in writing and signed by the attorney or his attorney duly authorized in writing or if he appointer is a body corporation be under its seal or be signed by an officer or attorney duly authorized by it. *Instrument of Proxy*
135. Every notice convening a meeting of the Company shall state that a member entitled to attend and vote at the meeting is entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a member of the Company. *Member entitled to appoint proxy*
136. The instrument appointing a proxy and the Power of Attorney or other authority (if any) under which it is signed or a notarially certified copy of that Power of Attorney or authority shall be deposited to the Registered Office of the Company not less than 48 hours before the time for holding the meeting to which the person named in the instrument proposes vote and in default the instrument of proxy shall not be treated as valid. *Instrument proxy to be deposited at office*
137. 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 the transfer of the share in respect of which the vote 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. *When vote by proxy valid through authority is revoked*
138. Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in the prescribed form under Schedule IX of the Act or in such other form
- Form of proxy*

as the Directors may approve from as the Directors may approve from time to time.

Members entitled to inspect the proxies

139. Every member entitled to vote at a meeting of the Company or on resolution to be moved thereat, shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting to inspect the proxies lodged, at any time during the business hours of the Company provided not less than three days notice in writing of the intention so to inspect is given to the Company.

Vote in respect of shares of deceased or insolvent member

140. Any person entitled under Transmission Clause to transfer any shares, may vote in General Meeting in respect thereof in the same manner as if he were the registered holder of such shares provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting as the case may be, at which he proposes to vote, he shall satisfy the Directors of his right to transfer such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

Joint holders

141. Where there are joint-holders of any shares, any of such persons may vote at any of such persons may vote at any meeting either personally or proxy or by agent duly authorized under a power of attorney in respect of such share as if he solely entitled thereto; and if more than one such joint holders be present at any meeting personally or by proxy or by an agent duly authorized under a power of attorney that one of the said persons so present whose name stands first or higher as the case may be on the register in respect of such shall alone be vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a person present by an agent or proxy stands first or higher in the Register in respect of such share. Several executor or administrators of a deceased member in whose (deceased member's) sole name any shares stand, shall for purpose of this deemed joint-holders thereof.

Vote of member of unsound mind

142. A member of unsound mind 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 a poll by his committee or guardian and such committee or guardian and any one of his guardians if more than one to be elected in case of dispute by the Chairman of the meeting.

Objection to vote

143. No objection shall be raised to the qualification of any voter except at the meetings or adjourned meeting at which the vote objected 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

144. (a) Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another persons (whether a member or not) as his proxy to attend and vote instead of himself, but a proxy so appointed shall not have any right to speak at the meeting

(b) A proxy shall not be entitled to vote except on a poll.

145. If such instrument of appointment be confined to the object of appointing an attorney or proxy or substitute, it shall remain permanently and for such time, as the Directors may determine, in the custody of the Company if embracing other objects, a copy thereof examined with original shall be delivered to the company to remain in the custody of the company.

Custody to instrument of proxy

DIRECTORS

146. Until otherwise determined by the Company in a General Meeting and subject to the provisions of Sections 252 of the Act, the number of Directors (excluding Debentures Directors and Director appointed under articles 164 hereof and Alternate Directors shall not be less than three or more than Twelve.

Directors

147. The following Persons are the first Directors of the Company : -

First Directors

1. MR. JERRY EAPEN VARGHESE
2. MRS. SARAMMA JERRY VARGHESE
3. MR. GEORGE M. VARGHESE

Mr. Jerry Eapen Varghese shall be the permanent Director and Chairman of the Board of and shall have the right to appoint any, and/or nominee other person as Director and Chairman in his place and such appointment shall be made in writing.

148. The Company shall not increase the number of its Directors beyond the maximum limit fixed by these presents without the approval of the Central Government.

Increase in the number of Directors to require Govt. sanction

149. The Directors shall have power at any time and from time to time to appoint other person as a Director either to fill casual vacancy or as an addition to the Board, but so that the total number of Director shall not at any time exceed the maximum number fixed. Any Director appointed to fill a casual vacancy shall hold office only upto date up to which the Director in whose place he is appointed would have and held office if it had not been vacated. Any Director appointed as an additional Director shall hold office only up to the date of next Annual General Meeting of the Company but shall be eligible for re-election at such meeting.

Power for Directors to appoint additional Directors

150. (1) Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 257 of the Act signifying his candidature for the office of a Director) who is proposed as an candidate for the office of a Director shall sign and file with the Company his consent in writing to act as such Director, if appointed.

Consent of Candidate for Directorship to be filed with the Company and consent to act as Director to be filed with the Registrar

- (2) A person other than a Director re-appointed after retirement by rotation or immediately on the expiry of his term of office of an additional or alternate Director or a person filling a casual vacancy in the office of a Director under Section 262 of the Act, appointed as a director or reappointed as an additional or alternate Director immediately on the expiry of his term of office shall not act as a director of the Company unless he has within thirty days of his appointment signed

and filled with the Registrar his consent in writing to act as such Director.

- Qualification of Directors* 151. It shall not be necessary for a Director to hold any shares in the Company to qualify for the office of a Director.
- Remuneration of Director* 152. (a) Subject to the provisions of section 310 of the Act, each Director shall be entitled to be paid out of the funds of the Company by way of remuneration for his services, such sum not exceeding the amount prescribed under that section from time to time as applicable for each meeting of the Board or Committee of the Board, attended by him as may be decided by the Board from time to time.
- (b) In addition to the remuneration payable as above, the Board of Directors may allow and pay to any Director who is not a bonafide resident of the where a meeting is held and who shall come to such place for the purpose attending the meeting such sum as the board may consider fair compensation for traveling, hotel and other expenses properly incurred by him.
- (1) In attending and returning from meetings of the Company; or
- (2) In connecting with the business of the Company.
- Special Remuneration* 153. If Director be called upon to go or reside out of his usual place of business on the Company's business or otherwise perform extra services or special exertions or efforts, the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board subject to the provisions the Act, and such remuneration above provided.
- Increases in remuneration of a Director require Government consent* 154. Any provision or any amendment of any provision relating to the remuneration of any Director which purports to increase or has the effect of increasing, whether directly or indirectly, the amount thereof, shall not except as otherwise provided in Section 310 of the Act, have any effect unless approved by the Central Government and the amendment shall become void if and so far as it is disapproved by the Central Government.
- Directors may act notwithstanding vacancy* 155. The continuing Directors may act notwithstanding any vacancy in their body but if and so long as the number is reduced below the quorum fixed by the Act or by these Articles for a meeting the Board, the continuing Director or Directors 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.
- Disqualification of Director* 156. A person shall not be capable of being appointed Director of the Company if :
- (a) he has been found to be of unsound mind by the court of competent jurisdiction and the finding is in force;

- (b) he is an undercharged insolvent;
- (c) he has appointed to be adjudicated insolvent or his application is pending;
- (d) he has been convicted by the Court in India of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months and period of five years has not elapsed from the date of expiry of he sentence;
- (e) he has not paid any call in respect of the shares of the Company held by him, whether and six months have elapsed from the last day fix for the payment of the call, or
- (f) an order disqualifying him for an appointment as director has been passed by a Court in pursuance of Section 203 of the Act as is in force unless the leave of the Court has been obtained for his appointment in pursuance of that Section.
- (g) For a period of five years from the date on which such public Company in which he is an Director failed to file the annual accounts and annual returns for any continuous three financial years commencing on and after the first day of April, 1999 or it such a public Company has failed to repay its deposits or interest thereon on due date or redeem its debentures on due date or pay dividend and such failure continues for one year or more.

157. (1) The office of a Director shall become vacant if :

*Office of the
Director to be
vacated.*

- (a) he is found unsound mind by a Court of Competent jurisdiction; or
- (b) he applies to be adjudged an insolvent; or
- (c) he is adjudged an insolvent; or
- (d) he is convicted by the Court of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months; or
- (e) he fails to pay call in respect of shares of the Company held by him whether alone or jointly with others within six months from the last date fixed for the payment of the calls unless the Central Government has by notification in the official gazette removed the disqualification incurred by such failure; or
- (f) he absents himself from three consecutive meetings of the Board of Directors or form al the meeting of the Board for a continuous period of three months whichever is longer, without obtaining leave of absence from the Board; or
- (g) he (whether by himself or by any person for his benefit or on his account) or any firm in which he is a

partner or any private company of which he is a Director, accepts a loan or any guarantee or security for a loan or any guarantee or security for a loan from the Company contravention of Section 295 of the Act; or

- (h) he acts contravention of Section 299 of the Act; or
- (i) he becomes disqualified by an order of the court under Section 203 of the Act; or
- (j) he is removed by an ordinary resolution of the Company before the expiry of his period of office, in pursuance of section 284 of the Act; or
- (k) having been Director by the virtue of his holding any office or other employment in the Company he ceases to hold such office or other employment in the Company.

(2) Notwithstanding anything contained in clause (c), (d) and (i) of sub-clause (1), hereof he disqualification referred to in this clauses shall not be take effect;

- (a) for thirty days from the date of the adjudication, sentence or order;
- (b) where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order, until the expiry of seven days from the date on which such appeal or petition is disposed of; or
- (c) where within seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition if allowed, would result in the removal or the disqualification, until such further appeal or petition is disposed of.

Disclosure of interest of Directors

158. (1) Every Director of the Company who is in any way whether directly or indirectly, concerned or interested in a contract or arrangement or propose contract or arrangement, entered into or to be entered into, by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board of Directors.

- (2) (a) In the case of a proposed contract or arrangement the disclosure required to be made by a Director under sub-clause (1) shall be made at a meeting of the meeting of the Board at a meeting of the Board at which the question of entering into contract or arrangement is first taken into consideration or if the Director was not at the date of that meeting concerned or interest in the proposed contract or arrangement, at the first meeting of the Board held after he becomes so concerned or interested.

- (b) In such case of any other contract or arrangement the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.
- (3)
- (a) For the purpose of sub-clause (1) and (2) hereof a general notice given to the Board by a director to the effect that he is a Director or a member of a specified body corporate or is a member of a specified firm and is to be regarded as concern to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made.
 - (b) Any such general notice shall expire at the end of the financial year in which it is given, but may be renewed for further period of one financial year at a time, by a fresh notice given in last month of the financial year in which it would be otherwise expire.
 - (c) No such general notice and no renewal thereof shall be of effect unless either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.
 - (d) Nothing in this Article shall be taken into prejudice the operation of any rule of law restricting the Director of the Company from having any concern or interest in any contracts or arrangements with the company or shall apply to any contract or arrangement entered into or to be entered in between two companies there one of the Directors of one Company or two or more of them together holds, or hold not more than two percent of the paid up of the Share Capital in the other company.

