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**MEMORANDUM OF ASSOCIATION  
AND  
ARTICLES OF ASSOCIATION**

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**SAPTARISHI AGRO INDUSTRIES LIMITED**

PADALAM SUGAR FACTORY ROAD,  
PAZHAYANOOR, P.O. MADURANTHAKAM T.K.  
KANCHEEPURAM DIST, TAMILNADU - 603 308



Co.No.18-22192

## Certificate For Commencement of Business

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

I hereby certify that the SAPTARISHI AGRO INDUSTRIES  
LIMITED

which was incorporated under the Companies Act, 1956, on  
the Seventeenth day of February 1992.

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

Given under my hand at MADRAS  
this Eighteenth day of March  
Twentyeighth Phalguna  
One thousand nine hundred and Ninety two  
One thousand nine hundred and Thirteen (Saka)



(V. GOVINDAN)  
Registrar of Companies.  
Tamil Nadu

J. S. C. 10

MFP-1021 JS-12410-(C. 1068)-26-E-57-6,000



*[Signature]*

FORM I R,



## CERTIFICATE OF INCORPORATION

No. 18-22192.....of 19.92.

I hereby certify that...SAPTARISHI...AGRO. INDUSTRIES

...LIMITED.....\*\*\*

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is this day Incorporated under the Companies' Act, 1956 (No. 1 of 1956)  
and that the Company is Limited

Given under my hand at.....MADRAS

this.....SEVENTEENTH.....day of.....FEBRUARY  
.....TWENTYEIGHTH.....MAGHA

One thousand nine hundred and.....NINETY.....TWO.

One thousand nine hundred and.....THIRTEEN (SAKA)



*V. Govindan*  
(V. GOVINDAN)  
Registrar of Companies  
TAMIL NADU

J.S.C-1



*Blind*

**MEMORANDUM OF ASSOCIATION  
OF  
SAPTARISHI AGRO INDUSTRIES LIMITED**

- I. The name of the Company is "SAPTARISHI AGRO INDUSTRIES LIMITED".
- II. The Registered Office of the Company will be situated in the State of Tamilnadu.
- III. The Objects for which the Company is established are:

**A. MAIN OBJECTS TO BE CARRIED OUT IN ITS INCORPORATION ARE:**

1. To carry on the business of Manufacturing, Processing, Trading, Dealer, Export, Import in all type of Products of Mushrooms, Food Products and Fruit Products, their by products.
2. To plant, cultivate, produce and raise or purchase of Agro Crops as may be required for the aforesaid products and to transact all such other work, or business in connection therewith.
3. To establish, farms and cultivate the land and the properties of the Company. To develop resources of the same by trading, rearing, planting, pasturing or farming and for the purpose aforesaid, to purchase from time to time such machinery and livestock and to sell or exchange the said machinery or livestock as and when considered necessary.
4. To plant and maintain topes of playmrah, dat, sago, coconuts and other farms and generally carry on all agricultural and horticultural operation necessary for useful for the Industries of the Company.
5. To carry on the trade or business of canning, preserving, refining, preparing and dealing inter Company products aforesaid and other food products, fruits and dairy products.
6. To carry on the business or vocation of acting as advisers and consultants on all matters and problems relating to the Technical, Industries, civil, administration, finance, organization and management, commencement or expansion of industry, purchasing techniques and business (including construction of plants and all type of buildings), production, purchases, sales, material and cost control, marketing, advertisement, publicity, personnel, export and import to and for institutions, concerns, bodies, associations (incorporated or unincorporated), departments and services of the Government, public or local authorities, trusts, scientific research and Development Centers, and to be appointed as technical, financial, industrial, administration and civil consultants.



For SAPTARISHI AGRO INDUSTRIES LIMITED

*[Signature]*

Director



7. To prepare and submit overall and detailed plans for civil and industrial execution to any company, corporation, body corporate, industries, firm, association or any person with regard to:

- (a) New projects and / or
- (b) Improvements and / or expansion of the existing projects.

8. To enter into any arrangement by way of a turnkey project involving supply of technical, civil, financial, administrative, plant and merchandise, information, knowledge and experience supply technical skilled and unskilled manpower for and on behalf of a client to set up any plant or project in or outside India.

9. To set up and sell Mushroom projects, cold storage's, air conditioning equipments, frozen food storage facilities, canning facilities both within and outside India on turnkey basis and to provide all type of consultancy services in mushroom and other fruits, vegetables and all agriculture products and by products in any form whether fresh or frozen foods and deal in growing and processing equipments and plants, including those for grading, wazing, polishing, juice, extraction and concentration.

10. To manufacture, produce, buy, sell import, export, trade distribute or otherwise deal as principle and /or as commission agent, C & F agent, consignment agent in all kind of Engineering, Electrical, Electronic Equipments, plant & Machineries, boilers, power plants, Air conditioners, Air conditioning equipments, Computers, sanitary and Hardware items and other industrial items etc, and to carry out other related activities such as storage and warehousing, transporting, packaging and dispatching services etc.,

11. To act as consultant and to deal in computer software and hardware to enter into contracts / arrangements for carrying out repair and maintenance of computer software and/or hardware, to procure computer or spare parts (domestic / imported) in order to sell / to assemble / to carry out repair and maintenance job.

12. To carryon the business of builders, colonizers estates developers, town planners, architects, engineers and electrical, civil and maintenance contractors to do elevation, restructuring and demolition activities, to procure, dispose or sell land and building and to carry out any other business that is customarily, usually and conveniently carried on therewith. To carry on business of contractor and under the job of installation, repair and maintenance contracts and / or undertake Annual Maintenance Contracts for all kinds of Electrical and Electronic equipments including Air conditioning system, ventilation system, temperature control, chillers, boilers, refrigeration, Computers and its accessories and other industrial and office equipments.

**B. THE OBJECTS OF THE COMPANY INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS ARE:**

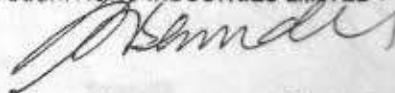
1. To set up agencies or branches in India or abroad after complying with the requisite formalities that may be necessary under the law, for the purposes of furthering the internal trade or export activities or any other lawful business or activities through proper representation, publicity, advertisement, exhibition, etc., for the benefit of the Company or discontinue the same.

2. To acquire, any shares, stocks, debentures, bonds, obligations, or securities by original subscription, tender purchase, exchange or otherwise and to subscribe for the same either conditionally or otherwise and to guarantee the subscription there of and to exercise, and enforce all rights and powers conferred by or incidental to the ownership thereof.

3. To facilitate and encourage and assist the creation, issue on conversion of debentures, bonds, obligations, shares, stocks and securities and to act as trustees in connection with any such securities and take part in the conversion of business concerns and undertakings into companies to carry on all kinds of promotion of business and in particular to form constitute, float, assist, and control any companies, associations or undertakings whatsoever.

Clause Numbers 6 to 12 under clause III of the main objects has been inserted by special resolution passed under section 16 & 17 read with section 192 A on 31-01-2005.

For SAPTARISHI AGRO INDUSTRIES LIMITED



Director



4. To purchase or take on lease existing buildings, appurtenances, structures and sites or lands for the purpose of alternation, modification, construction, demolition and later on to sell them, or rent out on commercial basis and also to do such things or acts for and on behalf of others like companies, firms, individuals or any establishment.

5. To acquire, whether by purchase or otherwise and other business or undertaking or part thereof with such liabilities, obligations or privileges as may be agreed upon and to keep the same or to dispose it of, or partly retain the benefit on such acquisition and dispose of the other part and portion thereof on such terms and conditions, as may be deemed fit.

6. To take over acquire and obtain the assets, business, goodwill or undertaking of any other Company engaged in a business authorized carried by the Company by amalgamation or otherwise.

7. To enter into collaboration or any kind of arrangements with business houses, commercial concerns, chamber of commerce and other allied bodies and organizations of all kinds, Government parastatals and quasi Govt. agencies and in countries abroad so enter into trade agreements of all kinds for the export of the Company's products and in general for the improvement of the volume of business of the Company.

8. To pay or enter into bond or agreement or other arrangement for payment of all costs, charges, expenses, and liabilities or obligations incurred or sustained in or in respect of the promotion, flotation, registration and establishment of the Company or in connection with the inauguration of the offices and branch offices or agencies of the Company and in performing and opening or other inaugural ceremony or to pay or adjust the underwriting commission, brokerage, printing, development or such other expenditure as the Director of the company may consider as preliminary expenses.

9. To purchase or otherwise acquire shares of other companies or debenture or debenture stock or other stocks of the companies carrying on similar business or business analogous to the objects of this Company or any other company and to retain the same or dispose of or deal or sell the same or part thereof as may be advantageous to the business or interest of the company.

10. To promote any other Company or companies for the purpose of acquiring any privileges, concessions, property or assets of any person, firm or undertaking or other rights and liabilities of such other Company or companies or concerns or business as the case may be conducive to or beneficial for the purpose of the Company.

11. To withdraw and reinvest or deal with funds or other moneys of the Company which may not be required by it for the time being or which may be usefully employed in such investment whether secured or unsecured both in India or abroad.

12. To draw, accept, discount, bills of exchange, cheques, hundies and to take, execute issue promissory notes or cheques or other negotiable instruments or to accept, endorse any bill of lading, warrants or issue debenture or other transferable instruments for and on behalf of the Company.

13. To sell or dispose of or otherwise deal with the undertaking or part thereof of the Company for such consideration as may be appropriate and in particular shares, stocks, debentures or securities of any other Company whether or not having objects of lease, mortgage, otherwise deal with the assets and of the Company.

14. To sell or otherwise dispose of any licences, privileges, concession or contract entered into by the Company or to enter into any agreement with any other Company in connection with the undertaking and business of the Company any other Company having objects similar to the objects of this Company.

15. To enter into any agreement with any Authority, Government, Local Body, Port Trust or other Institution, provisional or otherwise, which may be considered beneficial for or conducive to the objects of the Company or any of them and to obtain from such authorities, any concession privileges, licence and to sublet or dispose of the same or exercise any right relating thereto as may be beneficial or conducive to the object of the Company.

16. To pay out of the funds of the Company, all cost, charges and expenses including fees of and incidental to the formation and registration and establishment of the Company and all costs charges and expenses incurred during for and incidental to the promotion of the Company and or in connection with the commencing and carrying on the business of the Company and all rents, compensation and other charges and deposits in connection with hiring or taking on lease and licence or otherwise acquiring of the premises of the purposes of business of the Company and all charges and expenses in connection with the printing, stamp, fee and issuing of circulars and notices, shares certificates, proxies and other necessary forms and certificates.

17. To enter into any or barter business involving the exchange or purchases and sales of all types of crops, or commodities, manufacturers and semi-manufactured goods, raw materials, plant, machineries, equipments tools and other materials, mineral, substances, goods articles and things.

18. To enter into any arrangement with any Government or authorities, municipal, local or otherwise or any persons or Company in India or abroad that may seem conducive to the objects of the Company or any of them and to obtain from any such Government, authority persons or Company any rights, privileges, charters, contracts, licences and concessions which the Company may think out desirable and to carry out exercise and comply therewith.

19. To acquire the whole or any part of the undertaking and assets of any business with the objects of the Company and any lands, buildings, privileges, rights, contracts, property or effects held or used in connection therewith and upon any such purchase to undertake the liabilities of any such Company, association, partnership to person within India or abroad.

20. To act as agents or brokers and as trustees for any person or Company and to undertake and perform sub-contracts and to do all or part of the above things in any part of the world and either alone, or jointly with others and either by or through agents, sub-contractor, trustees or otherwise.

21. To amalgamate, enter into partnership or enter into collaboration agreement or arrangement or undertaking financial, technical or associate with any Indian or foreign Company or body corporate or firm or individuals or enter into any arrangement with any Indian or foreign Company, body corporate, or firm or individuals for manufacturing any product and for sharing profit, union interests, co-operation, joint venture, reciprocal concession, carry on or engage, in any business or transaction, which the Company is authorised to carry on.

22. To apply for purchase or otherwise acquire and protect and renew in any part of the world, any patents, patent rights, inventions, licences, concessions and the like conferring any exclusive or non-exclusive or limited right to their use or any secret information as to any intention which may seem capable of being of use for any of the purposes of the Company or the acquisition of which may seem calculated directly or indirectly to benefit of the Company, and to use, exercise, develop or grant licences in respect of or otherwise turn to account the property right or information so acquired and to spend money to experiment upon, testing or improving any such patents, inventions or rights.

23. To establish, promote or concur in establishing or promoting any Company or companies for the purposes of acquiring all or any of the property, rights and liabilities of the Company and to place or guarantee or underwrite or subscribe for or otherwise acquire all or any part of the shares, debentures or other securities of any such other Company.



24. Generally to purchase, take on lease or in exchange, hire or otherwise acquire, any real and personal property and any rights or privilege which the Company may think necessary or convenient for the purpose of its business or otherwise which may enhance the value of any other property of the Company and in particular any land, building, machinery, mills including textile mills, plant, vehicles and stock in trade.

25. To lend and advance or arrange for lending or advancing money or give credit to such persons or companies or any body with or without security or on such terms as may seem expedient and in particular to customers and others having dealings with the Company and to guarantee the performance of any contract or obligation and the payment of moneys of or by any such persons or companies and generally to give guarantee indemnities and to carry on the business of brokers of all kinds.

26. To borrow or raise money or to arrange for others to receive money as deposit or loan at interest or otherwise whether on promissory note, bond, hundies, bills of exchange, or any other security from any body including Government, banks, local bodies in such manner as the Company shall think fit and in particular by the issue of debentures, or debenture stock (perpetual or otherwise and to secure the repayment of any money borrowed, raised or owing by mortgage charge or lien upon all or any other property or assets of the Company) both present and future guarantee the performance by the Company or any other person or Company of any obligation undertaken by the company or any other person or company as the case may be provided that the Company shall not carry on the business of Banking within the meaning of the Banking Regulations Act 1949.

27. To pay for any business, property or right acquired or agreed to be acquired by the Company and generally or otherwise specify any obligation of the Company by the issue of transfer of shares of this or any other Company credited as fully or partly paid up or of debentures or other securities this other Company.

28. To pay for any rights of the Property acquired by the Company and to remunerate any person or Company or public bodies whether by cash payment or by the allotment of shares, debentures or other securities of the Company credited as paid up in full or in part or otherwise.

29. To distribute among the members, any property of the Company or any proceeds of the sale or disposal or any property of the Company including its shares, debentures, debenture stocks or other security of any other company, but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.

30. To improve, manage, develop, grant rights, or privileges in respect or otherwise deal with all or any part of the property and rights of the Company.

31. To provide for the welfare of the directors, trustees and employees or ex-directors, ex-trustees and ex-employees of the Company and the wives, widows and families or the dependents or connections of such person, by building or contribution to the building of houses, dwellings or chawls, by grants of moneys, pensions, allowances bonus or other payments or by creating and from time to time subscribing or contributing to provident and other associations, Institutions, funds or trusts and by providing or subscribing or contributing towards places of Institution and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Company shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific educational research, national or other claim to the support or aid by the Company either by reason of locality or operation or public and general utility or otherwise, subject to the provisions of the Companies Act, 1956.

32. To create any depreciation fund, reserve fund, sinking fund or any other special fund whether for depreciation or for repairing, improving, extending or maintaining any of the properties of the Company or for any other purposes conducive to the interest of the Company.



33. Subject to the Section 78 of the Companies Act, 1956 to place to reserve to distribute as bonus, among the members or other, to apply, as the Company may from time to time think fit, any moneys received by way of premium on shares or debentures issued at a premium by the Company and moneys received of dividends accrued on forfeited shares.

34. Subject to the provisions of the Companies Act, 1956 or any other enactment in force to indemnify and keep indemnified members, officers, directors, agents and servants of the Company against proceedings, costs, claims and damages in respect of any thing done or ordered to be done by them for and in the interest of the company and for any loss, damage or misfortune whatever and which shall happen in execution of the duties of their office or in relation thereto.

35. To agree to refer arbitration and to any dispute, present or future between the Company and any other company, firm or individual and to submit the same to arbitration in India or abroad either in accordance with India or any foreign system of law.

36. To build, alter, construct, maintain, enlarge, pull down, remove or replace and to work manage and control any buildings, offices factories, mills, shops, machinery, engines, airways, roadways, tramways, railways, sidings, bridges, reservoirs, water-courses, wharves, electric work and other works and conveniences which may seem calculated directly or indirectly to advance the interests of the company and to join with any other person to Company in doing any of these things.

37. To train, or pay for the training in India or abroad of any of the company's directors or employees or any candidate in the interests of or for furtherance of the Company's objects.