159. (1) No Director of the Company, shall as a Director take any part in the discussions of or vote on any contract or arrangement entered into, or to be entered into, or to be entered into by or on behalf of the Company, if he is any way whether directly or indirectly, concerned or interested in the contract or arrangement, not shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote, his vote shall be void

*Interest Director
not to participate
or vote in
Board's
proceedings*

- (2) Sub-clause (1) shall not apply to -
- (a) any contract of indemnity against any loss which is directors or any one or more then may suffer by reason of becoming or being securities or a surety for the Company.
 - (b) any contract or arrangement entered into or to be entered into with a public company or private company which is subsidiary of public company, in which the interest of the Director aforesaid consist solely -

- (i) in his being a director of such company and the holder of not more than shares of such number or value therein as is require to qualify him for appointment as a director thereof, he having been nominated as such director by the Company; or
 - (ii) in his being a member of such a company holding not more than two percent of its paid up capital.
- (c) A public company or a private company which is a subsidiary of a public company in respect of which a notification is issued under sub-clause (3) of section 300 of the act to the extent specified to such notification.

Board's sanction to be required for certain contracts in which particular Directors are interested

160. (1) Except wit the consent of the Board of Directors, a Director or his relative a firm in which such a Director or relative is a partner, any other partner in such a firm, or a private company of which the Director is the member or director, shall not enter into any contract with the Company.
- (a) for the sale, purchase or supply of any goods, materials r services, or services, or
 - (b) For underwriting the subscription of any shares in or debentures of the Company provided that if the paid-up share capital of the Company shall at any time be not less than Rupees one crore no such contract shall be entered into expect with the previous approval of he Central Government or any person appointed by the government in this regards.
- (2) Nothing contained in clause (a) of sub-clause (1) hereof shall effect -
- (a) The purchase of goods and materials from the Company or the sale of goods and materials to the Company by any director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or
 - (b) any contracts or contracts between the Company one side or any such director, relative, firm, partner or private company, on the other for sale, purchase or supply of any goods, materials and services in which either the Company or the Director, relative, firm, partner or private company, as the case may be, regularly trades or does business;

Provided that such or contract or contracts do not relate to goods and materials, the value of which or service the cost of which or service the cist of which exceeds Rs. 5,000/- in the aggregate in any year comprised in the period of the contract or contracts.

- (3) Notwithstanding anything contained in sub-clause (1) and (2) thereof, a director, relative, firm, partner or private company as aforesaid may in circumstances of urgent necessity, enter, without obtaining the consent of the Board into any contract with the Company for the sale, purchase or supply of any goods materials or services even if the value of such goods or cost of such services exceeds Rs 5,000 in the aggregate in any year comprised in the period of the contract but in such case, the consent of the Board shall be obtained at a meeting within three months of the date on which the contract was entered into.
- (4) Every consent of the Board required under this Article shall be accorded by a resolution passed at the meeting of the Board and not otherwise and the consent of the Board required under sub-clause (1) hereof shall not be deemed to have been given within the meaning of that sub-clause unless the consent is accorded before the contract is entered into or within 3 months of the date on which it was entered into.
- (5) If consent is not accorded to any contract under this Article anything done in pursuance of the contract shall be voidable at the option of the Board.

161. Every Director including a person deemed to be a Director by virtue of the Explanation to sub-section (1) of Section 303 of the Act, Managing Director, Wholetime Director, manager or Secretary of the Company who is appointed to or relinquishes, the office of Director, Managing Director, Whole-time Director, Manager or Secretary of any other body corporate shall within twenty days of this appointment to or as the case may be relinquishment of such office, disclose to the Company the particulars relating to the office in other body corporate which are required to be specified under the provisions of Section 303 of the Act.

*Duty of Director
to make
disclosure*

162. Every Director of the Company and every person deemed to be a Director of the Company by virtue of sub-section (10) of Section 307 of the Act, shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section. Any such notice shall be given in writing and if it is not at a meeting of the Board, the person giving the notice shall take all reasonable steps to secure that it is brought up and read at meeting of the Board next after it is given

*Duty of Directors
and persons
deemed to be
made disclosure
of share
holdings*

163. Save as otherwise provided in sub-section (2) of Section 295 of the Act the Company shall not without obtaining the previous approval of the Central Government in that behalf directly or indirectly make any loan to or give any guarantee or provided any security in connection with a loan made by any other person to or to any other person by -

*Loan to
Directors*

- (a) any Director of the Company or of the Company which is its holding company or any partner or relative of any such Director;

- (b) any firm in which such Director or relative is a partner;
- (c) any private company of which any such Director is a Director or member;
- (d) any body corporate at a General Meeting of which not less than twenty five per cent of the total voting power may be exercised or controlled by any such Director or by two or more such Directors together, or
- (e) any body corporate, the Board of Directors, Managing Director; or Manager whereof is accustomed to act in accordance with the directions or instructions of the Board or of any Director or Directors of the Company.

A Director shall for the purposes of this Article include any person deemed to be a Director under the provisions of the Act.

Directors non to hold office of profit

164. (1) Except with the consent of the Company accorded by a Special Resolution –

- (a) no Director of the Company shall hold any office or place of profit; and
- (b) no partner or relative of such a Director no firm in which such a Director or relative is a partner, no private company of which such a Director is a Director or member, and no Director or Manager of such a Private Company shall hold any office or place of profit carrying a total monthly remuneration of such sum as may be prescribed by the Central Government from time to time. Except that of Managing Director, Manager, or trustees for the holders of debenture of the Company –
 - (i) under the company; or
 - (ii) under any subsidiary of the Company, unless the remuneration received from such subsidiary in respect of such office of place of profit is paid over to the company or its holding the Company;

Provided that is shall be sufficient if the Special Resolution' according the consent of the Company is passed at the General Meeting of the Company held for the first time after the holding of such office or place of profit; Provided further that where a relative or a Director or a firm in which such relative is a partner is appointed to the office or place of profit, under the company or a subsidiary thereof without the knowledge of the Director, the consent of the Company may be obtained either in the General Meeting aforesaid or within three months from the date of the appointment, whichever is later

For the purpose of this sub-clause a Special Resolution according consent shall be necessary for ever appointment in the first instance to an office or place of profit and to every subsequent appointment to such office or place or profit on a higher remuneration not covered by the Special Resolution, except where an appointment on a time scale has already been approved by the Special Resolution.

(2) Nothing in clause (1) hereof shall apply where a relative of a Director or a firm in which such relative is a partner holds any office or place of profit under the Company or a subsidiary thereof having been appointed to such office or place before such Director becomes a Director of the company.

(3) Notwithstanding any thing contained in Clause (1) hereof.

(a) No partner or relative of a Director or Manager

(b) No firm in which such Director or Manager or relative of either, is a partner.

Shall hold any office or place of profit in the Company which carries a total monthly remuneration of not less than such sum as may be prescribed by the Central Government from time to time, except with the prior consent of the Company by a Special Resolution and the approval of the Central Government.

(4) If any office or place of profit is held in contravention of the provisions of sub-clause (1) hereof, the Director, Partner, relative, firm, private, company or the Manager, concerned, shall be deemed to have vacated his or its office as such on and from the date next following the date of the General Meeting of the Company referred to in first proviso to sub-clause (1) hereof or, as the case may be, the date of expiry of the period of three months referred to in the second proviso to sub-clause (1) hereof or, as the case may be, the date of expiry of the period of three months referred to in the second proviso to the sub-clause (1) hereof, or as the case may be and shall also be liable to refund to the Company any remuneration received or the monetary equivalent of any perquisite or advantage enjoyed by him or it for the period immediately proceeding the date aforesaid in respect of such office or place of profit.

(5) Every individual, firm, private company or other body corporate proposed to be appointed to any office or place of profit to which this clause applies shall before or at the time of such appointment, declare in writing whether he or it is or is not connected with a Director of the Company in any of the ways referred to in sub-clause (1) hereof.

(6) Any office or place shall be deemed to be an office or place of profit under the Company within the meaning of this Article.

- (a) In case the office or place is held by a Director, if the Director holding it obtains from the Company anything by way of remuneration over and above the remuneration to which he is entitled as such Director, whether as salary, fees, commission, perquisites, the right to occupy free of rent any premises as a place of residence or otherwise.
- (b) In case the office or place is held by an individual other than a director, or by any firm, private company, or other body corporate, if the individual, firm, private company or body corporate holding it obtains from the Company anything by way of remuneration whether as salary, fees, commission, perquisites, the right to occupy free of rent any premises as place of residence, or otherwise.

*Retirement of
Director by
rotation*

165. (1) At every Annual General Meeting, one third of such of Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office.
- (2) 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 be determined by draw of lots.
- (3) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meetings shall stand adjourned till the same day in the next week, at the same time and place or if that day is a public holiday till the next succeeding day which is no a public holiday at the same time and place. If at the adjourned meeting also, the place of the retiring director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring directors shall be deemed to have been reappointed at the adjourned meeting unless
- (i) 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,
 - (ii) 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.
 - (iii) he is not qualified or is disqualified for appointment.
 - (iv) a resolution, whether special or ordinary, is required for his appointment or re-appointment in virtue of any provision of the Act; or
 - (v) the proviso to sub-clause (2) of Section 263 of the Act is applicable to the case.

The expression 'Retiring Director' in this Article shall mean a Director retiring by rotation.

166. (1) No motion at any General Meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution, unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it. *Appointment of directors to be voted individually*
- (2) A resolution moved in contravention of sub-clause (1) hereof shall be void, whether or not objection was taken at the time of its being so moved. Provided that where a resolution so moved is passed, no provision for the automatic reappointment of Directors retiring by rotation in default of another appointment as hereinbefore provided shall apply.
- (3) For the purpose of this Article, a motion for approving a person's appointment, or for nominating a person for appointment, shall be treated as a motion for his appointment.
167. (1) A person who is not a Retiring Director Shall, subject to the provisions of the Act, be eligible for appointment to the office of Director at any General Meeting, if he or some member intending to propose him has, not less than fourteen days before the meeting, left at the office of the company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office, as the case may be, along with a deposit of Rs. 500/- which shall be refunded to such peso or as the case may be to such member, if the person succeeds in getting elected as a Director. *Right of person other than Retiring Director to stand for directorship*
- (2) The Company shall inform its members of the candidature of a person for the office of a Director or the intention of a member to propose such person as a candidate for that office, by serving individual notices on the members not less than seven days before the meeting. Provided that it shall not be necessary for the Company to serve individual notices upon the members as aforesaid if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the place where the Registered Office of the Company is located, which one is published in the English language and the other in the regional language of that place.

The expression "Retiring Director" in this Article means a Director retiring by rotation.

168. (1) The Company may, by ordinary resolution remove a Director before the expiry of his period of office. *Removal of Directors*
- (2) Special notice shall be required of any resolution to remove a Director under this clause, or to appoint some body instead of a Director so removed at the meeting at which he is so removed.

(3) On receipt of a notice of a resolution to remove a Director under this clause, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.

(4) Where notice is given of a resolution to remove a Director under this clause and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding a reasonable length) and requests their notification to members of the Company, the Company shall, unless the representations are received by it too late for it to do so -

(a) in any notice of the resolution given to members of the Company state the fact of the representation having been made; and

(b) send a copy of the representation to every member of the Company to whom notice of the meeting is sent (whether before or after receipt of the representations by the Company)

and if a copy of the representations is not sent as aforesaid because they were received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representations shall be read out at the meeting. Provided that copies of the representations need not be sent out and the representations need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter.

(5) A vacancy created by the removal of a Director under this clause, may if he had been appointed by the Company in General Meeting or by the Board under Article 148 hereof, be filled by the appointment of another Director in his stead by the meeting at which he is removed, provided special notice of the intended appointment has been given under sub-clause (2) hereof. A director so appointed shall hold office until the date up to which his predecessor would have held office if he had not been removed as aforesaid.

(6) If the vacancy is not filled up under sub-clause (5) hereof, it may be filled as a casual vacancy in accordance with the provisions, so far as they may be applicable, of Article 149 hereof and all the provisions of that Article shall apply accordingly.

Provided that the Director who is removed from office shall not be appointed as a Director by the Board of Directors.

(7) Nothing in this Article shall be taken -

- (a) As depriving persons removed thereunder of any compensation or damage payable to him in respect of the termination of his appointment as Director or of any appointment terminating with that as a Director, or
- (b) as derogating from any power to remove a Director which may exist apart from this Article.

169. (1) Subject to the provisions of Section 269 of the Act the Directors may from time to time subject to the provisions of the Act and to the approval of the Central Government, appoint one or more of their body to be the Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company for a time not exceeding five years at a time and may from time to time subject to the provisions of any contract between the Company and him or them remove or dismiss him or them from office and appoint another or other in his or their place or places. *Managing Director*
- (2) The Managing Director or Managing Directors or Whole-time Director or Whole-time Directors, while he or they continued or continue to hold that office, shall not be subject to retirement by rotation and shall not be taken into account in determining the retirement by rotation of Directors or the number of Director to retire, but he or they shall be subject to the same provisions as to resignations or removal of the other Directors of the Company and he or they shall ipso facto and immediately cease to be a Managing Director or Managing Directors or Whole-time Director or Whole-time Directors if he or they ceases or cease to hold the office of a Director or Directors for any case.
- (3) Subject to the provisions of the Act, the remuneration of a Managing Director or Managing Directors or Whole-time Director or Whole-time Directors shall subject to the provisions of any contract between the Company and him or them, be from time to time fixed by the Directors and subject to the provisions of the Act, may be by way of fixed salary or commission and/or in any other mode and may be in addition to the remuneration for attendance of the Board Meetings and any other remuneration which may be provided under any other Articles.
- (4) The Directors may from time to time subject to the provisions of the Act entrust to or confer upon the Managing Director or Managing Directors or Whole-time Director or Whole-time Directors for the time being such of the powers exercisable by the Directors under these presents or by law, as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions, as they think expedient, and they may confer such powers either collaterally with or to the exclusion of or in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke withdraw alter or vary all or any of such powers.

- Minimum managerial remuneration in absence or inadequacy of profit* 170. If any financial year the Company has no profits or its profits are inadequate, the Company may subject to the approval of the Central Government, unless such approval has been obtained under any other provisions of the Act, pay its Directors including the Managing Director or Whole-time Director or its Manager if any, or if there are two or more of them holding office in the Company to all of them together by way of minimum remuneration such sum (exclusive of any fees payable to Directors under of Section 198 of the Act it considers reasonable. No approval of Central Government is necessary if remuneration payable is within the ceiling of Schedule XIII of the Companies Act, 1956 or any modification thereof.
- No tax free payment* 171. Company shall not pay to any officer or employee thereof, whether in his capacity as such or otherwise, remuneration free of any kind of income tax including super tax or otherwise calculated by a reference to, or varying with, any tax payable by him, or the rate or standard rate of any such tax, or the amount thereof.
- No person to be appointed Managing Director of more than two Companies* 172. The Company shall not appoint or employ any person as Managing Director if he is either the Managing Director or the Manager of any other company except as hereinafter provided. 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 (including a private company which is not subsidiary of public company) provided that such appointment or employment is made or approved by a resolution passed at a meeting of the Board of Directors 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.
- Appointment or reappointment of Managing or wholetime Director* 173. Subject to the provision of the Act the appointment of a person as Managing or Whole-time Director shall not have any effect unless approved by a resolution of the shareholders of the Company in general meeting.
- Provision for increasing remuneration of Managing or wholetime Director to require Government approval* 174. Any provisions relating to the remuneration of a Managing or Whole-time Director or any amendment thereof which purports to increase or has the effect of increasing whether directly or indirectly, the amount thereof whether that provision be contained in the company's Memorandum or these present or in any agreement entered into by the Company or in any resolution passed by the Company in General Meeting or by the Board of Director, shall have any effect unless approved by the Central Government and the amendment shall become void, if and in so far, as it is disapproved by the Government.
- Certain persons not to be appointed Managing or Wholetime Director* 175. The Company shall not appoint or employ or continue the appointment or employment of any persons as its Managing or Whole-time Director who (a) is an undischarged insolvent or has at any time been adjudged an insolvent, (b) suspends or has at any time suspended, payment to his creditors, or, makers or has at any time made a composition with them (c) has at any time been convicted by a Court of an offence involving moral turpitude.
- Terms of a Managing Directors* 176. No Managing Director shall be appointed for a term exceeding five years all a time but he may be reappointed, re-employed or his term

of office may be extended by further period not exceeding five years on each occasion. Provided, that such reappointment, re-employment or extension shall not be sanctioned earlier than two years from the date from which it is to come into force.

177. (1) Where the Company –

Disclosure to member of Directors interest in contracts

- (a) enters into a contract for the appointment of a Manager of the Company, in which contract any Director of the Company is in any way, whether directly or indirectly, concerned or interested;
- (b) varies any such contract already in existence and in which a Director is concerned or interested as aforesaid;

the Company shall, within twenty one days from the date of entering into the contract or of the varying of the contract, as the case may be, send to every member of the Company an abstract of the terms of the contract or variation together with a memorandum clearly specifying the nature of the concern or interest on the Director in such contract or variation.

(2) Where the Company enters into a contract for the appointment of a Managing Director of the Company or varies any such contract which is already in existence, the Company shall send an abstract of the terms of the contract or variation to every member of the Company within the time specified in sub-clause (1) hereof and if any other Director of the Company is concerned or interested in the contract or variation, a memorandum clearly specifying the nature of the concern or interest of such other director in the contract or variation shall also be sent to every member of the Company with the abstract aforesaid.

Appointment Manager/ Managing Director

(3) Where a Director becomes concerned or interested as aforesaid in such contract as is referred to in sub-clause (1) or (2) hereof after it is made, the abstract or the memorandum, if any referred to in the said sub-clause shall be sent to every member of the Company within twenty one days from the date on which the Directors become so concerned or interested.

(4) All contracts entered into by the Company for the appointment of a Manager, Managing Director and Whole-time Director shall be kept at the registered office of the Company and shall be open to inspection of any member of the company at such office and extracts may be taken therefrom and copies thereof may be required by any such member, to the extent, in the same manner and on payment of the same fees as in the case of the Register of Members of the Company and the provisions of Section 163 of the Act shall apply accordingly.

(5) The provisions of this Article shall apply in relation to any resolution of the Board of Directors of the Company, appointing a Manager or Managing Director or whole-time

Director or varying any previous contract or resolution of the Company relating to the appointment of a Manager or a Managing or Whole-time Director as they apply in relation to any contract for the like purpose.

ALTERNATE DIRECTOR

Alternate Director

178. The Directors may appoint an Alternate Director to act for a Director (hereinafter in this Article called the Original Director) during his absence for a period of not less than three months from the state in which meeting of the Board are ordinarily held. An Alternate Director shall not be bound to hold any qualification shares. An alternate Director so appointed shall not hold office as such for a period longer than that permissible to the original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to the State (in which meetings of the Board are ordinarily held). If the term of the office of the Original Director is determined before he so returns to the State aforesaid any provision for the automatic re-appointment of a retiring Director in default of another appointment shall apply to the original and not the Alternate Director.

DEBENTURE DIRECTORS

Debenture Directors

179. Any Trust deed for securing debentures or debenture-stock may, if so arranged, provide for the appointment from time to time, by the Trustees thereof or by the holders of debentures or debentures-stock or some person to be a Director of the Company and may empower such Trustees or holders of debentures or debenture-stock from time to time to remove any Director so appointed. A Director so appointed under this Article, is herein referred to as 'Debenture Director' and the term "Debenture Director" means a Director for the time being in office under this Article. A Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

NOMINEE DIRECTOR

Corporate or nominee Director

180. Notwithstanding anything to the contrary contained in these Articles, so long as any money remain owing by the Company to the industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The Industrial Credit and Investment Corporation of India Limited (ICICI) and Life Insurance Corporation of India (LIC) or to any other Finance Company or Credit Corporation or to any other Financing Company or body out of any loans granted by them to the company or so long as IDBI, IFCI, ICICI, LIC and Unit Trust of India (UTI) or any other Finance Corporation or Credit Corporation or any other Financing company or Body is hereinafter in this Article referred to as 'the Corporation') continue to hold debenture in the Company by direct subscription or private placement, or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee

furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have right to appoint from time to time any person or persons as a Director or Directors, whole-time or non-Wholetime, (which Director or Directors is/are hereinafter referred to as 'Nominee Director/s') on the Board of the Company and to remove from such office any person or persons, so appointed and to appoint any person or persons in his or their place/s.

The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be required to hold any shares qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any moneys owing by the Company to the Corporation or so long as the Corporation holds debentures in the Company as a result of direct subscription or private placement or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or the liability of the Company arising out of any guarantee is outstanding and Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation is paid of or of the corporation ceasing to hold Debentures/Share in the Company or on the satisfaction of the liability of the Company arising out of any guarantee furnished by the Corporation.

The Nominee Director/s appointed under this Article shall be entitled to receive all notices of an attend all General Meeting, Board Meetings and of the Meetings of the Committee of which the Nominee Director/s is/are members/s as also the minutes of such meetings the corporation shall also be entitled to receive shall such notices and minutes.

The Company shall pay to the Nominee Director/s sitting fees and expenses which the other Directors of the Company are entitled, but if any other fees, commission, moneys or remuneration in any form is payable to the Directors of the Company, the fees, commission, moneys and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the corporation or as the case may be to such Nominee Director/s.