38. To establish, undertake, negotiate, or subscribe to any trust or act as trustees for the aims and objects., the undertaking whereof any seem desirable whether gratuitously or otherwise.

39. To apply for, promote and obtain any ordinance, act of parliament or legislature or any lawmaking body-character, privileges, concessions, licence or authorization of any government State or Municipality provisional order or licence of any authority for enabling the Company to carry out any of its objectives into effect or for extending any of the powers of the Company or for effecting any modification of the constitution of the Company or for any other purpose which may seem expedient and to oppose any proceedings or applications which may seem calculated directly or indirectly prejudice the interests of the Company.

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

41. To act as agent for any government, semi-government or autonomous body or any organization in the private or public sectors for the exports and imports of all types of crops, commodities manufactured and semi-manufactured goods, raw materials, plant, machinery, equipment, tools and other materials, minerals, substances, goods, articles and things.

42. To employ experts to investigate and examine into the conditions prospects, value character and circumstances of any business concern and undertakings.

43. To offer and enter into contracts and agreement for services in connection with the undertaking of market surveys and for developments or markets in any part of the world for any type of raw materials, minerals, substances, commodities, goods and other articles and things.

44. To employ and pay experts, agents and other persons, partnerships, companies, and corporations and organise, equip and dispatch delegations to foreign countries for exploring, reporting on, surveying, working and developing export and import business of the Company and making advance to and paying of

or contributing to the expenses or otherwise assisting person or companies for exploring, reporting or surveying, working and developing trade and commerce between India and foreign countries.

45. To procure the company to be registered or established or to be authorised to do business as joint stock Company with limited liability and foreign countries.

46. To adopt such means of making known the products of the Company as may seem expedient and in particular by advertising in the press, cinemas, radios, television and market surveys, by circulars, by purchase and exhibition of works of art or interest, by publication of books catalogues and periodicals and by granting prizes, rewards and donation subject to the provisions of the Companies Act, 1956.

47. To subscribe or donate to or guarantee money for any national, philanthropic, charitables, benevolent, public, general or useful object, fund or organisation, association or institution or for any exhibition or for any purpose which may be likely directly or indirectly to further the object of the Company or the interest of its members subject to provisions of law.

48. To do all or any of above things in India or any part of the world, as principal agents, contractors, trustees or otherwise by or through trustees, attorneys, agents or otherwise either alone or in conjunction with other and to establish offices, agencies or branches for carrying on aforesaid object.

49. To develop internal and external transport system as to run a transport house for the movement of any type of cargo.

### C. THE OTHER OBJECTS :

1. To carry on the business of manufacturing and compressing carbonic acid for gas, oxygen, acetylene, carbon dioxide, sulphuric acid and all other types of gases and acids, ice, aerating machinery and parts thereof and the business and sellers of any dealers in all machinery, chemicals and other materials incidental to the manufacture of carbonic acid, gas, oxygen, acetylene, ice, aerating machinery and parts thereof and to transact all preparing process and mercantile business that may be necessary or expedient and to purchases and vend the raw materials and manufactured articles including gas cylinders and parts thereof.

2. To manufacture, buy, sell, let on hire, and deal in empty cylinders, stoves, engines, and other apparatus and convenience which may seem calculated, directly or indirectly to promote the consumption of gas.

3. To manufacture, brew, distill, process, dehydrate, can-package, buy, sell and deal in confectionery, vegetables, packing materials, bread flour, biscuits, baking materials, beer, wines, alcohol and molasses, vanaspathi, ghee, vegetable oils, ice creams, candy, milk and milk products, sweets and all other eatables and by-products including fish, prawns and other edible produce of water.

4. To engage in the business of engineering, contracting and construction including the design, manufacturing, construction, erection, alteration, repair and installations of plants, buildings, structures, ways, work, systems and mechanical electrical and electronic machinery equipment, apparatus and devices as covered by the objects clause.

5. To carry on the business of manufacturers, dealers, importers, exporters, buyers, sellers, merchants, contractors, brokers, commission agents, and moulders of all kinds of plastic PVC, polypropylene, polystyrene, plasticisers, polyethylene and polymers, articles, goods and products of all kinds in the manufacture of which above are used including shoes, pipes and tubes, fittings of all types, conduits, stabilizers etc.,

6. To carry on the business of manufacture of all kinds of plastic machinery, apparatus, equipments, utensils and any other plastic articles for any purpose whatsoever and to manufacture, sell, supply and deal in such plastic machinery apparatus, equipment and utensils.

7. To search for, get, work, raise, produce, refine, dress, manufacture, trade, purchase, sell, amalgamate, manipulate, export, import or otherwise deal in coal, coke, hardcoke, cylinders, coal tar, pitch, esphatum, ammoniacarb, liquor, iron, iron stone, brick earth, bricks and other metals minerals and substances, and to manufacture and sell patent fuel and other products.

8. To carry on the business of manufacturing and dealers in Iron, steel, aluminium, brass, copper and copper alloy, bimetal, lead silver, and all other ferrous and non-ferrous metal pipes, seamless or otherwise, tubes, sheets, rods, squares, strips, plates, coils, condensers, seals, wires, ingots, circles and other manufacture's by products and parts in all their respective branches.

9. To carry on the business of manufacturers, processors, fabricators, drawers, rollers and re-rollers of ferrous and non-ferrous metals, steels, bimetal products, copper and copper alloys, alloy steels, special and stainless steels, shafting bars, squares from scrap sponge iron, pre-reduced pillars, pallets including manufacturing, processing and fabricating of pipes, utensils, wire, nails, wire ropes, wire products, screws, expanded metalhighs, plats, hoops, angles and to manufacture any other engineering products including hospital appliances and surgical instruments tables and kitchens wares and cutleries and to act as exporters and importers and dealers in all such and allied merchandise.

10. To carry on the business of water proffers and manufacturers of Indian rubber, leather, imitation leather, cloth plastic, oil cloth, linoleum, tarpaulin, hospital-sheetings and surgical bandages and articles made thereof.

11. To carry on the business of a water-works Company in all its branches and to make build and construct, lay down and maintain dams, reservoirs, ware-works, cisterns, culverts, filter heads, main and other pipes and to execute and do all of other acts and things necessary or convenient for obtaining, storing, delivering measuring, distributing and dealing in water.

12. To acquire, take over, promote, establish and carry on all or any of the business of seed crashers and manufacturers of and dealers in groundnut, gingelly, castor, cotton mowra, linseed, mustard and cakes, oil extractors by crashing chemicals or any other process, cakes and oil manufacturers, oil refiners, scrap boilers, shareholders of floor cloths and floor covering of every discrepanat, makers and manufacturers of cattle food and feeding and fattening preparations of every description, makers and manufacturers of artificial manures and fertilizers of every description, meal manufacturers, grains and seed merchants, oil merchants, flax cotton, groundnut, gingelly, mowra and castro merchants, cake and corn merchants, nursery men, ship owners, lightermen, manufacturing chemists and druggists, varnish makers and stearlin and alien manufacturers.

13. To buy, sell, manufacture dye, bleach, print, import, export or otherwise deal in piece goods, yarn, metals, mineral, hardwares, fireworks, timbers, gems, jewellery, plate ware, provisions drains, sanitary wares, leather goods, electrical goods, accessories and operators, cotton hemp and other fibres, ship handlers, goods oils, spices drugs, chemicals hides and other goods, commodities, produce. Products and manufacturers of all other kinds.

14. To carry on business as proprietors and publishers of news papers, journals, magazines, books and other literary works and undertakings, in all language whether on payment of royalty or not.

15. To carry on the business of spinners, weavers, manufacturers, balers and pressers of jute, jute cuttings, jute rejections, flex, hemp and any other fibrous materials, and cultivation thereof and the business of buyers, and seller of and dealers in jute, jute cuttings, jute rejections and any other fibrous materials and



to transact all manufacturing curing and preparing process and merchantile business that may be necessary or expedient and to purchase and vend the new materials and manufactured articles.

16. To purchase, manufacture, produce, refine, prepare, import, export, sell, and to generally deal in sugar, sugar beets, sugar cane molasses, syrups jaggery, marmalade and all products or by products thereof and foods products generally and connection there with to acquire construct and operate sugar or other refineries, buildings, mills. Factories, and other works.

17. To establish, acquire, maintain and carry on the business of growers, cultivators, producers, planters, blenders, buyers, sellers, exporters, importers of and dealers in tea and to acquire by purchase or otherwise, tea estates and gardens in the State of Tamilnadu, West Bengal, Assam and other States in India and also at places outside India.

18. To carry on the business of manufacture and dealers in paper of all kinds and articles made from paper or pulp (Mechanical or wood) and materials used in the manufacture or treatment of paper, including card board, card board boxes, straw boards, leather boards, mill boards, paste boards, and pulp boards.

19. To carry on the business of manufacturers dealers in electric, magnetic, galvanic and other apparatus, manufacturers of all kinds of electrical goods such as transformers, refrigerators, motors, fans, measuring instrument, insulations, domestic and industrial components and power plants.

20. To establish, own erect, acquire, work and manage veneer mills, plywood factories and similar mills and factories and to peel, produce, manufacture, and prepare for market, stores stock, buy, sell, export, import, distribute, deal in any carry on business in veneers, veneer products, veneer for tea-chests, packing cases and commercial boards, decorate veneers, veneers for furniture and cabinet making, coach building, ship building, aeroplanes, partitions, penerling doors, windows and other construction purposes, decorative veneer boards laminate boards, blocks, composite boards, compressed boards, pressed boards, hard boards, chip boards, bent wood, moulded and any other articles of like nature.

21. To carry on business as timber merchants, saw mill proprietors and timber growers, and to buy, sell grow prepare for market, manipulate, import, export and deal in timber and wood of all kinds, and to manufacture of which timber or wood is used, and to carry on business as general merchants, and to buy, clear, plant and work timber estates and to carry on any other business which may seem to the Company capable of being conveniently carried on in connection with any of the above or calculated directly or indirectly to render possible or enhance the value of the Company's property or rights for the time being.

22. To carry on the business of spinner, weavers and manufacturers of all cotton, wool, silk, flax, hemp, rayon, nylon and other fibrous materials and man made fibres and to transact all manufacturing, preparing, dyeing, coloring and bleaching, process and to purchase and trend the raw materials and manufacture articles and manufacture of ready made garments.

23. To carry on all or any of the following business namely cotton spinner and doublers, linen manufacturers, wool merchants, wool combers, worsted spinner, woolen spinners, yarn merchants, rayon worsted stuff manufactures, bleachers and dyers and makers of vitriol bleaching and dyeing materials and to purchase, comb, prepare, spin dye and deal in wool, cotton soil and other fibrous substances, and to weave or otherwise manufacture, buy and sell and deal in linen cloth and other goods and fabrics whether felted, netted or looped, and to supply power.

24. To conduct, carry on and manage the business or trade of whiskey, gin, rum, brandy, and general distillers, compounders, and rectifier, merchants, exporters, importers, brokers, bottlers, sales agents, and general traders in relation to the marketing and distribution at home and abroad of spirits, wines, liquor and all other productions derived from the cultivation of the grape, and generally to undertake perform and carry



out all or any of the operations ordinarily undertaken by distillery proprietors, wine growers, contractors and shippers or by persons or companies engaged in such business.

25. To erect, fabricate, work, use, process, barter, exchange here lease out and otherwise deal with motor garage, machinery, equipment fittings, accessories and appliances, whether industrial agricultural or otherwise and to carry on the business of production and working of all substances articles and commodities capable of being manufactured by such industrial, agricultural and other machinery equipments.

26. To grant, purchaser or sell annuities either for lives or for years or on survivor ship and either immediate, deferred, determinable, contingent or reversionary and other estates, interests and securities whether in real or personal property and generally to undertake and transact all matters and business which may be in any way connected with or depend on contingencies.

27. To carry on the business of agriculturists, planters, cultivators, farmers and to plant, cultivate and purchase all kinds of grains and food stuffs, oil seeds vegetables, fruits, grass, timber, bamboo, straw, cotton, jute, rubber, sugarcane, tea, coffee, flowers, cocoanuts, cashew nuts, tobacco and other articles that are the produce of land or soil and to sell, purchase and deal in the same as principals or agents and to carry on business as dealers in and producers of dairy, farms, and garden produce of all kinds and in particular, milk, cream, butter, ghee, cheese, poultry and eggs, fruits and vegetables.

28. To carry on the business of advertising agents, to acquire and dispose of advertising time, space or opportunities in any media, or undertake advertising and promotional campaigns of every nature and to carry on business of printers, publishers, decorators, in connection with the general advertising business carry out any other contract for the promotion, continuance and advancement of the said business.

29. To export, import, acquire by purchase. Gift, hire or otherwise, sell, barter, hire exchange, pledge, make, advances upon interest, in and otherwise deal in gold, silver, bullion, jewellery, ornaments, precious and semi-precious metals and stones, antiques, works of art, curious and other articles produce and merchandise.

30. To establish and equip laboratories and carry on analytical experimental and other work or undertake research in relation to general objects of the Company.

31. To manufacture, purchase, sell import, export, and generally deal in all types of rubber materials, rubber latex, including natural, synthetic and reclaimed rubber and their derivatives and substitutes, synthetic resins and plastics, carbon black and accelerates, other rubber chemical surgical and medical products including prophylactics, elastic band and strips and other substitute goods made rubber and its products and other joint by products.

32. To manufacture produce, buys, sell and deal in all types of conveyer systems, conveyer belting and other allied products of rubber materials, and its substitutes and other materials used in combination therewith.

33. To manufacture, purchase, sell, import, export and generally deal in all types of trailers, trolleys and other modes of moving machineries, bulldozers, tractors, cranes, scaffolding and other portable machinery.

34. To manufacture, buy, sell, import, export, and deal in all kinds of cycles, tri-cycles, motorcycles and cycle parts, tyres tubes and other components which could be used in cycle industry.

35. To carry on business of bottlers, distillers, and manufacturers of vinegar, acetic acid, aerated water, malt, grain shops, carbonic acid, gas, mustard, pickles, sauce, coca, coffee, squash, preserves and other sort of soft drinks and deal in the machinery equipments and other things incidental and ancillary thereto.

36. To manufacture, buy, sell, import, export and deal in all kinds of elemental phosphorous used for the manufacture of safety matches, Zinc phosphate, electric bulbs, alloys, phosphorous pñata sulphide, phosphorus trichloride and other chemicals.

37. To manufacture, buy, sell, import, export and deal in all kinds of bead wires for automobile and cycle tyres.

38. To manufacture, buy, sell, import, export and deal in freight containers and also to provide all sorts of services related thereto.

39. To manufacture, buy, sell, import, export and deal in lamp black and the items incidental thereto.

40. To carry on the business of an electricity producing and distributing Company to manufacture bulbs, wires, cables, dynamos, motors, fans, stoves, batteries, refrigerators, cells, of all kind and other electrical goods, to carry on all sorts of electric installation, including installation of telephones and radio.

41. To establish, maintain and operate shipping, air transport and road transport services and for these purposes act as an independent undertakings to purchase, take in exchange, charter, hire, build contract or otherwise acquire and to own work manage and trade with steam sailing motor and other ships, trawlers, drifters, tugs and vessels, aircraft and motor and other vehicles, with all necessary and convenient equipment engines, tackle, gear furniture and stoves, stocks or securities, of companies possessed of or interested in any ships, air-crafts or vehicles, and to maintain, repair, fitout, refit, improve, insure, alter, sell exchange or let out on hire purchase or charter or otherwise deal with and dispose of any of the ships, vessels, aircraft and vehicles, shares, stock and securities or any of the engines tackle gear, furniture equipment of stores of the Company.

42. To produce, manufacture, mine treat, process, purchase, refine, prepare, import, export, sell and generally to deal in -

a) Cement, Portland cement, alumina cement, limestone, clinker and/or by products thereof and building materials generally and in connection therewith to acquire, erect, construct, establish, operate and maintain cement factories, limestones, quarries, workshops and other work.

b) Chemicals of all kinds including acids, alkalis and salts manures, fertilizers, dyes, caustic soda, soda ash, sulphuric acid, sulphur.

c) Bricks, tiles, pipes, pottery, earthenware, sanitary ware, china terra-cotta, dolomite sulphur, sulphur pyrites, graphite, refractories and ceramic ware of all kinds.

d) All kinds of vehicles, diesel engines and plant, machinery, equipment, accessories, spare parts, appliances, tools apparatus necessary or useful for or in connection therewith.

e) All classes and kinds of agricultural chemicals, fertilizers, manures, their mixtures and formulations and any classes and all kinds of chemicals, source materials, ingredients, mixtures, derivatives, and compounds thereof..

Antibiotics, chemicals auxiliaries, disinfectants, insecticides, fungicides, deodorants, their derivatives, by products and compounds of any kinds, nature, whatsoever.