Provided that if any such Nominee Director/s is an officer of the Corporation the sitting fees, in relation to such Nominee Director/s shall also accrue to the corporation and the same shall accordingly be paid by the Company directly to the Corporation.

Provided further that if such Nominee Director/s is an officer of the Reserve Bank of India, the Sitting fees in relation to such Nominee Director/s shall also accrue to IDBI and the same shall accordingly be paid by the Company directly to IDBI.

Provided also that in the event of the Nominee Director/s being appointed as Whole-time Director/s Such Nominee Director/s shall exercise such powers and duties as may be approved by the Lenders and have such rights as are usually exercised or available to a whole-time Director, in the management of the affairs of the Borrower. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Lenders.

PROCEEDINGS OF BOARD OF DIRECTORS

- Proceedings of Board of Directors* 181. (a) The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit.
- (b) A meeting of the Board of Directors shall be held at least once in every three months and at least four such meetings shall be held in every year.
- (c) A Director may, and the Managing Director, Whole-time Directors, Manager or Secretary on the requisition of a Director, shall at any time summon a meeting of the Board.
- Notice of Meetings* 182. Notice of every meeting of the Board of Directors of the company shall be given in writing to every director for the time being in India and at his usual address in India to every other Director.
- Quorum for meeting* 183. (a) The quorum for a meeting of Director shall be one-third of the total strength of Directors (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher provided that where at any time the number of interested Directors exceeds or is two-thirds of the total strength, the number of the remaining Directors that is to say, the number of Directors who are not interested present at the meeting being not less than two shall be the quorum during such time.
- (b) For the purpose of sub-clause (a) :
- (i) 'total strength' means the total strength of the Board of Directors of the Company as determined in pursuance of the Act, after deducting therefrom the number of the Directors if any, whose place may be vacant at the time; and
- (ii) 'interested Directors' means any Director whose presence, cannot by reason of Section 300 of the Act, count for the purpose of forming a quorum at a meeting of the Board, at the time of the discussion or vote on any matter.
- Decision Questions* 184. Questions arising at any meeting shall be decided by a majority of votes and in case of an equality of votes, the Chairman shall have a second or casting vote.
- Board may appoint Chairman* 185. The Board may elect a Chairman of their meetings and determine the period for which he is to hold office but if not 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 member to the Chairman of the meeting.

186. A meeting of the Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations, of the Company for the time being vested in or exercisable by the Directors generally. *Powers of quorum*
187. The Directors may subject to the provisions of the act and these Articles, delegate any or their powers to a Committee or Committees consisting of such member or members of their body as they think fit and may from time to time revoke such delegation. Any Committees so formed shall, in the exercise of the powers so delegated conform to any regulations that any from time to time be imposed upon it by the Directors. The meeting and proceedings of any such committee consisting of two or more members, shall be governed by the provisions herein contained for regulating the meeting and proceeding of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under this Article. *Power to appoint Committee and delegate*
188. The Directors may from time to time subject to the provisions of the Act, fix the remuneration to be paid to any members or members of their body consisting a Committee appointed by the Board and may pay the same. *Remuneration of the Committee*
189. All acts done by any meeting of the Directors of a Committee or Committees of Directors, 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 one or more such Director or of any person acting as aforesaid, or that they or any, of them were or was disqualified, or that of such appointments had terminated by virtue of any provision contained in the Act or in the Articles, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director and as if his appointment had not been terminated. Provided that nothing herein contained shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated. *Acts of Directors Committee valid*
190. No resolution shall be deemed to have been duly passed by the Director 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 to all the members of the Committee then in India, (not being less in number than the quorum fixed for a meeting of the directors or Committee as the case may be) and do all other Directors or members at their usual address in India and has been approved by such of the Directors as are then in India or by a majority of such of them, as are entitled to vote on the resolution. *Passing of resolution by circular*
191. (1) Subject to the provisions of the Act and these Articles the directors of the Company shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do. Provided that the Directors *General Power of the Board*

shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other Act or by the Memorandum or Article of Association of the Company or these presents or otherwise to be exercised or done by the Company in General Meeting. Provided further that in exercising any such power or doing any such act or thing the directors shall be subject to the provisions contained in this behalf in the Act or in any other act or in the Memorandum or Articles of Association of the Company or in any regulations not in consistent therewith and duly made thereunder, including, regulations made by the company in General Meeting.

- (2) No regulation made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

*Certain powers
to be exercised
by Directors only
at meeting*

192. The Board of Directors shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Directors.

- (a) the power to make calls on shareholder in respect of moneys unpaid on their shares;
- (b) the power to issue debentures;
- (c) the power to borrow moneys otherwise than on debentures;
- (d) the power to invest the funds of the Company; and
- (e) the power to make loans;

Provided that the Board may, by a resolution passed at a meeting, delegate to any committee of Director the Managing Director, the Whole-time Director, Manager, Secretary or any other principal officer of the Company or in the case of a branch office of the company, a principal officer of the Branch office of the Company, the powers (1) to borrow moneys other than on debentures (2) to invest the funds of the Company and (3) to make loans to the extent and subject as hereinafter specified namely –

- (i) every resolution delegating the power to borrow money otherwise than on debentures shall specify the total amount outstanding at one time up to which moneys may be borrowed by the delegate;
- (ii) every resolution delegating the power to invest the funds of the company shall specify the total amount up to which the funds may be invested, and the nature of the investments which may be made by the delegate;
- (iii) every resolution delegating the power to make loans shall specify the total amount upto which loans may be made by the delegate the purposes for which the loans may be made, and the maximum amount of loans which may be made for each such purposes in individual cases.

Nothing in this Article shall be deemed to affect the right of the Company in General Meeting to impose restrictions and conditions on the exercise by the Board of any of the powers in sub-clause (a), (b), (c), (d) and (e) above specified.

- 193.** (1) The Board of Directors of the company shall not except with the consent of the company in General Meeting – *Restrictions on powers of Directors*
- (a) sell, lease or otherwise dispose of the whole or substantially the whole of undertaking of the company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking;
 - (b) remit or give time for the payment of any debt due by a Director.
 - (c) invest, otherwise than in trust securities the amount of compensation received by the company in respect of the compulsory acquisition of any such undertaking as is referred to in sub-clause (a) hereof or of any premises or properties used for any such undertaking and without which such undertaking cannot be carried on or can be carried on only with difficulty or only after a considerable time;
 - (d) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees any amounts the aggregate of which will in any financial year exceed Rs. 50,000/- or five per cent of its average net profits as determined in accordance with the provisions of Section 349 and 350 of the Act during the three financial years immediately preceding whichever is greater.
- (2) Any resolution passed by the Company permitting any transaction referred to clause (a) of sub-clause (1) hereof may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from such transaction.
- (3) Every resolution passed by the company in General Meeting in exercise of power referred to in clause (d) of sub-clause (1) hereof shall specify the total amount upto which moneys may be contributed by the Board of Directors to charitable and other funds in any financial year.

BORROWING POWERS

- 194.** Subject to the provisions of Section 58A, 58AA, 292 and 293 of the Act and of these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board, accept deposits from Members, either in advance of calls or otherwise, and *Power to Borrow*

generally raise or borrow or secure the payment of any sum of money for the purposes of the company from any source. Provided, however where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid-up capital of the Company and its fee reserves (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the Company in General Meeting.

The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit, and in particular by a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of debentures of the Company, charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being, and debentures, and other securities may be made assignable free from any equities between the company and the person to whom the same may be issued.

*Terms of Issue
of Debenture*

Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they or any part of them shall be convertible in to 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 Meeting appointment of Directors and otherwise. Debentures with the right to conversion or allotment of shares shall be issued only with the consent of the Company in General Meeting by a Special Resolution.

The Board shall cause a proper register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages, debentures and charges specially affecting the property of the Company, and shall cause the requirements of Section 118, 125 and 127 to 144 (both inclusive) of the Act in that behalf to be duly complied with so far as they fall to be complied with by the Board.

The Company shall, if at any time it issues debentures, keep a Register and Index of Debentures holders in accordance with Section 152 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.

*Nomination for
fixed deposits*

195. A depositor may, at any time, make a nomination and the provisions of Sections 109A and 109B shall, as far as may be, apply to the nominations made pursuant to the provisions of Section 58A(11) of the Act.

POWERS OF THE BOARD

*Power to the
Board Directors*

196. Without prejudice to the general powers conferred by article 191 and the other powers conferred by these Articles but subject however to the provisions of the Act and the restrictions imposed by Article 193 it is hereby expressly declared that the Directors shall have the following powers:

- (1) To have official Seal for use abroad;
- (2) To keep a foreign register in accordance with the provisions of the Companies Act, 1956;
- (3) To purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property, effects, assets, rights, credits, royalties, business and goodwill of any joint stock company carrying on the business of spinning, weaving and processings or any other business which the Company is authorised to carry on in any part of India;
- (4) To purchase, take on lease, for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, without or with buildings and out houses thereon, situated in any part of India, at such price or rent, and subject to such terms and conditions as the Directors may think fit; and in any purchase lease or other acquisitions to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;
- (5) At their discretion to pay for any property right or privileges acquired by or services rendered to the Company either wholly or partially in cash or in shares, bonds, debentures or other securities of the company and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company its uncalled capital or not so charged;
- (6) To secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being or in such manner as they may think fit;
- (7) To accept from any member so far as may be permissible by law, surrender of his shares or stock or any part thereof, on such terms and conditions as shall be agreed;
- (8) To appoint any person or person (whether incorporated or not incorporated) to accept and hold in trust for the Company, any property belonging to the Company, or in which it is interested or for any other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustees;
- (9) 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 or allow time for payment or satisfaction of any debts due and of claims or demands by or against the company to arbitration and reserve and perform any awards made thereon Provided however that nothing herein contained shall empower the Director to remit to give time for the repayment of any debt due to a Director without the consent of the Company in General Meeting.