43. To acquire and deal with patents rights or inventions, processes, devices, trade marks, formulas and other rights.

44. To carry on the business of repairing, renovating, maintaining, running, scrapping, dismantling, operating the vehicles of all descriptions used for roadways, railways, waterways, airways.

45. To purchase, hire or otherwise acquire any photographic and other apparatus in connection with cinematographic shows and exhibitions.

46. To construct, equip, maintain and work omni-buses or other vehicles appropriate for the carriage of passengers or goods, and to carry on business of omni-bus proprietors and carriers of passengers and goods in the neighborhood, in such other places as may from time to time be thought fit.

47. To lend money not being of the nature of the business of a banking Company with the meaning of Banking Regulations Act., 1949, to encourage business, agricultural and other industries on such terms and conditions as may be determined by the Company from time to time.

48. To carry on business as travel agent cargo agents, tourists, tour operators, agent and contractors and to facilitate traveling, booking cargo by land, sea or air and to provide for tourists and travelers or promote the provisions of convenience of all kinds in the way of through tickets, circular, tour tickets, sleeping cars or berths, reserve place, hotel, lodging accommodation, guides, safe deposits, enquiry bureau, libraries, baggage transport and otherwise.

49. To carry on the business of hiring safe deposit lockers by owning or taking on lease of safe deposit lockers and letting them on hire to individuals, firms and companies.

50. To carry on the business as shipping, clearing and otherwise as indenting agent on the allied lines.

51. To carry on business on leasing to provide on lease or hire purchase basis, all types of industrial and office plants, equipments, machineries vehicles, buildings and real estates, required for manufacturing, processing transportation and trading business and other commercial and service business.

IV The liability of the members is limited.

V. The Authorised Share Capital of the Company is Rs.36,00,00,000/- (Rupees Thirty Six Crores only) divided into 3,60,00,000 (Three Crores Sixty lakh) equity shares of Rs.10/- (Rs.Ten each) with power to increase from time to time.

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

Sl.No	Signature, Name, Address, Occupation, Description of the Subscribers	No. of Equity Shares taken by each Subscriber	Signature, Name, Address, Occupation and Description of the Witness
1.	<p>Sd/- <b>RAMAKRISHNA JAJOO</b> S/o, Late Shri Ramchand Jajoo A-13, Sector 19, NOIDA Dist - Ghaziabad (U.P).</p> <p><b>BUSINESS</b></p>	10 (Ten Only)	<p>Sl.No.1 &amp; Sl.No.2 also Signed before me at Madras</p> <p>Sd/-</p> <p><b>SUDHIR SINGHI</b> S/o, Shri Sushil Chandra Singhi Ex.Suite No.9, First Floor, Parsn Manere, 602, Anna Salai, Madras - 600 006.</p> <p><b>CHARTERED ACCOUNTANT</b></p>
2.	<p>Sd/- <b>HARSH VARDHAN JAJOO</b> S/o. Shri Ram Krishna Jajoo A-13, Sector 19, NOIDA Dist - Ghaziabad (U.P).</p> <p><b>BUSINESS</b></p>	10 (Ten only)	
3.	<p>Sd/- <b>SHIKHAR CHAND METHA</b> S/o. Shri Hazari Chand Metha 113, Sterling Road, Madras - 600 034.</p> <p><b>COMPANY EXECUTIVE</b></p>	10(Ten Only)	



Sl.No	Signature, Name, Address, Occupation, Description of the Subscribers	No. of Equity Shares taken by each Subscriber	Signature, Name, Address, Occupation and Description of the Witness
4.	Sd/- <b>SHIVA METHA</b> W/o. Shri Shikhar Chand Metha 113, Sterling Road, Madras - 600 034.  <b>HOUSE WIFE</b>	10 (Ten Only)	Sl.No.1 & Sl.No.2 also Signed before me at Madras  Sd/-  <b>SUDHIR SINGHI</b> S/o, Shri Sushil Chandra Singhi Ex.Suite No.9, First Floor, Parsn Manere, 602, Anna Salai, Madras - 600 006.  <b>CHARTERED ACCOUNTANT</b>
5.	Sd/- <b>SHRI BHAGWAN SHARMA</b> S/o. Shri Baleshwar Nath 115 A/4, I.O.B. Flats, Sterling Road, Madras - 600 034.  <b>SERVICE</b>	10 (Ten only)	
6.	Sd/- <b>PROMILA SHARMA</b> W/o. Shri S.B.Sharma 115, A/4, I.O.B.Flats, Sterling Road, Madras - 600 034.  <b>HOUSE WIFE</b>	10(Ten Only)	
7.	Sd/- <b>VEENA SINGHI</b> W/o. Shri Sudhir Singhi, 68, T.T.K. Road, Alwarpet, Madras - 600 018.  <b>HOUSE WIFE</b>	10(Ten Only)	
	<b>TOTAL</b>	<b>70 (SEVENTY ONLY)</b>	

Place : MADRAS  
Dated : 10th February 1992

## **ARTICLES OF ASSOCIATION OF SAPTARISHI AGRO INDUSTRIES LIMITED**

### **DEFINITIONS AND INTERPRETATIONS**

1. (I) In these Articles the following words and expressions shall have the following meanings, unless the context otherwise requires:

- (a) "The Company" or "This Company" means Saptarishi Agro Industries Limited.
- (b) "The Act" or "the said Act" or "The Companies Act" means the Companies Act, 1956 (Central Act 1 of 1956) as amended from time to time.
- (c) 'Articles', "these Articles" or "these presents" means the Articles of Association, as now framed or altered from time to time, for the management of the Company.
- (d) 'Board', "the Board" or "the Board of Directors" means a constitution of the Directors assembled at a meeting of the Directors duly called and constituted, or as the case may be, the requisite number of Directors entitled to pass a resolution by circulation in accordance with these Articles.
- (e) 'Capital' means the capital for the time being raised or authorized to be raised for the purpose of the Company.
- (f) 'Chairman' or "the Chairman" means the Chairman of the Board of Directors for the time being of the Company.
- (g) 'Directors' or "the Directors" means the Directors for the time being of the Company, or as the case may be, the Board of Directors as herein defined.
- (h) 'Dividend' includes Bonus.

(i) 'Members' means members of the Company holding a share or shares of any class of the Company, But does not include the bearer of a share warrant of the Company issued in pursuance of Section 114 of the Companies Act, 1956.

(j) 'Month' means calendar month.

(k) 'The Office' means the Registered Office for the time being of the Company.

(l) 'Person' includes any Company or association or body of individuals whether incorporated or not.

(m) 'The Register' means the register of members to be kept pursuant to Section 150 of the Companies Act, 1956.

(n) 'Seal' means the Common Seal for the time being of the Company.

(o) 'Shares' means the shares or stock into which the capital is divided and the interest corresponding with such shares or stock except where a distinction between stock and share is expressed or implied.

(p) 'TIDCO' means Tamilnadu Industrial Development Corporation Limited.

(q) 'Year' means " financial year" and shall have the meaning assigned thereto by Section 2 (17) of the Companies Act, 1956.

(r) 'In writing' and 'written' include typewriting, lithography, photography and other modes representing or reproducing words in a visible form.

(II) Gender : Words importing the masculine gender in these articles also include the feminine gender.

(III) Number: Except where the context otherwise requires in these Articles, words importing the singular shall, include the plural and the words importing the plural shall include the singular.

(IV) Marginal Notes: The marginal notes used in these Articles shall not affect the construction hereof.

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

### CONSTITUTION AND REGULATIONS

#### Public Company :

2. The Company is a Public Limited Company.

#### Exclusive of Table 'A' :

3. The Company is established with and subject to the provisions of the Companies Act, 1956 but none of the regulations contained in the Table marked "A" of Schedule to the Companies Act, 1956 shall be applicable to the Company except in so far as the said Act or any modification thereof otherwise expressly provides.

#### Management Regulations:

4. The regulations for the management of the Company and for the observance by the members thereof and their representatives shall, subject to any exercise of the statutory powers by the Company in reference to the repeal or alteration of, or addition to, its regulations by special or ordinary resolution, as prescribed or permitted by the Act, be such as are contained in these Articles.

#### Business Commencement:

5. The Company shall commence business or exercise any borrowing power after the requirements of Section 149 of the Act shall have been complied with.

#### Carrying on Business:

6. The Directors shall undertake at any time and from time to time all or any of the business authorized expressly or by implication in the Memorandum of Association subject to Section 149 of the Act, or to keep

any of the business, whether commenced or not, in abeyance so long as Directors deem it expedient in the interests of the Company.

**Prohibition of Investment in Company's shares :**

7. Except as provided by Section 77 no part of the funds of the Company shall be employed in the purchase of the shares of the Company and the Company shall not give, whether directly or indirectly and whether by means of a loan, guarantee, provision of security or otherwise, any financial assistance for the purpose of or in connection with purchase or subscription made or to be made by any person or for any share in the Company.

**CAPITAL**

**Authorised Capital :**

8. The Authorised Share Capital of the Company is Rs.36,00,00,000/- (Rupees Thirty Six Crores only) divided into 3,60,00,000 (Three Crores Sixty lakhs equity shares of Rs.10/- (Rs.Ten each) with power to increase from time to time.

**Increase of Capital by the Company and how carried into effect :**

9. (1) The Company in General Meeting may, from time to time, by an Ordinary Resolution, increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe.

(2) Subject to the Provisions of the Act. The new shares shall be issued upon such terms and conditions and with such rights and privileges attached thereto as the General Meeting resolving upon the creation thereof shall direct, and if no direction be give, as the Directors shall determine; and in particular, such shares may be issued with preferential rights to dividends and in the distribution of assets of the Company in conformity with Sections 87 and 88 of the Act.

Provided that no shares other than preference shares, shall be issued carrying rights in the Company as to divided, voting capital or otherwise which are disproportionate to the rights attached to the holders of other shares not being preference shares.

(3) Whenever the capital of the Company is increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.

**New Capital same as existing capital :**

10. Except so far as otherwise provided by the conditions of issue, or by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital and shall be subject to the provisions herein contained with reference to the payment of calls and Instalments, forfeiture, lien, surrender, transfer and transmissions, voting or otherwise.

**Reduction of Capital :**

11. Subject to the provisions of Section 78 and 100 to 104 of the Act, the Company may, from time to time by special resolution, reduce its capital or share premium account by paying off, or canceling capital, or share premium account which has been lost, or is unrepresented by available assets, or is superfluous, or by reducing the liability on the shares or otherwise as may seem expedient, and capital may be paid off upon the footing that it may be called up again or otherwise. The Board of Directors may, subject to the provisions of the Act, accept surrender of shares.

**Sub-division, Consolidation and Cancellation :**

12. Subject to the provision of Section 94 of the Act, the Company in General meeting may by ordinary resolution, from time to time, sub-divide or consolidate its shares or any of them. Subject as aforesaid, the Company in General Meeting by ordinary resolution, 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 issue different classes of Shares including Red,Pref.Shares**

13. Subject to the provisions of Sections 80A, 87,88,106 and 107 of the Act, the Company in General Meeting may from time to time by ordinary resolution create different classes of shares including Redeemable Preference Shares which are, or at the option of the Company, are to be liable to be redeemed, and determine as between the holder of the different classes of shares as equal or confer preference or special advantage as regards dividend, capital, voting rights or otherwise over or as compared with other or others and prescribe the manner and terms and conditions of redemption.

### **Power to Modify**

14. If, at any time, the capital (by reason of the issue of preference shares or otherwise) is divided into different classes of shares, all or any of the rights and privileges attached to the shares of any class may, subject to the provisions of Section 106 and 107 of the Act, be modified varied commuted, affected, abrogated or dealt with in any manner with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of the special resolution passed at a separate meeting of the holders of the issued shares of that class and all the provisions hereinafter contained as to general meetings shall mutatis mutandis apply to every such meeting except that the quorum thereof shall be members holding, or representing in person or by proxy one-fifth of the nominal amount to the issued shares of that class. This Article shall not by implication curtail the power or modification which the Company would otherwise have if this Article were omitted.

### **ISSUE AND ALLOTMENT OF SHARES**

#### **Further issue of Capital**

15 (1) Whenever the Board decides to increase the subscribed capital of company by allotment of further shares, whether out of unissued share capital, or out of increased share capital, then such further shares shall be offered to the persons who on the date of offer, are holders of the equity shares of the company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date. Such offer shall be made by a notice specifying the number of shares offered and limiting a time, as may be decided, but not less than 15 days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as it thinks most beneficial to the Company.

(2) The offer aforesaid shall and shall be deemed to include a right exercisable by the persons concerned to renounce the shares offered to them or any of them in favour of any other person(s) within the above mentioned time limit and the notice referred in this Article shall contain a statement of this right. Provided however that subject to the provision of the Act, the Board of Directors may in their entire discretion and without assigning any reason decline to allot such shares to any renounces and dispose of such shares in such manner as they deem most beneficial to the Company.

(3) The persons concerned shall not have the right of renunciation for the second time in favour of any other person except as may be permitted by the Board and to such person or persons as may be approved by the Board.

(4) Notwithstanding anything contained in the proceeding sub-clause, the Company may

(i) by a Special Resolution, or

(ii) Where no such Special Resolution is passed, if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board in this behalf, that the proposal is most beneficial to the Company.

Offer the further shares to any persons (whether or not those persons include those who, at the date of the offer, are holders of the equity shares of the Company) in any manner whatsoever.

(5) Whenever any shares or debentures with or without the right of conversion into shares are to be offered to the members, the Board may dispose of any such shares or debentures which by reason of the proportion borne by them to the number of person entitled to such offer or by reason of any other difficulty in apportioning the same cannot in the opinion of the Board be conveniently offered to the members, in such manner as the Board thinks most beneficial to the Company.

(6) Notwithstanding anything contained in sub-clause (91) above, but subject however to Section 81 (93) of the Act. The Company may increase its subscribed capital on exercise of an option attached to the debentures issued or loans raised by the company to convert such debentures or loans into shares, or to subscribe for shares in the Company.

#### **Issue of Shares at Par, Premium and Discount.**

16. In addition to the powers conferred on the Directors in these Articles and in accordance with Section 81 of the Act, the company in General Meeting, may determine that any share in the capital for the time being of the company shall be offered to such persons (whether members or not) in such proportion and on such terms and conditions and either at par or (subject to compliance with the provisions of Sections 78 and 79 of the act) at a premium or at a discount. Such General Meeting shall determine to give any such person the option to call for allotment of shares of the company, either at par or (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at a discount such option being exercisable at such times and for such consideration as may be directed by such General Meeting. The company in General Meeting may in accordance with Section 81 of the Act make any other provision whatsoever for the issue, allotment or disposal of any shares.

#### **Shares under the control of the Directors**

17 (1) Subject to the provisions of the Act and these Articles, the shares in the Capital of the company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of Board who may allot the same or any of them to such persons, in such proportion and on such terms and conditions including at a premium or at par, or at a discount (subject to compliance with the provisions of the Act) and at such times, as they may from time to time think fit and proper and with the sanction of the Company in General Meeting by a special resolution give to any person the option to call for or be allotted shares of any class of the Company either at par, at a premium or subject as aforesaid at a discount, such option being exercisable at such time and for such consideration as the board thinks fit.

(2) The Board of Directors may issue and allot shares in the Capital of the company as payment for any property sold, or goods transferred, or machinery or appliances supplied, or for services rendered or to be rendered to the company, in or about the formation or promotion of the Company, or the acquisition and/or conduct of his business, and shares may be so allotted as partly or fully paid up shares, and if so issued, shall be deemed to be partly or fully paid up shares.

#### **Issue of Shares, Conv.Debts, To employees, Oversubscription**

18 (1) Notwithstanding anything contained in these Articles, in the case of further issues of shares of Equity or Preference Shares either by way of rights to the existing shareholders or through a public issue or otherwise, where the company is required simultaneously to issue any shares or debentures by way of a percentage or proportion of such issue, within the proposed issue or in addition thereto in accordance with the Capital Issues (Control) Act 1947 and the schemes, guidelines and clarifications issued by the Controller of Capital issues from time to time, to the employees (including working directors) workers of the company, and where the Board of Directors propose to retain any oversubscription upto the maximum limit by way of a percentage or otherwise if the proposed issue in accordance with the said Act and the schemes, guidelines or clarifications, the consent of the company in General Meeting shall be deemed to have been accorded to such issue of shares and/or debentures and as the case may be for retention upto the maximum limit prescribed or permitted of the oversubscription as aforesaid and no further approval of the Company in General Meeting shall be necessary for the issue and/or allotment of the requisite number of shares or

debentures in accordance with the aforesaid schemes, guidelines or clarifications subject to the conditions and in the manner prescribed therein.

#### **Consolidation of fractional entitlements**

(2) The Board of Directors are empowered to make any further issue of capital by way of rights, bonus or otherwise without providing for issue of fractional coupons or fractional certificates in respect of any fractional entitlements. The Board of Directors are further empowered to consolidate any reactions that may arise on account of any fractional rights in a further issue of securities so consolidated to one or more directors and/or designated employees of the company or any other person or persons as Trustees with authority and direction to sell the same to any person or persons whatsoever as may be authorized/ permissible as part of the terms of the issue and to deposit with the company the net sale proceeds which shall be distributed by the Company pro-rata amongst the members entitled thereto.

#### **Numbering of Shares**

19 (1) The Shares in the Capital shall be numbered progressively according to their several denominations and except in the manner hereinbefore mentioned, no share shall be subdivided, save as provided in the Article 12. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

#### **Numbering of Debentures**

(2) The provisions of clause (1) above shall apply mutatis mutandis to the numbering of Debentures and Debenture stock of the Company.

#### **Underwriting Commission**

20 (1) Subject to the provisions of the Section 76 of the Act, the Company may, at any time, pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any shares or debentures in the Company, but so that the commission shall not exceed in the case of shares five per cent of the price at which the shares are issued and, in the case of debentures, two and half per cent of the price at which the debentures are issued. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or debentures or partly in one way and partly in the other.

#### **Brokerage**

(2) The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.

### **CERTIFICATES**

#### **Share Certificate**

21 (1) Every member or allottee of shares shall be entitled, without payment, to receive one certificate specifying the name(s) of the persons) in whose favour the certificate is issued, the certificate is issued, the shares to which it relates and the amount paid up thereon. Several certificates each for one or more of his shares shall also be issued in market lots or in such higher market lots as may be requested by the Shareholder and free of any charge. Such certificate shall be issued only in pursuance of a resolution passed by the Board or a Committee thereof and in accordance with the provisions of Section 113 of the Act and the companies (Issue of Share Certificates) Rules 1960 or modifications, if any thereof and on surrender to the Company of its letter of allotment, or where issued, its fractional coupons of requisite value, save in cases against letters of acceptance, or renunciation, or in cases of issue of bonus shares.

(2) Every such certificate shall be issued under the Seal of the Company and the Seal shall be affixed in the presence of two Directors, or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two



Directors or their attorneys and the Secretary or other person shall sign the shares certificate, in token thereof provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or a Whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name(s) of the person(s) to whom it has been issued, indicating the date of issue.

(3) Any two or more joint allottees of a share shall, for the purpose of this Article, be treated as a single member, and the certificate of any share, which may be the subject of joint ownership, may be delivered to any of such joint owners on behalf of all of them.

(4) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography but not by means of a rubber stamp.

(5) The Directors may from time to time and in consultation with the Stock Exchange, fix market lot(s) of its Shares or classes of Shares.

#### **Renewal of share Certificate**

22. (1) No Certificate of any share or shares shall be issued either in exchange for those which are split or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the cages on the reverse for recording transfers have been duly utilized, unless the certificate in lieu of which it is issued is surrendered to the Company.

(2) When a new share certificate has been issued in pursuance of Clause (1) of this Article, it shall state on the face of it to the effect that it is "issued in lieu of Share Certificate No... split/replaced/on consolidation of shares".

(3) No duplicate certificate in lieu of a share certificate lost, misplaced or destroyed, shall be issued except with the prior approval of the Board or a Committee thereof and on such terms, if any, as to evidence and indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating evidence as the Board thinks fit.

(4) When a duplicate share certificate has been issued in pursuance of clause (3) of this Article, it shall state on the face of it and against the stub or counterfoil, if any 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.

(5) Where a new or duplicate share certificate has been issued in pursuance of clause (1) or clause (3) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating the name(s) of the person(s) to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of members by suitable cross references thereon.

(6) Notwithstanding anything contained in this or any other Article, the Board may refuse and application for split or consolidation of one or more Certificate(s) relating to Equity Shares into Certificates for less than a market lot except where such split or consolidation of Certificates for shares is required to be made to make a holding or part of a holding into a market lot or to comply with any statutory provision or order of a competent court of law, provided nevertheless that the Board may, at its discretion and in exceptional circumstances and for avoiding any hardship or for any other just and sufficient cause (on which the decision of the Board shall be final and conclusive), accept any application for split or consolidation of Certificate(s) of Equity Shares in the Company into Certificate(s) of less than a market lot(s).

(7) "Share certificates shall be issued in marketable lots and share certificates are issued for either more or less than marketable lots, sub-division or consolidation into marketable lots should be done free of charge".

### Printed Share Certificates

23 (1) All blank forms to be issued for issue of share certificates shall be printed and the printing shall be done only under the authority of a resolution of the Board. The blank forms shall be kept in the custody of the Secretary or of such other person as the Board may appoint for purpose, and the Secretary or the other person aforesaid shall be responsible for rendering an account of the said forms to the Board.

### Custody of Documents

(2) The Managing Director or Whole-time-directors of the Company for the time being, or if the Company has no Managing Director or whole-time-Director, every director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents, relating to the issue of share certificates except the blank forms of share certificates referred to in clause (1) of this Article.

### Permanent documents

(3) All books referred to in Clause (2) of this Article shall be preserved in good order permanently.

## MEMBERS

### Member

24. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of 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.

### Registers of Members and Debenture-holders

25. The Company shall cause to be kept a Register and Index of Members and Debenture-holders in accordance with Section 150 to 152 of the Act. The Company shall be entitled to keep in any State or country outside India a Branch Register of Members resident in that State or country in accordance with Section 157 and 158 of the Act.

### The First named of Joint Holders deemed Sole Holder

26. If any share stands in the names of two or more persons, the person first named in the Register shall, as regards receipt of dividends or bonus, or service of notices and all or any other matter connected with the Company except voting at meetings and the transfer of the shares, be deemed the sole holder thereof but the joint-holders of a share shall be severally, as well as jointly, liable for the payment of all instalments and calls due in respect of such share and for all incidents thereof according to the Company's regulations.

### Liability of Members

27. Every member, or his heirs, executors or administrators shall pay to the Company the portion 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 of Directors shall, from time to time, in accordance with the company's regulations, require or fix for the payment thereof.

### Register of Members/Debentures/Debenture Stock when closed

28. The Board shall have power, or giving not less than seven days previous notice by advertisement in any newspaper circulating in the district in which the Office of the Company is situate, to close the Register of Members or the Register of Debenture-holders and the Transfer books relevant thereto, at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year, as it may seem expedient in accordance with Section 154 of the Act.

### Trust not recognized

29. Save as otherwise provided by these Articles, no person shall be recognized by the Company as holding any share upon any trust and the Company shall be entitled to treat the registered holder of any shares as the absolute owner thereof; and accordingly the Company shall not, except as ordered by a court of competent jurisdiction or by the statute required, be bound by or to recognize any equitable, contingent, future or partial interest, lien, pledge or charge in any share or (except only as these presents otherwise provide for) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.

### Shares may be converted into Stock

30. The Company in General Meeting may, by an Ordinary Resolution convert any fully paid up shares into stock; and when any shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interests therein, or any part of such interests in the same manner and subject to the same regulations as, and subject to which the shares from which the stock arose might have been transferred, if no such conversion had taken place, or as near thereto as circumstances will admit. The company may, at any time, reconvert any stock into fully paid up shares of any denomination.

### Rights of Stock Holders

31 (1) The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage. (Except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which, if the shares from which the stock arose would not have conferred that privilege or advantage.

(2) The provision of these Articles relating to "Shares" and " Shareholders" shall "mutatis mutandis" apply to "Stocks" and "Stockholders".

### CALLS

#### Directors may make Calls

32. Subject to the provisions of Section 91 of the Act, the terms of the issue, and conditions of allotment, the Board of Directors may, from time to time. Make such calls, as they think fit, upon the members in respect of all moneys unpaid on the shares held by them respectively, whether on account of nominal value of the shares or by ways of premium, and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Board of Directors.

#### Calls in Instalments

33. (1) A call may be made payable by Instalments. More than one call may be made by one resolution of the Directors.

#### Calls when made

(2) A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board of Directors. A call may be made payable by members on the Register, on a subsequent date to be fixed by the Board.

#### Notice of Calls

34. At least 'thirty days' notice in writing of every call shall be given by the Company in the manner hereinafter provided for giving of notices, specifying the time and place of payment, and the person or persons to whom such call shall be paid; Provided that before the time for payment of such call, the Board of Directors may, at its discretion, by notice in writing to the members, revoke or postpone the same. The Joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.



### **Directors may extend time**

35. The Board of Directors may, from time to time, at its discretion extend the time fixed for the payment of any call, and may extend such time as to all or any of the members whom, from residence at a distance or from other cause the Board of Directors may deem fairly entitled to such extension save as a matter of grace.

### **Calls carry interest**

36. If the sum payable in respect of any call, or instalment be not paid on or before the day appointed for payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the instalment shall be due, shall pay interest on the same at such rate, not exceeding eighteen per cent per annum as the Directors may fix from the day appointed for the payment thereof to the time of the actual payment or at such lower rate as the Directors may determine. The Board of Directors shall also be at liberty to waive payment of such interest wholly or in part.

### **Money due to members from the company may be applied in payment of call or instalment**

37. Any money due from the company to a member may, without the consent and notwithstanding the objection of such member, be applied by the Company in or towards the payment of any money due from him to the Company for calls or otherwise on the shares allotted to such member.

### **Sums deemed to be Calls**

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

### **Proof on Trial of suit for Money due on Shares**

39. On the trial, or hearing of any action, or suit brought by the company against any member, or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered, appears entered in the Register of Members as the holders, at or subsequently to the date at which the money sought to be recovered is alleged to have become due, of the shares in respect of which such money is sought to be recovered; that the resolution making the call is duly recorded in the Minute Book, and that notice of such call was duly given to the member or his representatives sued in pursuance of these Articles; it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the meeting of the Board of Directors at which any call was made, nor that the meeting at which any call was made was duly convened or constituted, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

### **Partial payment not to preclude forfeiture**

40. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares, whether by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

### **Payment in anticipation of Calls may Carry interest**

41. (1) The Board of Directors may, if it thinks fit, agree to and receive from any member willing to advance the same, the whole or any part of the amount remaining unpaid on the shares held by him beyond the sums actually called up and upon the moneys so paid in advance, or upon so much thereof as from time to time, and at any time thereafter, exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances have been made, the Board of Directors may pay or allow interest, at such rate not exceeding 12 per cent per annum as the member paying such sum in advance and the Board of Directors agree upon. The Board of Directors may repay at any time any amount so advanced

or may at any time repay the same upon giving to the members three months' notice in writing; Provided that moneys paid in advance of calls on any shares shall not confer a right to dividend or to participate in profits.

(2) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him, until the same would, but for such payment, become presently payable.

### **FORFEITURE OF SHARES**

#### **If Money payable on Shares not paid, Notice to be given to member**

42. If any member fails to pay any call or instalment of any call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board of Directors may at any time thereafter, during such time as the call or instalment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

#### **Terms of Notice**

43. The notice shall name a further day (not being less than fourteen days from the date of service of the notice) and a place or places on and at which such call or instalment and such interest thereon as the Directors shall determine from the day on which such call or instalment ought to have been paid, and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or instalment is payable, will be liable to forfeiture.

#### **In Default of payment, Shares to be Forfeited**

44. If the requirements of any such notice as aforesaid shall not be complied with every or any share in respect of which such notice has been given, may be forfeited by a resolution of the Board of Directors at any time thereafter before payment of all calls or instalments, interest and expenses due in respect thereof. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.

#### **Notice of forfeiture to a Member**

45. When any share shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of Members, but no forfeiture shall be in any manner invalidated by an omission or neglect to give such notice, or to make any such entry as aforesaid.

#### **Evidence of Forfeiture**

46. A declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

#### **Effect of Forfeiture**

47. The forfeiture of a share shall involve extinction, at the time of the forfeiture, of all interest in and all claims and demands of the holders of the shares so forfeited against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved. The holders of the shares so forfeited shall cease to be members in respect of the forfeited shares.

#### **Liability to pay notwithstanding forfeiture**

48. Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand, all calls, instalments interest 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 such rate not exceeding 18 per cent per annum as the Board of Directors may

determine, and the Board of Directors may enforce the payment thereof, if they think fit and shall not be under an obligation so to do.

**Forfeited Share to be property of the company and may be sold, etc.**

49. Any share so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted, or otherwise disposed of, to any person, upon such terms and in such manner as the Board of Directors shall think fit.

**Validity of sale of forfeited shares.**

50. Upon any sale after forfeiture, or for enforcing lien in purported exercise of the powers herein given, the Board of 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 purchase shall not be bound to see to 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.

**Cancellation of Share Certificates in respect of Forfeited Shares**

51. Upon any sale, re-allotment or other disposal under the provisions of the proceeding Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect and the Directors shall be entitled to issue duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto through sale, re-allotment or otherwise.

**Power to Annual forfeiture**

52. The board of Directors may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annual the forfeiture thereof upon such terms and conditions as they think fit.

**Surrender of Shares.**

53. The Directors may subject to the provisions of the Act, accept and surrender of any share from or by any member desirous of surrendering on such terms as they think fit.

**Company's lien on shares.**

54. The Company shall have a first and paramount lien upon all the shares (not being fully paid shares) registered in the name of any member (either solely or jointly with others) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of those shares and upon the proceeds of sale thereof for his debts, liabilities and engagements, solely or jointly with any other person, to or with the Company whether the period of the payment, fulfillment or discharge thereof shall have actually arrived or not. And such lien shall extend to all dividends and bonus from time to time declared in respect of such shares, provided that the Board of Directors may at any time declare and share to be wholly or in part exempt from the provisions of this clause. 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.

**As to enforcing Lien by sale**

55. The Company may sell, in such manner as the Board think fit, any shares on which the Company has lien for the purpose of enforcing the same. Provided that no sale shall be made (a) unless a sum in respect of which the lien exists is presently payable or (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.



#### **Sale how effected.**

56. (1) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(2) The Purchase shall be registered as the holder of the shares comprised in any such transfer.

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

#### **Application of proceeds of sale**

57. (1) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which lien exists as is presently payable.

(2) The residue, if any, shall be paid to the person entitled to the shares at the date of the sale.

### **TRANSFER AND TRANSMISSION OF SHARES**

#### **Instrument and Requisites of Transfer**

58. (1) The shares in the Company shall be transferred by an instrument in writing in the prescribed form, and in the manner provided under the provisions of Section 108 of the Act, the rules prescribed thereunder and any modification thereof.

(2) Every such instrument of transfer duly executed by or on behalf of the transfer or and by or on behalf of the transferee, adequately stamped and witnessed shall be delivered to the Company in accordance with the provisions of the Act along with the certificate relating to the shares, or if no such certificate is in existence, along with the letter of allotment of the shares. The instrument of transfer shall also be accompanied by such evidence as the Board of Directors may require to prove the title of the transferor and his rights to transfer the shares.

#### **Transfer of fully and partly paid Shares.**

59. (1) An application for the registration of the transfer of any share may be made either by the transferor or the transferee: provided that where such application is made by transferor and relates to partly paid shares, the Company shall give notice of receipt of such application to the transferee and if no objection is received from the transferee to the registration of the shares in his name within two weeks from the date of receipt of such notice, the Company may give effect to and register such transfer subject to the same conditions as if the application for registration was made by the transferee.

(2) For the purpose of sub-clause (1) notice to the transferee shall be deemed to have been duly given if dispatched by prepaid post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered at the time at which it would have been delivered in the ordinary course of post.

(3) Nothing in sub-clause (2) shall prejudice any power of the Board of Directors to register as shareholder any person to whom the right to any share has been transmitted by operation of law.

(4) Nothing in this Article shall prejudice the power of the Board of Directors to refuse to register the transfer of any shares to a transferee, whether an existing member or not.

#### **Transfer Fee**

60. No fee shall be charged for transfer or transmission and split, sub-division or consolidation into market lots or for issue of new share certificates in replacement of those that are old, decrepit, worn out or where the cages on the reverse have been completely exhausted or replacement of shares, letter of allotment or letters of right and for registration of any power of attorney succession certificate, probate, letters of administration or similar other documents.

No transfer to minor, etc.,

61. No share other than fully paid shares, shall in any circumstances be transferred to any minor, insolvent or person of unsound mind.

#### **Directors power to transfer shares**

62. Subject to the provisions of the Act and these Articles, the Board of Directors shall have control over the transfer and transmission of shares of the Company. The Board of Directors may by themselves or through a committee constituted for the purpose approve transfers and transmission of shares. For the purpose of this clause, a committee includes a 'one-director committee' and a committee comprising officers/ executives of the Company authorized for the purpose by the Board.