- (10) To act on behalf of the Company in all matters relating to bankrupts and insolvents;
- (11) To make and give receipts, releases and other discharges for moneys or properties payable or transferred to the Company and for the claims and demands of the Company;
- (12) To invest and deal with any moneys of the Company not immediately required for purpose thereof upon such security or without security and in such manner as they think fit and from time to time to vary such investments; Provided however that nothing herein contained shall empower the Directors without the consent of the Company in General Meeting, to invest otherwise than in trust securities, the amount of compensation recovered by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in sub-section (1)(c) of Section 293 of the Act, or any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;
- (13) To open current overdraft, cash credit and fixed deposit accounts with any bank, company, firm or individual and to operate thereon;
- (14) To execute in the name and on behalf of the Company in favour of any Director or other person whom 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 or future) as they think fit; and any such mortgage may contain a power of sale and such other powers, provisions convenient and agreements as shall be agreed upon;
- (15) To determine from time to time who shall be entitled to sign on the Company's behalf, bills notes, receipts, acceptances, endorsement, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purposes;
- (16) To give any officer or other person employed by the Company a commission on the profits of any particular business or transaction and such commission shall be treated as part of the working expenses of the company.
- (17) To establish and maintain or procure the establishment and maintenance of any contributor or non-contributory pension or superannuation funds, for the benefit of and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, any person who are or were at any time in the employment or service of the company, or if any company which is the subsidiary of the company or is allied to or associated with the company or with any such subsidiary company, or who are or were at any time Directors or officers of the company as aforesaid and any such other company as aforesaid and the wives, widows, families and

dependents of any such persons, and also establish and subsidise and subscribe to any institution, associations, clubs or funds calculated to be for the benefit of or advance the interests and well being of the company or of any such other company as aforesaid, and make payment to or towards the insurance of any such persons as aforesaid and do the matters aforesaid either alone or in conjunction with any such other company as aforesaid;

- (18) To give, award or allow any bonus, pension gratuity or compensation to any employee of the company or his widow, children or dependents that may appear to the Directors just or proper, whether such employee or his widow, children or dependents have or have not a legal claim upon the company.
- (19) Not without the consent of the company in General Meeting to contribute to charitable and other funds not directly relating to the business of the company or the business of the company of the welfare of its employees, any amounts the aggregate at which will, in any financial year, exceed Rs.50000/- (Rupees fifty Thousand Only) or five percent of its average net profits as determined in accordance with the provisions of sections 349 and 350 of the act during the three financial years immediately proceeding whichever is greater;
- (20) Before recommending any dividend, to set aside such portion of the profits of the company as they may think fit, to form a fund to provide for such pension, gratuities or compensation or to create any provident or benefit fund in such manner as the Directors may deem fit;
- (21) Before recommending any dividend, to set aside out of the profit of the company such sums as they may think proper, for depreciation or to be Depreciation fund, Insurance Fund, Reserve Fund, General Reserve or Sinking Fund, Development Rebate Reserve, Statutory Development Reserve, Reserve or any special fund to meet contingencies, or to repay debentures or debenture-stock or for special dividends, or for equalizing dividends, or for repairing, improving, extending and maintaining any of the property of the company and for such other purposes, as the Directors may, in their absolute discretion think conducive to the interest of the company with power from time to time to transfer moneys standing to the credit of one fund or any part thereof to the credit of any other funds and to invest the 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 deal with and very such investments and dispose of and supply and expend all or any part thereof for the benefit of the Company, in such manner and for such purpose as the Directors, in their absolute discretion, think conducive to the interest of the company and divide the Reserve fund into such special funds as the Directors may think fit, and to employ the assets constituting all or any of the above funds including Depreciation Fund, in the business of the company

or in the purchase or repayment of the debentures or debenture-stock and that without being bound to keep the same separate from the other assets. If the assets constituting any of the above funds are employed in the business of the Company the Directors may pay or allow to the credit of such funds interest at such rate as the Directors think proper but not exceeding 9% per annum.

- (22) To appoint and at their discretion remove or suspend such managers, secretaries, officers, technicians, 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, and to require security in such instances and to such amounts as they fit. And also without prejudice as aforesaid from time to time 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 fit; and the provisions contained in the two next following sub-clause shall be without prejudice to the general power conferred by the sub-clause.
- (23) From time to time and that any time to establish any Local Board for Managing any of the affairs of the Company and / or in any specified locality in India or out of India to appoint any person to be members of such Local Board and to fix their remuneration and at any time and from time to time to delegate subject to the provisions of Section 292 and 292A of the Act to any person so appointed any of the powers, authorities and discretions for the time being vested in the Directors, other than their power to make calls and to issue debenture and to authorize 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 conditions and restrictions as the Directors may think fit and the Directors may at any time remove any persons so appointed and may annual and vary any such delegation;
- (24) At any time and from time to time, by power of Attorney under the Seal of the Company to appoint any persons or persons to be the attorney or attorneys of the company, for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors under these Presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment may, if the Directors think fit, be made in favour of the members, or any of the members of any company or the member, directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body of person whether nominated directly or indirectly by Directors and any such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the directors 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.

- (25) 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/or 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;
- (26) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they think proper all or any part of the buildings machinery, goods, stores, produce and other movable property of the Company either separately or co-jointly also to insure all or any part of the goods, procure, machinery and other articles imported or exported by the Company and to issue loss of profit and standing charges and to insure retrenchment compensation and lay-off liabilities and to insure accidental insurance on all the employees of the company and to sell, assign surrender or discontinue any policies of assurance effected in pursuance of this power.
- (27) Subject to hereinabove provided to subscribe or contribute or authorise to assist or to guarantee money to charitable, benevolent, religious scientific, national, public, political, or any other useful institutions, objects or purposes or for any exhibition.
- (28) To pay costs, charges and expenses, preliminary and incidents to the promotion, formation, establishment, registration and registration of the company and to the issue of further capital.

INTER CORPORATE LOANS AND INVESTMENT

197. (1) Subject to the provisions of Section 372A of the Act, the Company shall not;
- inter corporate
Loans and
Investment*
- (a) make any loan to any other body corporate;
 - (b) given any guarantee, or provide security, in connection with a loan made by any other person to, or to any other person by, any body corporate; and
 - (c) acquire, by way of subscription, purchase or otherwise the securities of any other body corporate.

exceeding sixty per cent of its, paid-up share capital and free reserves, or on hundred per cent of its reserves, whichever is more;

Provided that where the aggregate of the loans and investment so far made, the amounts for which guarantee or security so far provided to or in all other bodies corporate, along with the investment, loan, guarantee or security proposed to be made or

given by the Board, exceeds the aforesaid limits, no investment or loan shall be made or guarantee shall be given or security shall be provided unless previously authorised by a special resolution passed in a general meeting;

Provided further that the Board may give guarantee, without being previously authorised by a special resolution, if,-

- (a) a resolution is passed in the meeting of the Board authorising to give guarantee in accordance with the provisions of this section;
- (b) there exists exceptional circumstances which prevent the company from obtaining previous authorization by a special resolution passed in a general meeting for giving a guarantee; and
- (c) the resolution of the Board under clause (a) is confirmed within twelve months, in a general meeting of the company or the annual general meeting held immediately after passing of the Board's resolution, whichever is earlier;

Provided also that the notice of such resolution shall indicate clearly the specific limits, the particulars of the body corporate in which the investment is proposed to be made or loan or security or guarantee to be given, the purpose of the investment, loan or security or guarantee, specific sources of funding and such other details.

- (2) No loan or investment shall be made or guarantee or security given by the company unless the resolution sanctioning it is passed at a meeting of the Board with the consent of all the directors present at the meeting and the prior approval of the public financial institution referred to in section 4A, where any term loan is subsisting, is obtained;

Provided that prior approval of a public financial institution shall not be required where the aggregate of the loans and investments so far made, the amounts for which guarantee or security so far provided to or in all other bodies corporate, alongwith the investments, loans, guarantee or security proposed to be made or given does not exceed the limit of sixty per cent specified in sub-section (1), if there is no default in repayment of loan instalments or payment of interest thereon as per the terms and conditions of such loans to the public financial institution.

- (3) No loan to any body corporate shall be made at a rate of interest lower than the prevailing bank rate, being the standard rate made public under section 49 of the Reserve Bank of India Act, 1934 (2 of 1934).

MINUTES

Minutes

198. (1) The company shall cause minutes of all proceedings of every General Meeting and of all proceedings of every meeting of its Board of Directors and of every committee of the Board to be kept by making within thirty days of the conclusion of every such meetings concerned, entries, thereof in books

kept for the purpose with their pages consecutively numbered.

- (2) Each page of every such books shall be initialed or signed and the page of the record or proceedings of each meeting in such book shall be dated and signed-
 - (a) in the case of minutes of proceedings of a meeting of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
 - (b) In the case of minutes of proceedings of a General Meeting, by the Chairman of the same meeting the aforesaid period of thirty days or in the event of death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.
- (3) In no case the minutes of proceedings of meeting shall be attached to any such books as aforesaid by pasting or otherwise.
- (4) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (5) All appointments of officers made at any of the meeting aforesaid shall be included in the minutes of the meeting.
- (6) In the case of a meeting of the Board of Director of a committee of the board, the minutes shall also contain-
 - (a) the names of the Directors present at the meeting; and
 - (b) in the case of each resolution passed at the meeting, the names of the Director, if any dissenting from or not concurring in the resolution.
- (7) Nothing contained in sub-clause (1) to (6) hereof shall be deemed to required that inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting-
 - (i) is or could reasonably by regarded as defamatory of any person;
 - (ii) is irrelevant or immaterial to the proceedings; or
 - (iii) is detrimental to the interests of the company.

The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in this sub-clause.

199. Minutes of the meetings kept in accordance with the provisions of Article 198 shall be evidence of the proceedings recorded therein.

Minutes to be evidence

Presumption to be drawn here minutes duly drawn and signed

200. Where minutes of the proceedings of any General Meeting of the Company or of any meeting of the Board or of a committee of the Board have been kept in accordance with the provisions of Articles 198 then until the contrary is proved, the meeting shall be deemed to have been duly called and held and all proceedings thereat to have duly taken place and in particular, all appointments of Director or liquidators made at the meeting shall be deemed to be valid.

Inspection of minute books of General Meeting

201. (1) The books containing the minutes of the proceedings of any general meeting of the company shall be kept at the Registered office of the Company and shall be open to inspection of any member without charge on each working day between the hours to be fixed by the Director from time to time.

(2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of such sum as may be prescribed by the Central Government from time to time for every one hundred words or fractional part thereof required to be copied.

Publications of the reports of proceedings of General meetings

202. No document purporting to be a report of the proceedings of any general meeting of the company shall be circulated or advertised at the expenses of the company unless it includes matters required by Articles 198 hereof to be contained in the Minutes of the proceedings of such meeting.

THE SECRETARY

Secretary

203. The Directors may from time to time appoint and at the discretion remove, any individual (hereinafter called "the Secretary") to perform any function which by the Act are to be performed by the Secretary, and to execute any other purely ministerial or administrative duties, which may from time to time be assigned to the secretary by the Directors. The Directors may also at any time appoint some other person (who need not be a Secretary) to keep the registers as required to be kept by the Company.

The Seal its custody and use

204. The Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same, and substitute a new Seal in lieu thereof and they shall provide for the safe custody of the seal for the time being and it shall not be used except by the authority of the Directors or a committee of the Directors and in the presence of at least one of them.

Execution of Deeds

205. Every deed or other instrument to which the Seal of the Company is required to be affixed shall unless the same is executed by a duly constituted attorney of the company be signed by one director in whose presence it shall have been affixed and shall be countersigned by the Secretary of the Company or any other person authorised by the Board in that behalf.