#### **Directors may refuse to register Transfer**

63. (1) Subject to the provisions of section 111 of the Companies Act 1956, and Section 22-A of the Securities Contracts (Regulation) Act 1956, the Board of Directors may, at its own discretion, decline to register or acknowledge any transfer of shares, whether fully paid or not (notwithstanding that the proposed transferee be already a member) but in such cases it shall, within one month from the date on which the instrument of transfer was lodged with the company, send to the transferee and the transferor notice of the refusal to register such transfer giving reasons for such refusal. Provided that 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 a lien on partly paid shares.

(2) Without prejudice to the generally of the powers vested in the Directors by sub-clause (1) hereof and other provisions of these Articles, the Directors shall be entitled to refuse an application for registration of transfer of shares of less than a market lot in the Company provided however this condition shall not apply to:

(i) a transfer of Equity Shares made in pursuance of any statutory provision or order of a competent court of law:

(ii) a single transfer by a shareholder whose entire holding of Equity Shares in the Company does not exceed the market lot of shares to a single name or joint names.

(iii) a transfer of all Equity Shares of an existing shareholder holding less than a market lot to one or more transferees where the share holding of the said transferee or transferees as the case may be after such transfer will not be less than a market lot : and

(iv) a transfer of shares of not less than a market lot in the aggregate in favour of the same transferee by one or more transferors through two or more instruments of transfer submitted together by the said transferees where such instrument of transfer in the aggregate relate to not less than a market lot.

Provided nevertheless that the Board may at its discretion and in exceptional circumstances and for avoiding any hardship and for any other just and sufficient cause (on which the decision of the Board shall be final and conclusive), accept any application for transfer of shares of less than market lot.

#### **When right to Dividend, Right shares and Bonus Shares to be held in abeyance.**

(3) 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 pursuant to Section 206A of the Act.

(a) transfer the dividend in relation to such shares to the Special Account referred to in Section 205A 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 bonus shares in pursuance of sub-section (3) of Section 205 of the Act.

#### **Transferor deemed holder**

64. The transferor shall be deemed to be the holder of such shares until the name of the transferee shall have been entered in the Register of members in respect thereof.

#### **Transfer documents**

65. All instruments of transfer shall be retained by the Company but any instrument of transfer which the Board of Directors may decline to register shall, on demand, be returned to the persons depositing the same.

#### **Right to shares on the Death of Member**

66. (1) On the death of a member, who was a sole holder of shares in the Company, his legal representatives shall be the only persons recognized by the Company as having title to his interest in the shares.

(2) In the case of the death of any one or more of the persons named in the Register of Members as the joint-holders of any share, the survivor or survivors shall be the only person(s) recognized by the company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

#### **Title to Shares of Deceased Member**

67. The executors or administrators of a deceased member or holders of a succession of certificate or the legal representatives of a deceased member (not being one or two or more joint-holders) shall be the only person recognized by the Company as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognize such executors or administrators or holders of a Succession Certificate or the legal representatives, unless such executors or administrators or legal representatives shall have first obtained probate or Letters of Administration or Succession Certificate, as the case may be, from a competent Court, provided that in any case where the Board of Directors in its absolute discretion think fit, the Board may dispense with production of Probate or letters of Administration or Succession Certificate, upon such terms as to indemnify or otherwise, as the Board in its absolute discretion may think necessary, and under Article 68 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.

#### **Registration of persons entitled to Shares otherwise than by transfer**

68. Subject to the provisions of the Act and these Articles, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy, or insolvency of any member, or the marriage of any female member or by any lawful means other than by a transfer in accordance with these Articles, may with consent of the Board of Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title as the Board of Directors shall require, either be registered himself as the holder of the shares upon giving a notice in writing or elect to have some person nominated by him and approved by the Board of Directors registered as such holder provided, nevertheless that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the shares.

#### **Persons Entitled may receive Dividend without being registered as Member**

69. A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends or money as hereinafter provided, been entitled to receive, and may give a discharge for any dividends or other moneys payable in respect of the shares;

Provided that the Board of Directors may at any time give notice requiring any such person to opt either to be registered himself or elect to transfer the share and if the notice is not complied with within 90



days, the Board of Directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.

#### **Company not liable for disregard of a Notice prohibiting registration of Transfer**

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

### **BORROWING POWERS**

#### **Power to Borrow**

71. Subject to the provisions of the Act and these Articles, the Board of Directors may, for the purposes of the Company, borrow from time to time in such terms as they may deem fit, any sum or sums of money in any form whatever including but not limited to loans, overdraft and other financial and credit facilities, debentures, bonds, deposits, bills, hundies or other commercial paper, from any institution, bank or any other person including from the Directors themselves and the members of the Company.

#### **Payment or Repayment of Moneys borrowed**

72. Subject to the provisions of the Act, these Articles, the payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular by the issue of perpetual or redeemable debentures, debenture stock, bonds or other securities 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, debenture stock 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 Debentures**

73. Subject to the provisions of section 117 of the Act, any debentures, debentures stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at General Meetings, appointment of Directors and otherwise, Debentures with the right to conversion into or allotment of shares shall be issued with the consent of the Company in General Meeting accorded by a Special Resolution.

#### **Register of Mortgage etc., to be kept**

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

#### **Charge on Uncalled Capital**

75. If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Directors, may by instrument under the Company's Seal, authorise the person in whose favour such mortgage or security is executed, or any other person in trust for him, to make calls on the members in respect of such uncalled capital, and the provisions herein before contained in regard to calls shall mutatis mutandis apply to calls made under such authority and such authority may be made exercisable either

conditionally or unconditionally and either presently or contingently and either to the exclusion of the Directors' power or otherwise, and shall be assignable, if expressed so to be.

**Person not to have priority over any prior charge.**

76. Whenever any uncalled capital of the company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charge and shall not be entitled by notice to the shareholders or otherwise to obtain priority over such prior charge.

**Indemnity may be Given**

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

**Issue of Debenture Certificates**

78. (1) Every Certificate of Debentures, Debenture stock or Bonds shall be issued under the Seal of the Company and the Seal shall be affixed thereon in the presence of at least one Director and the Secretary or some other person authorized for the purpose by the Board who shall sign the same in token thereof and the provisions of Articles 21 and 22 shall apply mutatis mutandis to the issue of certificates of Debentures and Bonds by the Company.

**Calls, forfeiture, etc., of Debentures.**

(2) The provisions contained in these Articles governing calls, forfeiture, transfers, transmission, and closure of books in relation to shares shall apply mutatis mutandis to Debentures and Bonds.

## **GENERAL MEETINGS**

**Annual General Meeting**

79. (1) The Company shall, in each year, hold a General Meeting which shall be styled its Annual General Meeting in addition to any other meeting in that year at such intervals and in accordance with the provisions of Section 166 of the Act.

(2) Every Annual General Meeting shall be called for a time during business hours, on a day that is not public holiday, and shall be held at the Office of the Company or at some other place within the city/town in which the Office of the Company is situated as the Board may determine and the notice calling the meeting shall specify it as the Annual General Meeting.

**Extra-ordinary General Meeting**

80. (1) All General Meetings other than Annual General Meetings referred in Article 79 shall be called Extra-ordinary General Meetings.

(2) The Board of Directors may, whenever they think fit, call an Extra Ordinary General Meeting and it shall also do so upon a requisition in writing by any member or members holding in the aggregate not less than one-tenth of such of the paid-up capital as at that date carries the right of voting in regard to the matter in respect of which the requisition has been made.

(3) Extraordinary General Meetings may be called for a time during business hours on a day that is not a public holiday and shall be held at such convenient place as the Board of Directors may deem fit.

(4) Any valid requisition so made by members must state the object or objects of the meeting proposed to be called and must be signed by the requisitionists and be deposited at the office of the company provided that such requisition may consist of several documents in like form, each signed by one or more requisitionists.

### **On receipt of Requisition, Board to call Meeting and in default Requisitionists may do so**

81. Upon the receipt of any such requisition, the Board of Directors shall forthwith call an Extraordinary General Meeting, and if it does not proceed within twenty-one days from the date of requisition being deposited at the Office, to cause a meeting to be so called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists, or such or their number 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-share capital of the Company as is referred to in Section 169 (4) of the Act, whichever is less, may themselves call the meeting, but in either case, any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

### **Meeting called by Requisitionists**

82. Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.

### **Twenty-one Days Notice of Meeting to be given**

83. Every General Meeting, Annual or Extra-ordinary, and by whomsoever called or any such meeting adjourned for 30 days or more may be convened, giving at least twenty-one days' notice specifying the day, place and hour of meeting, and the nature of the business to be transacted thereat in the manner hereinafter provided, to such persons as are under the Act entitled to receive notice from the Company. However, a meeting may be convened by a shorter notice that in the case of an Annual General Meeting, with the consent in writing of all the members entitled to vote thereat and in the case of any other meeting, with the consent of members holding not less than 95 per cent of such part of the paid-up share capital of the Company as having a right to vote at the meeting.

### **Special Business & Statement to be annexed.**

84. (1) All business to be transacted at an Extra-ordinary General Meeting and all business to be transacted at an Annual General Meeting with the exception of the business relating to (i) consideration of the accounts, balance sheet and the reports of the Directors and Auditors; (ii) the declaration of dividend; (iii) the appointment of Directors in place of those retiring by rotation; (iv) the appointment of Auditors and the fixing of their remuneration, shall be deemed to be special.

(2) Any Annual General Meeting as well as any Extra-ordinary General Meeting may transact any item of business whether ordinary or special, as the case may be and in particular, any Extra-ordinary General Meeting shall be entitled to transact any business or pass any resolution which can be properly moved at any General Meeting provided however that no such meeting shall declare any dividend exceeding that recommended by the Directors.

(3) Where any items of business to be transacted at the meeting 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 Managing Director, if any, if any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

(4) Any item of special business that relates to, or affects, any other Company, the extent of shareholding interest in that other Company of every director and the Managing Director of the Company shall also be set out in the statement, the extent of such shareholding interest is not less than twenty per cent of the paid-up share capital of that other Company.

### **Meeting not to transact Business not mentioned in Notice**

85. No business shall be entered upon, discussed or transacted in General Meeting, Annual or Extraordinary, other than those mentioned in the notice or notices upon which it was convened.



#### **Omission to give Notice to not to validate a Resolution passed**

86. The accidental omission to give any such notice as aforesaid to any of the members, or the non-receipt of thereof, shall not invalidate any resolution passed at any such meeting.

### **PROCEEDINGS AT GENERAL MEETING**

#### **Quorum**

87. Five members personally present shall be a quorum for a General Meeting and no business shall be transacted at any general meeting unless the requisite quorum is present at the time of when the meeting proceeds to business.

#### **Where a body corporate is a member of the Company**

88. (1) Where a body corporate is a member of the Company, the Board of Directors or the governing body of such body corporate may by resolution authorize such person as it thinks fit to act as its representatives at any meeting of the company. The production at the meeting of a copy of such resolution duly certified by a Director/Secretary of such body corporate as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the Validity of his appointment.

(2) Representative of a body corporate present at the meeting, shall be deemed to be personally present if such representative is authorized in the manner prescribed in Clause (1) of this Article and shall be entitled to exercise the same rights and powers including the right to vote by proxy on behalf of the body corporate which he represents as that body could exercise if it were an individual member of the Company.

(3) The provisions of this Article shall also apply mutatis mutandis to meetings of any creditors of the Company.

#### **If Quorum not present Meeting to be dissolved or adjourned**

89. If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, the meeting, if convened by or upon the requisition of members, shall stand dissolved, but in any other case, the meeting shall stand adjourned to the same day in the next week or, if that day is public holiday, until the next succeeding day which is not a public holiday, at the same time and place, or to such other day and at such other time and place in accordance with these Articles and the Act, as the Board may determine, and if at such adjourned meeting a quorum is not present, at the expiration of half an hour from the time appointed for holding the adjourned meeting, then two or more members personally present shall be a quorum and may transact the business for which the meeting was called.

#### **Chairman of General Meeting**

90. The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting, or if there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or is unwilling to act as Chairman, the Managing Director shall take the chair and if the Managing Director be not present or is unwilling to act as Chairman, the Directors present shall choose one of their member to be Chairman, and if no Director is present or is unwilling to act as Chairman, then the members present shall choose one of their member to be Chairman.

#### **Business confined to Election of Chairman while chair vacant.**

91. While the chair is vacant, no business shall be discussed at any General Meeting except the election of a Chairman.

#### **Chairman with consent may Adjourn Meeting**

92. The Chairman, with the consent of the members, may adjourn any meeting from time to time and from place to place in accordance with these Articles and the Act, 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.

### **Voting to be by show of hands.**

93. (1) At any General Meeting, a resolution put to vote of the meeting shall, unless a poll is demanded under Article 94, be decided on a show of hands.

### **Chairman's declaration of result of voting by show of hands conclusive**

(2) A declaration by the Chairman in pursuance of clause (1) hereof that on a show of hands a resolution has or has not been carried, either unanimously or by a particular majority and an entry to that effect in the book containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour or against such resolution.

### **Poll**

94. (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 any member or members present in person or by proxy and holding shares in the Company.

(a) 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) On which an aggregate sum of not less than Fifty thousand Rupees had been paid up.

(2) The demand for a poll may be withdrawn at any time by the person(s) who made the demand.

### **Time of taking the poll**

(3) A poll demanded on any question (not being a question relating to the election of a Chairman or a question relating to adjournment of a meeting which are provided for in Article 96) shall be taken at such time not being later than forty-eight hours from the time when the demand was made and in such manner and at such place as the Chairman of the meeting may direct.

### **Poll how to be taken**

(4) Every such poll may be taken either by open voting or by ballot as the Chairman of the meeting at which the poll was demanded may direct the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

### **Appointment of Scrutineers**

(5) Two scrutineers shall be appointed by the Chairman to scrutinize the votes given on the poll and to report to him. The Chairman shall have the 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 scrutineers arising from such removal or from any other cause. At least one scrutineer shall be a member present at the meeting not being an officer or employee of the Company, provided such a member is available and willing to be appointed.

### **Manner of taking poll and result thereof**

(6) Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken.

(7) The decision of the Chairman on any difference between the scrutineers shall be conclusive.

### **Chairman's casting Vote**

95. In the case of an equality of votes, the Chairman shall both on a show of hands and at a poll (if any), have a casting vote in addition to the vote or votes to which he may be entitled to as a member.

### **In what case Poll taken without adjournment**

96. Any poll duly demanded on the election of a Chairman of meeting or on any question of adjournment, shall be taken at the meeting forthwith.

### **Demand for Poll not to prevent Transaction of other business.**

97. The demand for a poll, except on the question of the election of the Chairman and of an adjournment, shall not prevent the continuance of a meeting for the transaction of any business other than the question to which the poll has been demanded.

### **Chairman's decision conclusive**

98. 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 sole judge of the validity of every vote tendered at such poll.

### **Members in arrears no to vote**

99. No member shall be entitled to vote, either personally or by proxy, at any General Meeting or meeting of class of shareholders, either upon a show of hands or upon a poll, 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, and has exercised any right of lien.

### **Voting in person or by proxy**

100. (1) Subject to the provisions of these Articles, the members (including an authorized representative under Section 187 and 187 A of the Act) may vote either personally or by proxy.

### **Number of Votes to which Member entitled**

(2) Subject to the provisions the Act and these Articles, 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 in person (including a body corporate present by a representative duly authorized in accordance with the provisions of Sections 187 and 187A of the Act) shall have one vote, and upon a poll the voting right of every member present in person (including a body corporate present as aforesaid) or by proxy shall be in proportion to his share of the paid up equity share capital of the Company.

### **How Members Non Compos Mentis and Minor may vote**

101. A member of unsound mind or in respect of whom an order has been made by any competent court may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy, if any member be a minor, the vote in respect of his share or shares shall be given by his guardian, or anyone of his guardians, if more than one, to be selected in case of dispute, by the Chairman of the meeting.

### **Votes of Joint Members**

102. If there be joint registered holders of any shares, any one of such persons may vote at any meeting or may appoint another person (whether a member or not) as his proxy, in respect of such shares, as if he were solely entitled thereto, and, if more than one of such joint holders be present at any meeting that one of the said persons so present whose name stands higher in order on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint-holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased member in whose name any shares stand shall, for the purpose of these Articles, be deemed joint holders thereof.

### **Votes in respect of Shares of Deceased and insolvent Member**

103. Any person entitled under Article 68 to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he was the registered holder of such shares, provided that at least forty-eight hours 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 and give such indemnity (if any) as the Directors may require unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

#### **Appointment of Proxy**

104. Every proxy (whether a member or not) shall be appointed in writing under the hand of the member or his attorney, or if such member is a body corporate, the instrument of proxy shall be signed by an officer or any attorney duly authorized by it, and any committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meetings.

#### **Proxy either for Specified meeting or for a Period**

105. A Proxy may be appointed either for the purpose of a particular meeting as specified in the instrument of proxy and any adjournment thereof, or the proxy may be appointed for the purpose of every meeting of the Company, or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.

#### **Proxy to Vote only on a Poll**

106. A proxy shall be entitled to vote only on a poll.

#### **Form of Proxy**

107. Every instrument of proxy, whether for a specified meeting or otherwise, shall be in writing and shall as nearly as circumstances will admit, be in any of the forms set out in Schedule IX of the Act.

#### **Validity of votes given by proxy notwithstanding Death of Member**

108. 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 revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting.

#### **Inspection of Proxies**

109. Every member entitled to vote at the meeting of the Company according to the provisions of these Articles on any 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.

#### **Time for objections of Votes**

110. No objection shall be made as to the validity of any vote, except at the meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll, shall be deemed valid for all purposes of such meeting or poll whatsoever. Any such objection made in due time, shall be referred to the Chairman of the meeting whose decision as to the validity of the proxies shall be final.

#### **Instrument appointing Proxy to be deposited at Office**

111. 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 authority, shall be deposited at the Office of the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument purposes to vote, or, in the case of a poll, not less than twenty-four hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument purposes to vote, or, in the case of a poll, not less than twenty-four hours before the time appointed for taking of the poll and in default the instrument of proxy shall not be treated as valid.

### Minutes of General Meetings and Inspection thereof by members

112. (1) The Company shall cause Minutes of the proceedings of every general meeting to be kept in accordance with the provisions of Section 193 of the Act and the books containing such Minutes shall be kept at the office of the Company. Any Minutes kept as aforesaid shall be evidence of the matters stated therein.

(2) Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting (i) is or could reasonably be regarded as, defamatory of any person; or (ii) is irrelevant or immaterial to the proceedings; or (iii) is detrimental to the interests of the Company. The Chairman of the meeting shall have and exercise absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.

(3) The books containing such minutes shall be open to the inspection of any member without charge for such periods not being less than the aggregate of two hours in each day and subject to such reasonable restrictions as the Board of Directors may determine, in accordance with Section 196 of the Act.

### DIRECTORS

#### Number of Directors

113. Until otherwise decided by the Company in a General Meeting, the number of Directors shall not be less than three nor more than twelve.

#### First Directors

114. The following shall be the first Directors of the Company.

- (1) Shri R.K.Jajoo
- (2) Shri H.V.Jajoo
- (3) Shri S.C.Mehta

#### Qualification of Directors

115. (a) Any person whether a member of the Company or not may be appointed to the Board of Directors. No qualifications by way of holding shares in the Capital of the Company shall be required of any Director.

(b) "Tamilnadu Industrial Development Corporation Limited and Thiru R.K.Jajoo, being the promoters of the Company shall be entitled to have equal representation on the Board of Directors of the Company on behalf of each group so long as Thiru R.K.Jajoo hold not less than 25% of the paid up equity share capital of the Company including the shares held by their nominees, and so long as TIDCO holds not less than 26% of the paid up equity share capital of the company including shares held by its nominees. The non-rotational Directors for each group shall not be more than two".

(c) Subject to the provisions of the Act, TIDCO and Thiru.R.K.Jajoo, and any other person or institution that may, in terms of the agreement with the company, be entitled to appoint a Director to the Board, shall together be entitled to appoint not more than on third of the total number of Directors as non-rotational Directors from time to time.

#### Institutional Directors

116. (1) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys 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 (ICICI) or to any other Finance Corporation of any other Financing Company or Body is hereinafter in this Article referred to as "the Corporation" continue to hold Debentures 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 a right to appoint from time to time any

person or persons as a Director or Directors, wholetime or non-whole time (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).

(2) 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 share 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 remain 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 share in the Company as a result of underwriting or direct subscription or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director(s) so appointed in exercising the said powers shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation are paid off or on the Corporation ceasing to hold Debentures/Shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation.

(3) The Nominee Director(s) appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, board Meetings and of the Meetings of the Committee of which the Nominee Director(s) is/are member(s) as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.

(4) 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 of remuneration in any form is payable to the director(s) of the Company, the fees, commission, moneys and remuneration in relation to such Nominee Director(s) shall accrue to the Corporation and same 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 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 same shall accordingly be paid by the Company directly to the Corporation.

(5) In the event of the Nominee Director(s) being appointed as wholetime Director(s) such Nominee Director(s) shall exercise such powers and have such rights as are usually exercised or available to a wholetime Director in the management of the affairs of the Company. Such wholetime Director(s) shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Corporation.

#### **Debenture Directors**

117. If it is provided by any Trust Deed securing or otherwise in connection with any issue of debentures of the Company, that any person or persons shall have power to nominate a Director of the Company, then in case of any and every such issue of debentures, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as a Debenture Director. A Debenture Director may be removed from office at any time by the person or person whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be liable to retire by rotation. A Debenture Director shall not be bound to hold any qualification shares.

#### **Retirement and Rotation of Directors**

118 (1) At every Annual General Meeting of the Company, one-third of such of the Directors for the time being as liable to retire by rotation or, of their number is not three or a multiple of three, the number nearest to one-third shall retire from office.



(2) The Directors to retire in every year shall be those who have been longest in office since their last appointment, but as between the persons who became Directors on the same day, those who retire shall unless they otherwise agree among themselves, be determined by lot.

(3) A retiring Director shall be eligible for reappointment.

#### **Provision in case of non-appointment of Directors**

119. (1) 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 meeting shall stand adjourned, until the same day in the next week, at the same time and place, or if that day is public holiday, till the next succeeding day which is not a public holiday, at the same time and place.

(2) 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 Director shall be deemed to have been reappointed at the adjourned meeting unless,

(a) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;

(b) the retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so appointed.

(c) He is not qualified or is disqualified for appointment.

(d) A resolution, whether special or ordinary, is required for the appointment or reappointment by virtue of any provisions of the Act, or

(e) The provision to sub-section (2) of Section 263 of the Act is applicable to the case.

#### **Appointment of Alternate Director**

120. The Board of Directors may appoint an Alternate Director to act for a Director liable to retire by rotation (hereinafter called "the Original Director") during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office as such for a period longer than that permissible to the Original Director and shall vacate office if and when the Original Director returns to that State. If the term of office of the Original Director is determined before he so returns to that State, any provisions in the Act or in these Articles for the automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

#### **Additional Directors**

121. Subject to the provisions of section 260 and 264 of the Act, the Board of Directors shall have power at any time and from time to time to appoint any person to be a Director as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum fixed by these Articles. Any Director so appointed shall hold office only upto the conclusion of the next Annual General Meeting of the Company.

#### **Directors power to fill casual vacancies**

122. Subject to the provisions of Section 262, 264 and 284(6) of the Act and Article the Board of Directors shall have power at any time and from time to time to appoint any person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled at a meeting of the Board. Any person so appointed shall hold office only upto the date which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid, but he shall be eligible for re-appointment.

#### **Directors may act notwithstanding any vacancy**

123. The continuing Directors may act notwithstanding any vacancy in their body but if and so long as their number is reduced below the minimum number fixed by Article 113 hereof, the continuing Directors not being less than two, may act for the purpose of increasing the number of Directors to that number, or for summoning a General Meeting, but for no other purpose.

### Vacation of Office by Directors.

124. (1) Subject to the provisions of Section 283(2) of the Act, the office of a Director shall become vacant if,

- (a) he is found to be of unsound mind by a court of competent jurisdiction; or
- (b) he has applied to be adjudicated an insolvent; or
- (c) he is adjudged an insolvent; or
- (d) he fails to pay any call made on him in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the date fixed for the payment of such call unless the Central Government has by notification in the Official Gazette removed the disqualification incurred by such failure; or
- (e) he absents himself from three consecutive meetings of the Directors or from all meetings of the Directors for a continuous period of three months, whichever is longer, without leave of absence from the Board; or
- (f) he becomes disqualified by an order of the Court under Section 203 of the Act; or
- (g) he is removed in pursuance of Section 284 of the Act;
- (h) 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, from the Company in contravention of Section 295 of the Act; or
- (i) he acts in contravention of Section 299 of the Act; or
- (j) he is convicted by a court of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months; or
- (k) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company.

### Resignation

(2) Subject to the provisions of the Act, a Director may resign his office as Director up on giving one month's notice in writing addressed to the Company or to the Board of Directors and such resignation shall take effect upon the expiry of such notice or its earlier acceptance.

### Removal of Directors

125. Subject to the provisions of Section 284, the Company may by an ordinary resolution remove any Director who is subject to retirement by rotation before the expiration of his period of office and by an ordinary resolution appoint another person in his stead; and the person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last appointed as Director.

### Increase or Reduce Number of Directors

126. Subject to the provisions of Section 252 and 259 of the Act, the Company in General Meeting by an ordinary resolution may increase or reduce the number of Directors subject to the limits set out in Article 113 and may also determine in what rotation the increased or reduced number is to retire.

### Notice of candidature for office of Director except in certain cases

127. (1) No person, not being a retiring Director, shall be eligible for appointment to the office of Director at any general meeting unless he or some other member intending to propose him has, at least fourteen days before the meeting, left at the office 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 director for that office as the case may be along with a deposit of a sum of five hundred rupees which shall be refunded to such person or, as the case may be, to such member, if the person succeeds in getting elected as a Director.

(2) The Company shall inform its members of the candidature of the person for the office of 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 notice 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 newspaper circulating in the place where Registered Office of the company is located, of which one is published in the English and the other in the Regional Language of that place.

(3) 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 proposed as a candidate for the office of a Director shall sign and file with the Company his consent in writing to act as a Director, if appointed.

(4) A person other than --

(a) a Director reappointed after retirement by rotation immediately on the expiry of his term of office; or

(b) an additional or alternate Director or a person filling a casual vacancy in the office under Section 262 of the Act. Appointed as a Director or re-appointed 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 filed with the Registrar his consent in writing to act as such Director.

#### **Directors' Remuneration**

128. (1) (a) Each Director shall be entitled to receive out of the funds of the Company by way of remuneration for his services in attending meetings of the Board or any Committee of Directors attended by him such sum as may be determined by the Directors from time to time subject to the provisions of the Act and the Rules made thereunder.

(b) Subject to the provisions of the Act, the Directors may also appropriate out of the net profits of the Company during any year a sum not exceeding one per cent of such net profits if the Company shall have a Managing or Whole-time Director, otherwise not exceeding three per cent of such net profits and distribute the sum as appropriated among themselves in such proportion as they may mutually agree upon or equally in the absence of any such agreement.

(2) The Directors may also allow and pay to any director who is not residing in the place where meetings of the Company or of the Directors or of a Committee are ordinarily held and who shall come to such place or who incurs traveling and other expenses for attending a meeting of the Board of Directors or of a Committee, such sum as the Directors may consider fair and reasonable for his traveling and other expenses for attending a meeting of the Board of Directors or of a Committee in addition to his fee for attending such meeting, as above specified.

(3) The Directors shall be entitled to be repaid any traveling and other expenses incurred in connection with the business of the Company.

(4) Subject to the provisions of Section 309, 310 and 314 of the Act, if any Director shall be appointed to advise the Directors as an expert or be called upon to perform extra services or make special exertions for any purposes of the Company (including the work done by a Director in signing Certificates of Shares or Debentures issued by the Company or work done by him as a member of any Committee appointed by the Directors in terms of these Articles), the Directors may pay such Director such remuneration for such services as they think fit. Such remuneration may be either by a ways of salary or commission or a fixed sum of money either in addition to or in substitution of the remuneration above provided.

#### **Disclosure of Directors' Interest**

129. (1) Every Director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement, entered into or to be



entered into, 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 clause (1) shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not, at the date of that meeting, concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he be so concerned or interested.

(b) In 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 clause (1) and (2), 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 concerned and interested in any contract or arrangement which may, after the date of the notice, be entered into with the body corporate or firm, shall be deemed to be 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 afresh notice given in the last month of the financial year in which it would 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 apply to any contract or arrangement entered into or to be entered into between the Company and any other company where any one or two or more of the Directors together holds or hold not more than two per cent of the paid up share capital in the other Company.

#### **Interested Director not to Participate or vote in board's proceedings**

130. No Director shall as a Director take any part in the discussion of or vote on, any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly concerned or interested in such contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussions or vote, and if he does vote, his vote shall be void; provided, however, that nothing herein contained shall apply to:

(a) any contract of indemnity against any loss which the Directors, or any one of more of them, may suffer by reason of becoming or being sureties or a surety for the Company.

(b) Any contract or arrangement entered into or to be entered into with a public Company or a private Company which is a subsidiary of a public Company in which the interest of the Director consists 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 requisite 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 holding not more than two per cent of its paid-up share capital.

#### **Directors may contract with the Company**

131. Subject to compliance with the provisions of Section 297, 299, 300 and 314 of the Act and save as therein provided, no Director shall be disqualified by his office from holding any office or place of profit under the Company or under any Company in which this Company shall be a shareholder or otherwise interested, or from contracting with the Company either as vendor, purchaser, agent, broker or otherwise nor shall any such contract, or any contract or arrangement entered into by or behalf of the Company in which any Director shall be in anywise interested be avoided, nor shall any Director be liable to account to

the Company for any profit arising from any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established.

#### **Register of Contracts in which Directors are interested**

132. The Company shall keep a register in accordance with Section 301 of the Act and shall within the time specified therein enter in the said register such of the particulars as may be relevant having regard to the application thereto.

#### **Register of Directors etc.,**

133. (1) The Company shall keep at its Office Register containing the particulars of its Directors, Managers etc., mentioned in Section 303 of the Act, and shall otherwise comply with the provisions of the said section in all respects.

#### **Register of Shares or Debentures held by Directors**

(2) The Company shall keep at its Office a Register in respect of the Shares and/or debentures held by each of its Directors, as required by Section 307 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.

### **POWERS OF DIRECTORS**

#### **Powers of Directors**

134. (1) The business of the company shall be managed by the Board of Directors, who may exercise all such powers of the Company and do all such acts and things as are not, by the act, Or any other Act, Or by the Memorandum, or by the Articles of the Company, required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting; But no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made: provided that the powers specified in Section 292 of the Act shall. Subject to these Articles, be exercised only at meeting of the Board, unless the same be delegated to the extent therein stated. Provided further that the Board shall not, except with the consent of the Company in General Meeting, transact any business stated in Section 293 of the Act.

(2) Debenture/Debentures stocks, loan/loan stock, bonds or other securities conferring the right to allotment or conversion into shares or the option or right to call for allotment of shares shall not be issued except with the sanction of the company in General Meeting.

(3) All resolution passed or actions or decisions to be taken by the Board on the following matters shall require a simple majority of the total strength of the Board and the matter shall be taken up for consideration at the board Meeting at which at least one Director representing each of the promoters namely, TIDCO and Thiru R.K.Jajoo group shall be present in such meeting.

- (i) Sales policy and fixation of prices of the Company's products.
- (ii) Purchase policy.
- (iii) Personnel policy including creation of posts and selection procedures.
- (iv) Reinvestment of earned surplus.
- (v) The declaration of dividends.
- (vi) Approval of budget for revenue and capital expenditure.
- (vii) Financing by way of short and long term loans.
- (viii) Approval of foreign collaborations.
- (ix) Appointment of Auditors.

### Specific Powers given to Directors

135. (1) Without prejudice to the foregoing restrictions and powers and so as not in any way to limit or restrict the same, the Board shall have the powers and authority to exercise, from time to time and as to it in its discretion seem fit and proper in the interest and for and on behalf and on account of the Company, the following powers and authorities, that is to say the power

(i) To pay the costs, charges, and expenses preliminary and incidental promotion, formation, establishment and registration of the Company; and to have the same charged upon the funds of the Company over such period of years as the Directors shall think fit:

(ii) To incur all capital expenditure from time to time as the Directors shall think necessary;

(iii) To purchase, take on lease or otherwise acquire in India any land (whether freehold, leasehold or otherwise) and with or without houses, buildings, structures or machinery (fixed or loose) and any movable property, rights or privileges from any person including a Director in furtherance of or for carrying out its objects, at such price or consideration and generally on such terms and conditions and with such title there to as they may think fit or may believe or be advised to be reasonably satisfactory:

(iv) To purchase in India or elsewhere any machinery, plant, stores, and other articles and things for all or any of the objects or purpose of the Company and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory :

(v) To enter into arrangement with foreign companies and other persons for obtaining by grant, license or on other terms, formulae and other rights and benefits and to obtain financial and /or technical collaboration, technical information, know-how and expert advice for the purposes of the business of the Company;

(iv) At their discretion to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partly in cash or in shares, or in both, or in bonds, debentures, mortgages, 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, mortgages or other securities, may be either specifically charged upon all or any part of the property of the Company, and its uncalled capital, or not so charged;

(vii) To secure the fulfilment of any contracts or agreements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its uncalled capital for the time being in such other manner as they think fit;

(viii) To pay and charge to the Capital Account of the Company any commission or interest lawfully payable there out under the provision of Sections 76 and 208 of the Act;

(ix) From time to time to extend the business and undertaking of the Company by adding to altering or enlarging all or any of the building, factories, workshops, premises, plant and machinery, for the time being the property or in the possession of the Company, or by erecting new or additional buildings, and to expend such sums of money for the purposes aforesaid or any of them, as may be thought necessary, or expedient;

(x) To purchase, or otherwise acquire from any person and to resell, exchange and repurchase any patent for or licence for the use of, any invention and to purchase or otherwise acquire for the Company any other property, formula, concessions, rights and privileges which the Company is authorized to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit.