ACCOUNTS

- 205. (1)** The Company shall keep at its Head Office proper books of account with respect to – *Books to be kept by the Company*
- (a)** all sums of money received or expended by the Company and the matters in respect of which the receipt and expenditure take place;
 - (b)** all sales and purchases of goods by the Company.
 - (c)** the assets and liabilities of the Company
 - (d)** such particulars relating to the utilization of material or labour or other items of cost as may be prescribed by section 209 (1) (d) of the Act;

All or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decides the Company shall, within 7 days of the decision, file with the Registrar a notice in writing giving the full address of that other place.

- (2)** Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of clause (1) if proper books of account relating to the transactions effected at the branch office are kept at that office and proper summarised returns are made upto dates at intervals of not more than three months are sent by the branch office to the Company at its Head Office or other place referred to in clause (1).
 - (3)** The books of account and other books and papers shall be open to inspection by any Director during business hours.
 - (4)** The books of account relating to a period of not less than eight years immediately preceding the current year together with the vouchers relative to any entry in such books of accounts shall be preserved in good order.
 - (5)** The books of accounts and other books and papers of the company shall, subject to the provisions of Section 209A be open for inspection during business hours –
 - (i)** by the Registrar, or
 - (ii)** by such officer of government as may be authorised by the Central Government in this behalf without any previous notice to the Company or to any office thereof.
- 207. (1)** The Directors shall from time to time determine whether and to what extent at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors. *inspection by members*

- (2) No member (not being a Director) shall have any right of inspecting any account or books or document of the Company except as conferred by law or authorised by the Board or by the Company in General Meeting.
- Annual Accounts & Balance Sheet* 208. (1) At every Annual General Meeting of the Company the Directors shall lay before the Company.
- (a) a Balance Sheet as at the end of the period specified in sub-clause (2) hereof; and
- (b) a profit and loss account for that period;
- (2) The Profit and Loss Account shall relate to the period beginning with the day immediately after the period for which the account was last submitted and ending with a day which shall not precede the day of the meeting by more than 6 months, or in case where an extension of time has been granted for holding of the meeting under the second proviso to sub-section (1) of Section 166 of the Act, by more than 6 months and the extension so granted.
- (3) The period to which the account aforesaid relates is referred to in these presents as a 'financial year' and it may be less or more than a calendar year but it shall not exceed fifteen months provided that it may extend to eighteen months where special permission has been granted in that behalf by the Registrar of Companies.
- Form and contents of Balance Sheet and Profit and Loss Account* 209. (1) Every Balance Sheet of the Company shall give a true and fair view of the state of affairs of the Company as at the end of the financial year and shall, subject to the provisions of Section 211 of the Act, be in the form set out in Part of Schedule VI to the Act or as near thereto as circumstances admit or in such other form as may be appointed by the Central Government either generally or in any particular case, and in preparing the Balance Sheet due regard shall be had as far as may be, to the general instructions for preparation of the Balance Sheet under the heading 'Notes' at the end of that part.
- (2) Every Profit and Loss Account of the Company shall give a true and fair view of the Profit or Loss of the Company for the financial year and shall comply with the requirement of part of Schedule VI to the Act, so far as they are applicable thereto.
- (3) The Balance Sheet and the Profit and Loss Account of the Company shall not be treated as not disclosing a true and fair view of the state of affairs of the Company, merely by reason of the fact that they do not disclose any matters which are not required to be disclosed by virtue of the provisions contained in the said Schedule VI or by virtue of notification or order issued under Section 211 of the Act.
- Authentication of Balance Sheet* 210. (1) Every Balance Sheet and Profit and Loss Account of the Company shall be signed on behalf of the Board of Directors

by the Manager or Secretary, if any, and by not less than two Directors of the Company one of whom shall be a Managing Director, where there is one. *and Profit and Loss Account*

- (2) The Balance Sheet and Profit & Loss Account shall be approved by the Board of Directors before they are signed on their behalf and before they are submitted to the Auditors for their report thereon.
- (3) The Profit and Loss Account shall be annexed to the Balance Sheet and the Auditor's Report, including the Auditor's separate, special or supplementary report if any, shall be attached thereto.

211. (1) There shall be attached to every balance sheet laid before the company in General Meeting a Report by its Directors with respect to - *Director's report*

- (a) the state of Company's affairs.
- (b) the amounts, if any, which they propose to carry to any reserves in such Balance Sheet.
- (c) The amount, if any, which they recommend should be paid by way of dividend; and
- (d) Material change and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the company to which the Balance Sheet relates and the date of the Report.
- (e) The conservation of energy, technology absorption, foreign exchange earnings and outgo, in such manner as may be prescribed.
- (f) The directors responsibility statement as per section 217 as amended.
- (g) Reasons if any for the failure to complete the buy back within the time specified in sub section 4 of section 77-A.

(2) The Board's Report shall, so far as is material the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or any of its subsidiaries, deal with any changes which have occurred during the financial year -

- (a) in the nature of the Company's business;
- (b) in the company's subsidiaries or in the nature of the business carried on by them; and
- (c) generally in the classes of business in which the Company by has an interest.

(3) The Board's Report shall, subject to the provisions of sub-section (2A) of Section 217 of the Act also include a statement showing the name of every employee of the Company-

(a) if employed throughout the financial year was in receipt of the remuneration for that year which, in the aggregate, was not less than such sums as may be prescribed by the Central Government from time to time; or

(b) if employed for part of a financial year was in respect of remuneration of any part of that year at a rate which, in the aggregate, was not less than such sum per month as may be prescribed by the Central Government from time to time. Such statement shall also indicate;

(i) whether any such employee is a relative of any Director or Manager of the Company and if so, the name of such Director;

(ii) sub other particulars as may be prescribed;

(4) The Board shall give the fullest information and explanations in their report or in cases falling under the proviso to Section 222 of the Act in an addendum to that report on every reservation, qualification or adverse remark

(5) The Board's Report and addendum thereto shall be signed by its Chairman if he is authorised in that behalf by the Board and where he is not so authorised shall be signed by such number of Directors as are required to sign the Balance Sheet and the Profit and Loss Account of Company by virtue of sub-clause (1) and (2) of Article 210.

*Right of member
to copies of
Balance Sheet
etc.*

212. (1) Subject to the provisions of Section 219, a copy of every Balance Sheet (including the Profit and Loss Account, the Auditor's Report, and every other document required by law to be annexed or attached, as the case may be, to the Balance Sheet) which is to be laid before the Company in General Meeting, shall not less than twenty-one days before the date of the meeting be sent to every member of the Company, to every holder of debentures, if any, issued by the Company (not being debentures which ex-facie are payable to the bearer thereof to every trustee for the holders of any debentures issued by the Company (whether such member, holder or trustee is or is not entitled to have notices of General Meeting of the Company sent to him), and to all persons other than such members, holders or trustees being persons so entitled provided that it shall not be necessary to send copies of the documents aforesaid -

(i) to a member or holder of debentures of the Company who is not entitled to have notice of General Meeting of the Company sent to him and of whose address the Company is unaware;

- (ii) to more than one of the joint holders of any shares or debentures none of whom is entitled to have such notices sent to him;
 - (iii) in the case of joint holders of any shares or debentures some of whom are and some of whom are not entitled to have such notices sent to them, to those who are not so entitled. Provided that if the copies of the documents aforesaid are sent less than twenty-one days before the date of the meeting they shall notwithstanding the fact be deemed to have been duly sent if it is so agreed by all the members entitled to vote at the meeting.
- (2) Company may sent a statement containing the salient features of Balance Sheet and Profit & Loss Accounts in the prescribed form on the company may deem fit, be sent to every member of the Company and to every trustee for the holders of the debentures issued by the Company not less than twenty one days before the date of;
 - (3) Any member or holder of debentures of the Company and any person from whom the Company has accepted a sum of money by way of deposit shall, on demand, be entitled to be furnished free of cost with a copy of the last Balance Sheet of the Company and of every document required by law to be annexed or attached thereto including the Profit and Loss Account and Auditor's Report.
213. (1) The Company shall within thirty days from the date on which the Balance Sheet and Profit and Loss Account have been laid before the Company at the annual General Meeting or where the Annual General Meeting for any year has not been held, within thirty days from the latest day on or before which that meetings should have been held in accordance with the provisions of the Act file with the Registrar of Companies three copies of the Balance Sheet and the Profit and Loss Account, signed by the Managing Director, Manager, Secretary of the Company, or if there be none of these by a Director of the Company, together with three copies of all documents which are required by the Act to be annexed or attached to such Balance Sheet or Profit and Loss Account.
- (2) If any Annual General Meeting of the Company before which the Balance Sheet is laid as aforesaid does not adopt the Balance Sheet of it the Annual General Meeting of the Company for any year has not been held a statement to that effect and all the reasons therefore shall be annexed to the Balance Sheet and to the copies thereof required to be filed with the Registrar of Companies.

Three copies of Balance Sheet etc. to be filed with Registrar

AUDIT

214. (1) The Company shall at each Annual General Meeting appoint an Auditor or Auditors to hold office from the conclusion of that Meeting until the conclusion of the next Annual General

Appointment of Auditors

Meeting and shall, within 7 days of the appointment, give intimation of thereof to every Auditor so appointed. Provided that before any appointment or re-appointment of Auditors or Auditors of the Company proposed to be so appointed to the effect that the appointment or re-appointment if made will be in accordance with the limits specified in sub-section (1B) of Section 224 of the Act.

(2) The Company or the Board of Directors shall not appoint or re-appoint any person or firm as its Auditors if such person or firm is at the date of such appointment or re-appointment holding appointment as Auditors of a specified number of companies or more than specified number of Companies AND 'Specified Number' for the purpose of this Article shall mean :

(a) in the case of a person or firm holding appointment as Auditor of a number of Companies each of which has a paid up share capital of less than Rupees twenty five lacs, Twenty such companies;

(b) in an other case, twenty companies out of which not more than ten shall be companies each of which has a paid-up share capital of Rupees twenty five lacs or more.

(3) At any General Meeting, a retiring Auditor by whatsoever, authority, appointed, shall be re-appointed unless (a) he is not qualified for re-appointment or (b) he has given to the company the notice in writing of his unwillingness to be reappointed (c) a resolution has been passed at that meeting appointing somebody instead of him or providing expressly that he shall not be reappointment or (d) where notice has been given of an intended resolution to appoint some person or persons in the place of retiring Auditor and by reason of the death, incapacity or disqualification of that person or of all those persons, as the case may be, the resolution cannot be proceeded with.

(4) Where at any Annual General Meeting no Auditors are appointed or re-appointed, the Central Government may appoint a person to fill the vacancy.