(xi) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose of, deal with or otherwise turn to account any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the is interested.



(xii) To remove all or any of the machinery, plant and other movable property of the Company for the time being in or upon lands, buildings, or premises of the Company to other lands, buildings or premises;

(xiii) To sell for cash or on credit or to contract for the sale and future delivery of or to send for sale in any part of India or elsewhere any products or articles produced, manufactured or prepared by the Company as the Directors may deem advisable.

(xiv) To appoint at their discretion, remove or suspend such managers, secretaries, officers, experts, solicitors, 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 of such amount as they think fit in such instances;

(xv) To institute conduct, defend, compound or abandon any legal proceedings by or against the Company and also to compound and allow time for payment or satisfaction of any debts due and all or any claims or demands by or against the Company.

(xvi) To refer any claim or demands by or against the Company to arbitration and observe and perform the awards

(xvii) To execute all deeds, agreements, contracts, and other documents that may be necessary or expedient for the purpose of the Company.

(xviii) To undertake on behalf of the Company the payment of all rent and the performance of all convenient, conditions and agreements contained in or served by any lease that may be granted or assigned to or otherwise acquired by the Company;

(xix) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale, and such other powers, convenient, and provisions as shall be agreed upon;

(xx) To give any person employed by the Company a commission on the profits, of any particular business or transaction, or a share in the general profit of the Company, and such commission or share of profit shall be treated as part of the working expenses of the Company.

(xxi) From time to time to make, vary and repeal bye-laws for the regulation of the business of the Company, its officers and servants;

(xxii) To invest and deal with any of the moneys of the company upon such securities (not being shares of the Company) and in such manner as they think fit, and from time to time to vary or realize such investment.

(xxiii) To borrow by issue of bonds, debentures, notes or other securities of the Company or otherwise either secured by a charge or mortgage or otherwise the whole or any part of the property of the Company, or unsecured, as the Directors may deem expedient such sums as they think necessary for the purpose of the Company;

(xxiv) To make advances and loans without any security, or on such security as they may think proper, and to take security for already existing debts, and otherwise to invest and deal with any of the moneys of the Company in Government or Municipal Securities, fixed deposits or deposits on call or notice in banks, and in such other manner as they may think fit, and from time to time to vary or realize such investments, and for the purposes aforesaid to authorize the Managing Director, if any; within limits to be fixed from time to time by the Directors;

(xxv) To purchase, taken on lease or otherwise acquire and to sell, mortgage, lease, exchange or otherwise dispose of any property, rights or privilege which the company is authorized to acquire or dispose of at such price, and generally on such terms and conditions as they may think fit, and to sign contracts, agreements, conveyances and other documents and to register documents and admit execution thereof.

(xxvi) To acquire, construct and build any factories, Warehouses, godowns, engine houses, tanks, wells or other constructions adopted to the objects of the company or erect houses or buildings for transaction of its business or for the employees of the company or for the purposes of investment or otherwise and to insure against fire or other risks all or any of the insurable property of the Company;

(xxvii) To open and establish branches and agencies for the conduct of the Company's business in any part of the world as may be determined by the Directors from time to time;

(xxviii) To make, draw, endorse, or discount any cheque, promissory note, Government of India Promissory Notes, or other Government Securities, hundies or there negotiable instrument in the name and for the purpose of the Company.

(xxix) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belong to the Company or in which it is interested or for any other purposes, and to execute, and do such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustees.

(xxx) To act on behalf of the company in all matters relating to bankrupts and insolvents;

(xxxi) To comply with the requirements of any local law which in their opinion is shall in the interest of the Company, be necessary or expedient;

(xxxii) To pay and satisfy all debts due from them and all liabilities of and claims and demands against the Company.

(xxxiii) From time to time and at any time to entrust to and confer upon the officers for the time being of the Company, and to authorize or empower them to exercise and perform and by Power of Attorney under Seal to appoint any persons to be Attorneys of the Company and invest them with such of their powers, authorities duties and discretions exercisable by or conferred or imposed upon the Directors, but not the power to make calls or other power which by law are expressly stated to be incapable of delegation as the Directors may think fit, and for such time and to be exercise for such objects and purposes and subject to such restrictions and conditions, as the directors may think proper or expedient, and either collaterally with or to the exclusion of and in substitution for all or any of the powers, authorities, duties and discretions of the Directors in that behalf, with authority to such officers, or attorneys to sub delegate all or any of the powers, authorities, duties and discretions for the time being vested in or conferred upon then and from time to time to revoke all such appointment of attorneys and withdraw, alter or vary all or any of such powers, authorities duties and discretions.

(xxxiv) To take all necessary steps for registering the company in conformity with the laws of any Foreign State, and to apply for and accept all statues, laws or decrees of the Government or authorities thereof necessary or expedient for enabling the Company to carry on or more conveniently to carry on business within the jurisdiction of such State.

(xxxv) To make and carry into effect any arrangement for working in business with or affiliating any other person or company, carrying or any business capable of being conveniently worked in conjunction with the business of the Company upon such terms and conditions as may be determined by the Directors of the Company in working or in liquidation:

(xxxvi) To establish, maintain, support and subscribe to any charitable or public or national object and any Institution, society or club which may be for the benefit of the Company or its employees, or may be connected with any town or place where the Company carries on business and to give pensions, gratuities or charitable aid to any person or persons who have served the Company or to the wives, children or dependents of such person or persons what may appear to the Directors just or proper whether any such person is widow, children or dependents have or have not a legal claim upon the Company, but subject to the provisions of Section 293 of the Act;

(xxxvii) To set aside portions of the profits of the Company before recommending any dividend to from a fund to provide for such person, gratuities or compensations or to maintain or create any Provident fund Benefit Fund for the benefit of the employees the Company in such or any other manner as the Directors may deem fit;

(xxxviii) To enter into all such negotiations and contracts and resold and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the company as they may consider expedient for or in relation to any of them matters aforesaid or otherwise;

(xxxix) To enter into any agreement with any Government, State Authority, Municipal, Local or otherwise and obtain from them any rights, concessions or privileges as the Directors deem fit;

(xxxx) To open accounts with any Bank or Banks for and in the name of the company and to operate on the same, and to draw cheques on the said Bank Accounts. The Director(s) are entitled to determine from time to time the persons who may sign, or draw such cheques on the banking Accounts of the Company and sign on the Company's behalf and in its name and for purposes of the Company, Bills, Notes, receipts, Acceptances, Endorsements, Cheques, Dividend Warrants, Releases, Contracts and other documents and to give the necessary instructions to the company's Bankers, whether the accounts be overdrawn or not;

(xxxxi) Subject to section 292 of the Act, from time to time and at anytime, to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board other than their power to make calls or to make loans or borrow moneys and may annual or vary of any such delegation.

(2) The Directors shall at their absolute discretion, perform every act and thing which they may consider necessary or expedient for the purpose of carrying on the business of the company expecting such acts and things as by Memorandum of Association of the company or by these presents may stand prohibited.

#### **Managing Director, Wholetime Director**

136. (1) Subject to provisions of the Act, the Board may appoint with such sanction as may be required by law one or more of their body to the office of the Managing director or Whole time Director(s) on such terms and conditions including remuneration as it may think fit and also amend such or any provisions relating to the appointment/re-appointment of such Managing Director or Whole-time Director(s):

(2) The Managing director shall conduct or manage the business of the Company and perform his functions and exercise his powers under the general superintendence, control and directions of the Board of Directors. The Managing Director nominated and appointed as aforesaid shall be vested with substantial powers of management and all the operations of the company shall vest in the Managing Director.

(3) Subject to Clause (3) hereof, the Board of directors may by resolution vest in the managing director(s) or the whole-time Director(s) such of the powers hereby vested in the Board of directors generally subject to such restrictions as they may think proper.

#### **Proceedings of the Board of Directors.**

137. (1) The Directors may meet together as a Board of the transaction for business from time to time, and shall so meet atleast once in every three months and atleast four such meeting shall be held in every year. The Directors may adjourn or otherwise regulate their meetings, as they think fit.

(2) The Chairman or the Managing Director may at any time at his discretion summon a meeting of the Board of Directors and the Chairman or the Managing Director on the requisition of two or more Directors shall, at any time, summon a meeting of the Board at such time and place as he may deem fit.

(3) If there be no Chairman or Managing Director for the time being, the Secretary shall on the requisition of a director at any time summon a meeting of the Board.

(4) The Board may elect the chairman of its meeting from among the Directors of the Company nominated by the TIDCO and determine.

#### **Quorum**

138. Subject to Section 287 of the Act, the quorum for a meeting the Board shall be one third of its total strength (excluding Directors, if any, whose places may be vacant at the time and 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 equal to two-thirds of the total strength, the number of the remaining Directors that is to say, the number of Director(s) who are not interested, present at the meeting being not less than two, shall be the quorum during such time.

#### **Adjournment of Meeting for want of Quorum.**

139. If a meeting of the Board of Director could be held for want of quorum, the meeting shall automatically stand adjourned to the next week at the same time and place, or if that day is a public holiday till the next succeeding day, which is not a public holiday, at the same time and place, unless the Chairman or the Managing Director(s) for the time being holding office decides to hold it earlier.

#### **Question at board Meeting how decided.**

140. Subject to the provisions of the Act requiring consent of all Directors or otherwise in any particular manner, question arising at any meeting of the Board shall be decided by a majority of votes and in the case of an equality of votes, the Chairman shall have a second or casting vote.

#### **Powers of Board Meeting.**

141. A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers, and discretion which by or under the Act or these Article are for the time being vested in or exercisable by the Board generally.

#### **Directors may appoint Committee**

142. (1) Subject to the restrictions contained in Section 292 of the Act the Board may delegate any of its powers to Committees of the Board consisting of such number of members of its body of which TIDCO and private promoter shall have a right to nominate its representatives in equal numbers and the board may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes; but every committee of the Board so formed shall in the exercise of powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such committee of the board in conformity with such regulations and in fulfillment of the purposes of its appointment but not other wise, shall have the like force and effect as it done by the Board.

(2) The Chairman of such committees shall be either the chairman of the company or a nominee Director of TIDCO.

#### **Meetings of committee how to be governed**

143. The meetings and proceedings of any such committee of the Board shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the directors under the last proceedings Article.

#### **Remuneration of Members of committee.**

144. The Directors may from time to time fix the remuneration to be paid to any members of their body constituting a committee appointed by the board and may pay the same.

#### **Resolution by circulation.**

145. No resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors (including alternate 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 Board or Committee, as the case may be) and to all other Directors or members of the committee, at their usual address in India and has been approved by such of the Directors (including alternate Directors) or members of the committee as are then in India, or by a majority of such of them as are entitled to vote on the resolution.

### **Acts of Board or Committee valid notwithstanding defect in appointment**

146. All acts done by any meeting of the Board or by a committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or person acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director and had not vacated his office or his appointment had not been terminated; Provided that nothing in this Article 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.

### **Minutes of Proceedings of Meeting of the Board**

147. (1) The company shall cause minutes of all proceedings of every meeting of the Board or of every committee of the Board to be kept in accordance with section 193 of the Act by making within thirty days of the conclusion of every such meeting entries hereof in book kept for that purpose.

(2) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

### **Secretary**

148. (1) The Directors may from time to time appoint a secretary, either for a fixed term, or without any limitation as to the period for which he is to hold that office, and may from time to time remove or dismiss him from office and appoint another in his place, and fix the remuneration of such Secretary. A director may be appointed as secretary subject to the provisions of the Act.

(2) The Secretary for the time being shall exercise and perform all powers, authorities, discretions and duties as may from time to time be vested in conferred upon, or assigned to him by the Directors, the chairman or the Managing Director.

### **The Seal**

149. (1) The Board shall provide a common seal and for its safe custody. The Seal shall not be affixed to any instrument except by the authority of a Resolution of the Board of Directors or a Committee or Directors authorized by the Board in that behalf and except in the presence of at least one Director and of the secretary or such other person as the Board may appoint for the purpose and the one Director and the Secretary or other person as aforesaid shall sign every instrument to which the Seal of the company is so affixed in their presence.

Provided nevertheless that any instrument bearing the Seal of the company and issued for valuable consideration shall be binding on the company notwithstanding any irregularity touching the authority of the Board to issue the same.

(2) The Board shall have power from time to time to destroy the Common Seal and substitute a new Seal in lieu thereof.

(3) The Company may, for any transaction of business outside India, by writing under its Common Seal, authorise any person appointed for the purpose in that territory, district or place to affix the official seal to any deed or other document to which the Company is a party in that territory, district or place. The said Official Seal shall be a facsimile of the Common Seal of the Company, with the addition on its face the name of the territory, district or place where it is to be used.

### **Reserve Fund**

150. The Board of Directors may, before recommending any dividend set aside out of profits of the company such sums as they think proper as a reserve fund to meet contingencies or for equalizing dividends, or for special dividend, for repairing, improving and maintaining any of the property of the company, and for amortisation of capital and for such other purposes as the Board of Directors shall in their absolute discretion think conducive to the interests of the company, and may subject to the provisions of section 372

of the Act, invest the several sums so set aside upon such investments (other than shares of the company) as they may think fit from time to time, deal with and vary such investments, and dispose of all or any part thereof for the benefit of the company, and may divide the reserve funds into such special funds, as they think fit, and employ the reserve funds or any part thereof in the business of the company and without being bound to keep the same separate from the other assets. The Board of Directors may also carry forward any profits which they may think prudent not to divide, without setting them aside as reserve.

### **Capitalization**

151. (1) The Company in General meeting may resolve that any of the moneys, investments or other assets forming part of the undivided profits of the company standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Fund, or in the hands of the company and available for divided (or representing premiums received on the issue of shares and standing to the credit of the Share Premiums account) be capitalized and distributed among such of the members as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund be applied on behalf of such members in paying up in full either at par or at such premium as the resolution may provide any unissued shares or debentures or debenture stock of the company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares or debentures or debenture stock and that such distribution or payment shall be accepted by such members in full satisfaction of their interest in the said capitalized sum, provided that a Share Premium Account and a Capital Redemption Reserve fund may, for the purposes of this Article, only be applied in the paying up of any unissued shares to be issued to members of the company as fully paid bonus shares.

(2) The Company in General meeting may resolve that any surplus moneys 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..

(3) For the purposes above set out the company may apply the share premium Account subject to the provisions of Section 78(2) of the Act, and the Capital Redemption Reserve fund subject to the provisions of Section 80(5) of the Act.

### **The company in General Meeting may declare a dividend**

152. The company in General Meeting may declare a dividend to be paid to the members according to their respective rights and may subject to the provisions of Section 207 of the Act, fix the time for the payment thereof

### **Restriction on amount of dividends**

153. No larger dividend shall be declared than is recommended by the directors but the Company in General Meeting may declare a smaller dividend.

154. (1) No dividend shall be declared or paid for any financial year except out of the profits of the Company for that year arrived at after providing for depreciation in accordance with the provisions of Section 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with the said provisions and remaining undistributed or out of both;

Provided that where, owing to inadequacy or Absence of profits in any year, the Company proposes to declare dividend out of the accumulated profits earned by the company in previous years and transferred by it to the reserves, such declaration of dividend shall not be made except in accordance with the rules made in this behalf under the Act and where any such declaration is not in accordance with such rules, such declaration shall not be made Except with the previous approval of the Central Government.

(2) Notwithstanding anything contained in clause(1) hereof, no dividend shall be declared or paid by the company for any financial year of the profits of the company for that year arrived at after



providing for depreciation in accordance with the provisions of Section 205 of the Act, except after the transfer to the reserves of the company of such percentage of its profits for that year, as may be prescribed for the time being by the rules made in this behalf under the Act.

(3) Nothing in clause (2) hereof shall be deemed to prohibit the voluntary transfer by the company of a higher percentage of its profits to the reserves in accordance with the rules in this behalf under the Act.

(4) The declaration of the Board of Directors as to the amount of the profits of the Company shall be conclusive.

#### **Interim Dividend**

155. The Board may, from time to time pay to the members such interim dividend as in its judgement the position of the Company justifies.

#### **Capital paid up in advance not to earn Dividend**

156. Where capital is paid in advance of call, such capital may carry interest, but shall not in respect thereof confer a right to dividend or participation in profits.

#### **Dividends in Proportion to amount Paid up**

157. Where a larger amount is paid up or credited as paid up on some shares than on others, the company shall pay dividends in proportion to the amount paid up or credited as paid up on the each share, during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.

#### **Retention of Dividends until Completion of Transfer under Article 68.**

158. The Board may retain the dividends payable upon shares in respect of which any person is, under the Article 68, entitled to become a member or which any person under that Article is entitled to transfer, until such person shall become a member in respect of such shares or shall duly transfer the same.

#### **Dividend etc., to Joint Holders**

159. Any one of several persons who are registered as the Joint-Holders of any share may give effectual receipts for all Dividends, bonus or other payments in respect of such shares.

#### **No-member to receive dividends while indebted to the Company**

160. No member shall be entitled to receive payment of any dividend in respect of any share of shares on which the company has a lien, or whilst any amount due or owing from time to time to the company, either alone or jointly with any other person or persons, in respect of such share or shares, or any other amount whatsoever, remains unpaid, and the Directors may retain, apply and adjust such dividend in or towards satisfaction of all debts, liabilities, or engagements in respect of which the lien exists, and of all such money due as aforesaid.

#### **Rights to dividend etc., not to pass before registration of transfer**

161. (1) A transfer of shares shall not pass the rights to any dividend declared or rights or bonus entitlements thereon before the registration of the transfer.

(2) 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 comply with the provisions of Section 206A of the Act.

#### **Dividends how Remitted**

162. Unless otherwise directed in accordance with Section 206 of the Act, any dividend may be paid by cheque or warrant or by a payslip or receipt having the force of a cheque or warrant, sent through post to the

registered address of the member or person entitled or in case of joint-holders to that one of them first named in the Register in respect of the joint holding or to his order or to his bankers. The Company shall not be liable or responsible for any cheque or warrant or payslip or receipt lost in transit or for any dividend lost, to the member or person entitled thereto, by the forged endorsement of any cheque or warrant or the forged signature of any payslip or receipt or the fraudulent recovery of the dividend by any other means.

#### **Dividend and Call together**

163. Any General Meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, but the call on each member shall not exceed the dividend payable to him and the call be made payable at the same time as the dividend, and the dividend may if, so arranged between the Company and the members, be set off against the call. The making of a call under this clause shall be deemed ordinary business of General Meeting which declares a dividend.

#### **Unclaimed Dividend**

164. (1) No unclaimed dividend shall be forfeited by the Board and the Company shall comply with the provisions of Section 205A of the Act in respect of such dividend.

(2) No unclaimed shall bear interest as against the Company.

#### **Interest may be paid out of Capital**

165. 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 pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building, or the provision of plant.

### **ACCOUNTS**

#### **Directors to keep true Accounts**

166. (1) The Company shall keep at its office or at such other place in India as the Board may decide, proper books of account, in accordance with Section 209 of the Act, with respect to:-

- (i) all sums of money received and expended by the Company and the matters in respect of which the receipts and expenditure take place;
- (ii) all sales and purchases of goods by the Company; and
- (iii) the assets and liabilities of the Company.

(2) Where the Board decided to keep all or any of the books of account at any place other than the office of the Company, the Company shall within seven days of the decision, file with the Registrar a notice in writing giving the full address of that other place.

(3) The Company shall preserve in good order the books of account relating to a period of not less than eight years immediately proceeding the current year together with the vouchers relevant to any entry in such books of account.

(4) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper books of account relating to the transactions effected at the branch office are kept at that office and proper summarized returns, made up to dates at intervals of not more than three months, are sent by the branch to the Company at its office or at the other place referred to in clause (2) above.

(5) The books of account shall give a true and fair view of the state of the affairs of the Company or branch office, as the case may be, and explain its transactions. The books of account and other books and papers shall be open to inspection by any director during business hours.

### **As to Inspection of Accounts or Books by Members**

167. The Board shall, from time to time, determine whether and to what extent and 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, and no member (not being a Director) shall have any right of inspecting any accounts or books or documents of the Company except as conferred by law or authorized by the Board of Directors or by the Company in General Meeting.

### **Statement of Accounts to be furnished to General Meeting**

168. The Board of Directors shall, from time to time, in accordance with Section 210, 211, 212, 215, 216 and 217 of the Act, cause to be prepared and to be laid before the Annual General Meeting of the Company, such Balance Sheets, Profit and Loss Accounts and Reports as are required by the said Sections and other applicable provisions of the Act.

### **Right of Members and others to Balance Sheet and Reports**

169. (1) A copy of every Balance sheet (including the Profit and Loss Account, the Auditor's Report and every document required by law to be annexed or attached, as the case may be to the Balance Sheet) which is to be held before the Company in the General Meeting or, where permitted and as may be decided by the Directors in their absolute discretions, a statement containing the salient features thereof subject however to the provisions of Section 219 of the Act shall, not less than twenty-one days before the meeting, be sent to every member of the Company, to every trustee for the holders of any Debentures issued by the Company, whether such member or trustee is not entitled to the notice of general meeting of the Company sent to him, and to all persons other than such members or trustees and to every other person entitled thereto under the provisions of the said Section.

### **Supply of Balance Sheet etc., on demand**

(2) 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 within seven days of receipt of such demand by the Company with a copy of the last balance sheet and of every document required by law to be annexed or attached thereto, including the Profit and Loss Account and the Auditors Report.

### **Accounts to be Audited**

170. Once at least in every year the Accounts of the Company shall be examined and audited and the correctness of the Balance Sheet and Profit and Loss Account ascertained by one or more Auditors.

### **Appointment of Auditors.**

171. (1) The first Auditors of the Company shall be appointed by the Board of Directors.

(2) The Company, at each Annual General Meeting, shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusion of the next Annual General Meeting and shall comply with the provisions of Section 224 and 224A of the Act in relation to the said appointment; provided that the Company may, at a General Meeting, remove any such Auditors or all of such Auditors and appoint in his or their places any other person or persons who have been nominated for appointment by any member of the Company and of whose nomination notice has been given to the members of the Company not less than fourteen days before the date of the meeting and provided further that if the Board of Directors fail to exercise their power under this Article, the Company in General Meeting may appoint the Auditor or Auditors.

(3) At any Annual General Meeting, a retiring Auditor or Auditors, by Whatsoever authority appointed, shall be reappointed, unless-

(i) he is or they are not qualified for re-appointment.

(ii) he has or they have given the Company notice in writing of his or their willingness to be re-appointed.



(iii) A resolution has been passed at that meeting appointing somebody instead of him or them or providing expressly that he or they shall not be reappointed; or

(iv) Where notice has been given of an intended resolution to appoint some other person or persons in the place of a retiring Auditor or Auditors, and by reason of death, incapacity or disqualification of that person or of all those person, as the case may be, the resolution cannot be proceeded with.

(4) Where at an 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 power as aforesaid becoming exercisable, give notice of that fact to the Government.

(6) The Board of Directors may fill any casual vacancy in the office of an Auditor or Auditors, but while any 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 or Auditors, the vacancy shall only be filled by the Company in General Meeting. Any Auditor or Auditors appointed in a casual vacancy shall hold office until the conclusion of the next Annual General Meeting.

(7) Any Auditor or Auditor's appointed may be removed from office before the expiry of his or their term only by the company in General Meeting., after obtaining the previous approval of the Central Government in that behalf.

(8) If it is proposed to appoint as Auditor or Auditors a person or persons other than a retiring Auditor or Auditors, the provisions of Section 225 of the Act shall be complied with.

#### **Remuneration of Auditors**

172. There remuneration of the Auditors of the Company, in the case of an Auditor appointed by the Board of Directors or the Central Government, may be fixed by the Board of Directors or the Central Government, as the case may be. In other case, it shall be fixed by the Company in General Meeting or in such manner as the Company in General Meeting may determine.

#### **Qualification of Auditors**

173. The qualifications and disqualifications of Auditors shall be those contained in Section 226 of the Act.

#### **Rights and Duties of Auditors**

174. The Auditor or Auditors shall have such rights and duties as are set out in Section 227 of the Act.

#### **Audit of Branch Office**

175. The Company shall comply with the provisions of Section 228 of the Act in relation to the audit of the accounts of branch office of the company except to the extent to which any exemption may be granted by the Central Government in that behalf.

#### **Auditors to receive Notices and Attend General Meeting**

176. All notice of, and other communications relating too, any General Meeting of the company, which any member of the company is entitled to have sent to him shall also be forwarded to the Auditor or Auditors of the Company, and the Auditor or Auditors shall be entitled to attend and General Meeting and to be heard at any General Meeting which he or they attend or attends on any part of the business which concerns him or them as Auditor or Auditors.

#### **Cost Audit**

177. Whenever directed by the Central Government that an audit of cost accounts of the Company shall be conducted pursuant to Section 233B of the Act, the Company shall comply with all the requirements specified in the said Section.

### **Accounts to be Deemed Finally Settled**

178. Every accounts of the Company when audited and approved by General Meeting shall be conclusive. Whenever any minor or obvious error in the accounts were subsequently found out, the Board of Directors can correct such correct such minor or obvious errors and if any substantial errors and acts of commission or omission are found out in the accounts as approved by the General Meeting, necessary rectification should be made only in the accounts of the company for the succeeding financial year.

### **DOUCMENTS AND NOTICES**

#### **Service of Documents or Notices on Members by the Company**

179. (1) A document or notice may be served or given by the Company on any members or an officer thereof either personally or be sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, in India supplied by him to the Company for serving documents or notices on him.

(2) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice provided that where a member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expense of doing so, not being less than Rs.15/- service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member; and such service shall be deemed to have been effected in the case of a notice of a meeting, as the expiration of forty-eight hours after the letter containing the same is posted and in any other case, at the time which the letter would be delivered in the ordinary course of post.

#### **By Advertisement**

180. A document or notice advertised in a newspaper circulating in the neighbourhood of the Office of the Company shall be deemed to be duly served or sent on the day on which the advertisement appears on or to every member who has no registered address in India and has not supplied to the Company an address within India for the serving of documents on or the sending of notices to him.

#### **On Joint-Holders**

181. A document or notice may be served or given by the Company on or to joint holders of a share by serving the documents or notices on or to the joint holder named first in the Register of Members in respect of the share.

#### **On Personal Representatives etc.,**

182. A document or notice may be served or given by the Company on or to any of the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to him by the name or by the title representative of the deceased, assignees of the insolvent or by any like description, at the address (if any) in India supplied for the purpose by the person claiming to be so entitled, or (until such an address has been so supplied) by serving the document or notice in any manner in which the same might have been given, if the death or insolvency had not occurred.

#### **Members bound by Documents or Notices served on or given to Previous Holders**

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

### **Documents or Notice by company and signature thereto**

184. Any document or notice to be served or given by the Company may be signed by a Director, Secretary or such person duly authorized by the Board of Directors for such purpose and the signature thereto may be written, printed or lithographed.

### **Service of documents or Notice by Member**

185. All documents or notices to be served or given by members on or to the Company or any officer thereof shall be served or given by sending it to the Company or Officer at the Office of the Company by post under Certificate of Posting or by Registered Post, or by leaving it at the Office of the Company.

### **Winding up**

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

### **Division of Assets of the Company in Specie among Members**

187. If the Company shall be wound up, whether voluntarily or otherwise, the liquidator, may with the sanction of a special resolution, divide among the contributors in specie or kind, any part of the assets of the Company, and may with the like sanction, vest any part of the assets of the Company in trustees, upon such trusts for the benefit of the contributories or any of them, as the liquidators with the like sanction shall think fit, so that no members shall be compelled to accept any shares or securities where there is any liability. In case any shares or securities to be divided as aforesaid involved a liability to calls or otherwise, any person entitled under such division to the said shares or securities may within ten days after the passing of the special resolution by notice in writing direct the liquidators to sell his proportion and pay him the net proceeds, and the liquidators shall, if practicable, act accordingly.

## **INDEMNITY AND RESPONSIBILITY**

### **Rights of Directors and others to Indemnity**

188. (1) Subject to the provisions of Section 201 of the Act, every Director, Manager, Secretary and other officer or employee of the Company shall be indemnified by the Company against, and it shall be duty of the Directors out of the funds of the Company to pay all costs, losses, and expenses (including traveling expenses) which any of them or him may incur or become liable to, by reason of any contract entered into or act or deed done by him or in any other way in the discharge of their or his duties.

(2) Subject as aforesaid every Director, Manager, Secretary and other Officer or employee or Auditor of the Company shall be indemnified against any liability incurred by them or him in defending any proceedings whether civil or criminal in which judgement is given in their or his favour or in which they or he is acquitted or discharged or in connection with any application under Section 633 in which relief is given to them or him by the Court.



### Not Responsible for Acts of others

189. (1) Subject to the provisions of Section 201 of the Act, No Director or other officer or Auditor of the Company or trustees for Debenture Holders of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or employee for joining in any receipts or other act for conformity or for any loss or expenses happening to the Company through 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 any security in or upon which any more of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgement or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own willful act or default.

(2) Without prejudice to the generally of foregoing, it is hereby expressly declared that any filing fee payable on any document required to be filed with the Registrar of Companies or any other payment to be made to the Registrar of Companies in respect of any act done by any Director or other, by reason, of his holding the said office, shall be paid and borne by the Company.

### Secrecy Clause

190. (1) No member shall be entitled to visit or inspect the Company's works or other premises without the permission of the Board of Directors or Managing Director, or to require discovery of or any information respecting any details of the Company's working trading or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process, or which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to communicate to the public.

(2) Every Director, Manager, Secretary, Auditor, Trustee, Member of a Committee, officer, agent, accountant, employee or other person employed in the business of the Company, shall, if so required by the Board, before entering upon his duties, or at anytime during his term of office, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company with its customers and the state of accounts and in matters relating thereto and shall be 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 Board of Directors or by any General Meeting or by a Court of law or by the persons to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions contained in these Articles.

Sl.No	Name, Address, Occupation, Description of the Subscribers	Signature of the Subscriber
1.	<b>RAMAKRISHNA JAJOO</b> S/o, Late Shri Ramchand Jajoo A-13, Sector 19, NOIDA Dist. Ghaziabad (U.P.)  <b>BUSINESS</b>	Sd/-
2.	<b>HARSH VARDHAN JAJOO</b> S/o. Shri Ram Krishna Jajoo A-13, Sector 18, NOIDA Dist. Ghaziabad (U.P.)  <b>BUSINESS</b>	Sd/-
3.	<b>SHIKHAR CHAND METHA</b> S/o, Shri Hazari Chand Metha 113, Sterling Road, Madras - 600 034.  <b>COMPANY EXECUTIVE</b>	Sd/-
4.	<b>SHIVA METHA</b> W/o. Shri Shikhar Chand Metha 113, Sterling Road, Madras - 600 034.  <b>HOUSE WIFE</b>	Sd/-

Dated at Madras on 10<sup>th</sup> February 1992.

**WITNESS**

Sd/-

**SUDHIR SINGHI**  
S/o. Sushil Chandra Singhi  
Ex. Suite No.9, First Floor,  
Parsn Manere,  
602, Anna Salai,  
Madras - 600 006.

**CHARTERED ACCOUNTANT**

Sl.No	Name, Address, Occupation, Description of the Subscribers	Signature of the Subscriber
5.	<b>SHRI BHAGWAN SHARMA</b> S/o, Shri Baleshwar Nath 115, A/4, I.O.B. Flats Sterling Road, Madras - 600 034,  <b>SERVICE</b>	Sd/-
6.	<b>PROMILA SHARMA</b> W/o. Shri. S.B.Sharma 115, A/4, I.O.B. Flats Sterling Road, Madras - 600 034,  <b>HOUSEWIFE</b>	Sd/-
7.	<b>VEENA SINGHI</b> W/o. Shri Sudhir Singhi 68, T.T.K.Road, Alwarpet, Madras - 600 016.  <b>HOUSEWIFE</b>	Sd/-

Dated at Madras on 10<sup>th</sup> February 1992.

**WITNESS**

Sd/-  
**SUDHIR SINGHI**  
 S/o. Sushil Chandra Singhi  
 Ex. Suite No.9, First Floor,  
 Parsn Manefre,  
 602, Anna Salai,  
 Madras - 600 006.

**CHARTERED ACCOUNTANT**