(5) The Company shall within seven days of the Central Government's power aforesaid becoming exercisable, give notice of the fact to the Government.

*Filling up Casual
Vacancy*

215. The Board may fill any casual vacancy in the office of an Auditor but while such vacancy continues, the remaining Auditor or Auditors, if any, may act. Provided that where such vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting. Any Auditor appointed in a casual vacancy shall hold office until the conclusion of the next Annual General meeting.

*Removal of
Auditors*

216. Any Auditor appointed under the foregoing provisions may be removed from office before the expiry of the term only by the

Company in General Meeting after obtaining the previous approval of the Central Government.

217. The remuneration of the Auditors of the Company in the case of an Auditor appointed by Board or by the Central Government may be fixed by the Board or the Central Government as the case may be. Subject as aforesaid shall be fixed by the Company in General Meeting or in such manner as the Company in General Meeting may determine. A sum paid by the Company in respect of the Auditors expenses shall be deemed to be included in the expression or remuneration. *Remuneration of Auditors*
218. Subject to the provisions of Section 224A of the Act if at any time 25% of the subscribed share capital of the Company shall be held, whether singly or in combination by-
- (a) a Public Financial Institutions or a Government Company or Central Government or any State government; or
 - (b) any financial or other institutions established by provisions or State Act in which a State Government hold not less than 51% of the subscribed Share Capital or
 - (c) a nationalized Bank or Insurance Company carrying on General Insurance business;
- the appointment or re-appointment at each Annual General Meeting of an Auditor or Auditors shall be made by a Special Resolution. *Special Resolution for Auditors in certain cases*
219. (1) Special notice shall be required for a resolution at an Annual General Meeting appointing as Auditors a person other than retiring Auditor or providing expressly that a retiring auditor shall not be reappointed. *Provision as to resolution for appointing or removing auditors*
- (2) On receipt of the notice of such a resolution, the Company shall forthwith send a copy thereof to the retiring Auditor;
 - (3) Where notice is given of such a resolution and the retiring Auditor makes with respect thereto representations which are received by it too late for it to do so :
 - (a) in any notice of the resolution given to members of the Company, state the fact of the representations having been made; and
 - (b) send a copy of the representations to every member of the Company to whom notice of the meeting is sent whether before or after the receipt of the representations by the Company; and if a copy of the representations is not sent as aforesaid because they were received too late or because of the Company's default, the Auditor may (without prejudice to his right to be heard orally) required that the representations shall be read out at a meeting; Provided that copies of the representations need not be sent out and the representations need not be read out at the meeting, if, on application either of the company or of any

other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter.

- Resolution for removal of Auditors* 220. The provisions of the preceding article 219 (2) for sending a copy of the resolution to the retiring Auditor and with regard to representations of the retiring Auditor shall apply to a resolution for removal of any Auditor or Auditors under Section 224 (7) of the act as they apply in relation to resolution that a retiring Auditor shall not be reappointment.
- Qualification of Auditors* 221. (1) A person shall not be qualified for appointment as Auditor of the company unless she is a Chartered Accountant within the meaning of the Chartered Accountants Act, 1939 (XXXVIII of 1949).
- (2) A firm whereof all the partners practicing in India are qualified for appointment as aforesaid may be appointed by its firm's name to be auditors of the company in which case any partner so practicing may act in the name of the firm.
- Who cannot be appointed auditors* 222. None of the following persons shall be qualified for appointment as Auditor of the Company.
- (a) a body corporate;
- (b) an officer or employee of the Company;
- (c) a person who is a partner or who is in the employment of an officer or employee of the Company.
- (d) a person who is indebted to the company for an amount exceeding Rs. 1,000/- or who has given an guarantee or provided any security in connection with the indebtedness of any third person to the Company for amount of exceeding Rs. 1,000/-
- (e) a person shall also not be qualified for an appointment as Auditor of the Company if he is by virtue of the foregoing provisions disqualified for appointment as Auditor of any other body corporate which is the Company's subsidiary or holding company or a subsidiary of that company's holding company or would be so disqualified if the body corporate were a company.
- (f) a person holding any security of the company.
- Disqualification After appointment* 223. If an Auditor becomes subject, after his appointment to any of the disqualifications specified above, he shall be deemed to have vacated his office as such.
- Power and duties of auditors* 224. Every Auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company whether kept at the head office of the Company or elsewhere and shall be entitled to require from the officers of the Company such

information and explanations as he may think necessary for the performance of his duties as an auditor.

225. (1) The Auditor shall make a report to the members of the Company on the accounts examined by him and on every Balance Sheet and Profit and Loss Account and on every other document declared by the Act to be part of or annexed to the Balance Sheet and Profit and Loss Account which are laid before the Company in General Meeting during his tenure of office. *Auditor's Report*
- (2) The report shall state whether in his opinion and to the best of his information and according to the explanations given to him, the said accounts give the information required by the Act in the manner so required and give a true and fair view :
- (a) in the case of the Balance Sheet of the state of the Company's affairs as at the end of its financial year.
 - (b) In the case of the Profit and Loss Account, of the Profit or Loss for its financial year.
- (3) The auditor's Report shall also state (a) whether he has obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purposes of his audit (b) whether in his opinion, proper books of account, as required by law have been kept by the company so far as appears from his examination of those books, and proper returns adequate for the purposes of his audit have been received from branches not visited by him, (c) whether report on the accounts of any branch office audited under Section 228 of the Act by a person other than him has been forwarded to him as required by Section 228(3)(c) of the Act and how he has dealt with the same in preparing his report and (d) whether the Company's Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of account and returns.
- (4) Where any of the matters aforesaid is answered in the negative, or with a qualification, the Auditor's report shall state the reasons for the answer and the qualification along with the power should be highlighted by bold or italic letters.
- (5) The account of the company shall not be deemed as not having been, and the Auditors' Report not state, that these accounts have not been properly drawn up, on the ground merely that the Company has not disclosed certain matters if-
- (a) those matters are such as the Company is not required to disclose by virtue of any provisions contained in the Act or any other Act, and
 - (b) those provisions are specified in the Balance Sheet and Profit and Loss Account of the Company.
- (6) The Auditor's Report including the Auditor separate, special or supplementary report, if any, shall be attached to every Balance Sheet placed before every Annual General Meeting.

- (7) There shall be annexed to every Annual Report to be filed by the Company with the Registrar of Companies under Section 159 of the Act a written copy certified both by a Director and by the Managing Director or Whole-time Director or Manager or Secretary of the Company, to be a true copy of the Report of the Auditor on each such Balance Sheet.

- Signature of Auditors' Report* 226. Only the person appointed as Auditor of the Company or where a firm is so appointed, only a partner in the firm practicing in India, may sign the Auditors' Report and sign or authenticate any other document of the Company required by law to be signed or authenticated by the Auditor.
- Inspection of Auditors Report* 227. The Auditor's Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.
- Right of Auditor to receive notices of and attending General Meetings* 228. All notices of and other communications relating to any General Meeting of the Company which any member of the Company is entitled to have sent to him, shall be forwarded to the Auditor of the Company and the Auditor shall be entitled to attend any General Meeting and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditors.

DIVIDEND

- Dividends* 229. (a) Subject to the provisions of the Act and these Presents and subject to the right of persons entitled to shares with special rights as to dividend, the profits of the Company which it shall from time to time determine to distribute as dividends, shall be divisible amongst the members in proportion to the capital paid up or credited as paid up on the shares held by them respectively.
- (b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Clause as paid on the shares.
- (c) 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 term providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.
- Declaration of dividends* 230. The Company in General Meeting may declare a dividend to be paid to the members according to their rights and interests in the profits and may fix the time for payment.
- Restrictions on amount of dividend* 231. No larger dividend shall be declared than is recommended by the Directors but the Company in General Meeting may declare a smaller dividend.
- Dividend out of Profits only and not to carry* 232. No dividend shall be payable except out of the profits of the Company and no dividend shall carry interest as against the Company.

- 233.** The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive. *Declaration of Directors as to net profit conclusive*
- 234.** The Directors may from time to time pay to the members such interim dividends, as in their judgement the position of the Company justifies. *Interim Dividend*
- 235.** The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists. *Debts may be deducted*
- 236.** Any General Meeting declaring a dividend may make a call on the member of such amount as the meeting fixes but so that call on each member shall not exceed the dividend payable to him and so that the call may be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the member, be set off against the call. The making of a call under this clause shall be deemed ordinary business of an Ordinary General meeting which declares a dividend. *Dividend and call together*
- 237.** A transfer of share shall not pass the right to any dividend declared thereon before the registration of the transfer. *Effect of transfer*
- 238.** The Directors may retain the dividends payable upon shares in respect of which any person is under the Transmission Clause of this article is entitled to becomes a member or which any person under that Clause is entitled to transfer until such person shall become a member in respect thereof or shall duly transfer the same. *Retention in certain cases*
- 239.** No dividend shall be payable except in cash. A dividend payable in cash may be paid by cheque or warrant sent through the post directed to the registered address of the member entitled to the payment of the dividend or in the case of joint holders to the registered address of that one of the joint holders which is the first named in the Register of Members or to such person and to such address as the member or the joint holders may in writing direct, and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent. The Company shall not be responsible or liable for any cheque or warrant lost in transmission or for any dividend lost to the member or person entitled thereto by forged endorsement or any cheque or warrant or the fraudulent recovery by any other means. *Payment by post*
- 240.** Notice of the declaration of any dividend whether interim or otherwise shall be given to the holder of registered shares in the manner hereinafter provided. *Notices of dividend*
- 241.** The Company shall transfer the whole amount of dividend payable to separate bank account within 5 days of declaration and shall pay the dividend or post the cheque or warrant in respect thereof to the shareholder entitle to the payment thereof within thirty days from the date of the declaration of dividend unless - *Dividend to be paid within thirty two days*
- (a) where the dividend could not be paid by reason of the operation of any law;

- (b) where member has given directions to the Company regarding the payment of the dividend and these directions cannot be complied with;
- (c) where there is a dispute regarding the right to receive the dividend;
- (d) where the dividend has been lawfully adjusted by the Company against any sum due to it from the member; or
- (e) where for any reason, the failure to pay the dividend or to post the warrant within the aforesaid period was not due to any default on the part of the Company.

UNCLAIMED DIVIDEND

*Unclaimed
Dividend*

242. Where any instrument of transfer of shares has been delivered to the Company for registration and the transfer of such shares has not been registered by the company it shall;

- (a) Transfer the dividend in relation to such shares to the Special Account referred to in Section 205 A of the Act, unless the company is authorised in writing by the registered holder of such shares to pay the dividend to the transferee mentioned in the instrument of transfer, and
- (b) Keep in abeyance in relation to such shares any offer of right shares and issue of fully paid up bonus shares.

If the company has declared a dividend but which has not been paid or claimed within thirty days from the date of the declaration, to any share holder entitled to the payment of the dividend, the Company shall within five days from the date of expiry of the said period of thirty days transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty days to a special account, to be opened by the Company in that behalf in any schedule bank to be called "Unpaid Dividend of ROMAN TARMAT LIMITED and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

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

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

CAPITALISTION

*Power to
capitalise*

243. (1) Any General Meeting may upon the recommendation of the Directors, resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of any of the Company's Reserve Accounts or to the credit of the Profit & Loss Account or any capital Redemption Reserve Account or in the hands of the

Company and available for dividend or representing premiums received on the issue of shares standing to the credit of the Share Premium Account be capitalized and distributed amongst such of the members as would be entitled to receive the same if distributed by way of dividend and in the same proportion on the footing that they become entitled thereto as capital and that all or any part of such capitalized funds shall not be paid in cash but shall be applied subject to the provisions contained in clause (2) hereof on behalf of such member either in or towards -

- (a) paying up any amounts for the time being remaining unpaid on any shares held by such members respectively; or
- (b) paying up in full the unissued shares or debentures of the Company to be allotted and distributed, credited as fully paid up to and amongst such members in the proportions aforesaid; or
- (c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);

and that such distribution or payment shall be accepted by such members in full satisfaction of their interest in the capitalized sum.

- (2) (a) Any moneys, investments or other assets representing premium received on the issue of shares and standing to the credit of Shares Premium Account;
- (b) If the Company shall have redeemed any Redeemable Preference Shares, all or any part of any Capital Redemption Fund arising from the redemption of such shares;

may be resolution of the company be applied only in paying up in full or in part any new shares or any shares then remaining unissued to be issued to such member of the Company as the General Meeting may resolve up to an amount equal to the nominal amount of the shares so issued.

- (3) Any General Meeting may resolve that any surplus money's arising from the realization of any capital assets of the Company or any investments representing the same or any other undistributed profits of the Company not subject to charge for income tax be distributed among the members on the footing that they receive the same as capital.
- (4) Whether such a resolution under this Article shall have been passed, the Board shall -
 - (a) make all appropriations and applications of the undivided profit resolved to be capitalized thereby and all allotments and issue of fully paid shares or debentures, if any, and

- (b) generally do all acts and things required to give effect thereto
- (5) The Board shall have full power -
- (a) To make such provisions by the issue of fractional certificate or by payment in cash or otherwise as it thinks fit, for the case of shares or debentures becoming distributable in fractions and that fraction of less value than Rs. 1 may be disregarded and also;
 - (b) To authorize, any person to enter on behalf of all the members entitled thereto, in to an agreement with the Company providing for the allotment to them respectively credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization, or (as the case may require) for the payment of the Company on their behalf by the application thereto of their respective proportions of the profits resolved to be capitalised, or the amounts or any part of the amounts remaining unpaid on their existing shares and may vest any such cash or specific assets in trustees upon the trust for the person entitled to the dividend or capitalized fund as may seem expedient to the Board.
- (6) Any agreement made under such authority shall be effective and binding on all such members.

NOTICE

Notices

244. A notice shall be deemed to include and shall include any summons, notice requisition, order, other legal process and registers, whether issued, sent or kept in pursuance of the Act or any other Act or otherwise.

Service of documents on members only Company

245. (1) A notice may be served by the company on any member thereof either personally or by sending it by post to him at his registered address, or if he has no registered address in India, to the address, of any within India supplied by him to Company for the giving of notices to him.
- (2) Where notice is sent by post :
- (a) service thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing the notice provided that where a member has intimated to the Company in advance that documents or notice should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner mentioned by the members; and

(b) such service shall be deemed to have been effected

(i) in the case of a notice of a meeting at the expiration of forty-eight hours after the letter containing the same is posted; and

(ii) any other case, at the time at which the letter would be delivered in the ordinary course of post;

(3) A notice advertised in a newspaper circulating in the neighborhood of the Registered Office of the Company shall be deemed to be duly served on the day on which the advertisement appears on every members of the company who has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him.

(4) A notice be served by the Company on the joint holders of a share by serving it on the joint holders of a share by serving it on the joint holder named first in the register in respect of the share.

Effect of transfer

(5) A notice may be served by the Company on the person 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 or representative of the deceased or assignees of the insolvent or by the like description at the address if any in India supplied for the purpose by the persons claiming to be so entitled. Or until such an address has been so supplied by serving the notice in any manner in which it might have been served if the death or insolvency had not occurred. Provided that where the notice or meeting is given by advertising the same in newspaper circulating in the neighbourhood of the Registered Office of the Company under clause (3) hereof the statement of material facts referred to in Section 173 of the Act need not be annexed to the notice as required by Section but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

(6) The signature to any documents or notice to be given by the Company may be written, printed or lithographed.

246. A document may be served on the Company or an officer thereof by sending it to the Company or officer at the Registered Office of the Company by Post under a Certificate of posting or by Registered Post or by leaving it at its Registered Office.

Service of document on the Company

247. A document may be served on the Registrar of Companies by sending it to him at his office by post under a certificate of posting or by registered post or by delivering it to or leaving it for him at his office.

Service of document on Registrar

Authentication of documents and proceedings

248. Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Managing Director the Whole-time Director, the Manager, the Secretary or other authorized officer of the Company and need not be under the common seal of the Company.

REGISTERS

Registers

249. The Company shall keep and maintain the following Registers -

- (1) Register of investments made by the Company but not held in its own name, as required by Section 49(7) of the Act and shall keep it open for inspection of any member or debentures holder of the Company without charge;
- (2) Register of charge as required by Section 143 of the Act and shall keep it open for inspection of any creditor or member of the Company without fee and to the inspection of any other person on payment of fee of such as may be prescribed by the Central Government of each inspection;
- (3) Register and Index of Members under Sections 150 and 151 of the Act and shall keep the same open for inspection of any member or debenture holder without fee and of any other person on payment of a fee of such sum as may be prescribed by the Central Government for each inspection;
- (4) Register and Index of Debenture holders under Section 152 of the Act and shall keep it open for inspection of any member or debenture holder without fee and of any other person on payment of a fee of such sum as may be prescribed by the Central Government for each inspection;
- (5) Foreign Register if thought fit as required by Section 157 of the Act and it, shall be open to inspection and may be closed and extracts may be taken therefrom the copies thereof may be required in the same manner, mutatis mutandis, as is applicable to the Principal Register;
- (6) Register of Contracts in which Directors are interested as required by Section 301 of the Act and shall keep it open for inspection of any member of the Company without charge;
- (7) Register of Directors, Managing Directors, Whole-time Directors, Manger and Secretary, as required by Section 303 of the act shall keep it open for inspection of any member of the Company without charge and of any other person on payment of a fee of such sum as may be prescribed by the Central Government for ach inspection;
- (8) Register as to the holdings by Directors of shares and debentures in the Company as required by Section 307 of the Act and shall keep it open for inspection of any member or debenture holder of the Company on any working day during the period beginning 14 days before the date the Company's Annual General Meeting and ending 3 days after the date of its conclusions;

- (9) Register of Loans made by the Company to other Companies under the same management as required by Section 372 (6) of the act.
- (10) Register of investments made by the Company in shares or debentures of bodies corporate as required by Section 372 (6) of the Act.

250. The Registers maintained in item (9) and (10) of Article 249 shall be open to inspection and extracts may be taken therefrom and copies thereof may be required by any member of the Company in the same manner to the same extent and on payment of the same fees as in the cases of Register of members of the Company as provided for in item (3) of Article 249. *Inspection of Registers*

251. Copies of entries in the above Registers shall be furnished to the person entitled to the same on payment of such sum as may be prescribed for every one hundred words or fractional part thereof required to be copied. The company shall give inspection of the above registers to the person entitled to the same on any working day between the hours to be fixed by the Directors from time to time *Copies of entries in the Registrars*

WINDING UP

252. 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 in kind the whole or any part of the assets of the Company whether they shall consist of the property of the same kind or not. *Distribution in specie on winding up*

253. For the purpose aforesaid the Liquidator may set such value as he deems fair upon every property to be divided as aforesaid and any determine how much divisions can be carried out as between the members or different classes of members. *Value*

254. The Liquidator may with the like sanction vest the whole or any part of such assets in trustees upon such trust for the whole or any part of such assets in trustees upon such trust for the benefit of the contributories as the Liquidator with the like sanction shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability. *Vesting in Trustees*

INDEMNITY

255. Subject to the provision of the Companies Act, 1956 every Director, Manager, Managing Director, Whole-time Director or other officer of the Company or any person (whether an officer of the Company or not) employed by the Company as Auditor shall be indemnified out of the funds of the Company against all liability incurred by him as such Director, Manager, Managing Director, Whole-time Director, Officer or Auditor in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court. *Indemnity*

256. Subject to the provisions of the Companies Act, 1956 no Director, Auditor or other officer of the Company shall be liable for the Acts, receipts, neglects or defaults of any other Director or officer or for *Individual responsibility of Directors*

joining in any receipt of other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person firm or company to or with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgment, omission, default or oversight on his part or for any other loss, damage, or misfortune whatever which shall happening relation to the execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.

SECURITY CLAUSES

Secrecy

257. (a) Every Director, Manager, Auditor, Treasurer, Trustees, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties sign a declaration pledging himself to observe a strict secrecy respecting all transaction and affairs of the Company with the customers and the state of 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 or secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Company to disclose.

★ ★

We, the several persons, whose names and addresses are subscribed are desirous of being formed into a Company in pursuance of these **ARTICLES OF ASSOCIATION** and we respectively agree to take the number of shares in the Capital of the Company set opposite to our respective names :

Name, Address, Description and Occupation of each Subscriber	Signature of Subscriber	Signature of Witness and his Name, Address, Description & Occupation
<p>JERRY VARGHESE S/o. Eapen Varghese 21, Sangli Bank Bldg., S. V. Road, Irla, Bombay - 400 056. BUSINESS</p>	<p>Sd/-</p>	
<p>SARAMMA VARGHESE S/o. Eapen Varghese 21, Sangli Bank Bldg., S. V. Road, Irla, Bombay - 400 056. HOUSE WIFE</p>	<p>Sd/-</p>	<p>Sd/- SHRIDHAR G. HEGDE S/O. GOPAL HEGDE 203, DR. D. N. ROAD, BOMBAY - 400 001. CHARTERED ACCOUNTANT</p>
<p>GEORGE VARGHESE S/o. M Varghese 21, Sangli Bank Bldg., S. V. Road, Irla, Bombay - 400 056. BUSINESS</p>	<p>Sd/-</p>	<p>WITNESS TO ALL SUBSCRIBERS</p>

Bombay, Dated this 24th day of December, 1965