



Co.No.11/159197



सत्यमेव जयते

कारबार प्रारम्भ करने के लिए प्रमाण-पत्र  
**Certificate for Commencement of Business**  
कम्पनी अधिनियम, 1956 की धारा 149 (3) के अनुसरण में  
Pursuant of Section 149 (3) of the Companies Act, 1956

मैं एतद्वारा प्रमाणित करता हूँ कि.....

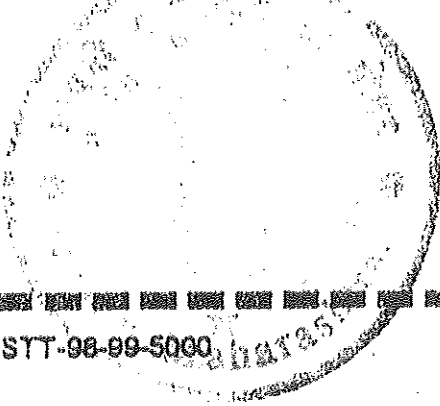
जो कम्पनी अधिनियम, क अचीन तारीख .....को निगमित की गई थी  
और जिसने आज विहित प्रस्न में सम्यक रूप से सत्यापित घोषणा फाईल कर दी है कि उक्त अधिनियम  
की धारा 149 (1) (क) से लेकर (घ) तक/149 (2) (क) से लेकर (ग) तक की शर्तों का अनुपालन  
किया गया है, कारबार प्रारम्भ करने की हकदार है।

I hereby certify that the **Futurebazaar India Limited**

.....  
which was incorporated under the Companies Act, 1956, on the.....**TWENTYTHIRD** day of  
**JANUARY 2006**.....26, and which has this day filed a duly verified declaration in  
the prescribed form that the conditions of Section 149 (1)(a) to (d)/149(2)(a) to (c) of the said  
Act, have been complied with is entitled to commence business.

मेरे हस्ताक्षर से यह तारीख .....को  
में दिया गया।

Given under my hand at Mumbai .....  
this **SECOND** day of **MARCH** Two thousand  
and **SIX**



**M. JAYAKUMAR**  
कम्पनियों का रजिस्ट्रार  
**ASSTT Registrar of Companies**  
Maharashtra, Mumbai

**The Companies Act, 1956**  
**(Company limited by shares)**  
**Memorandum of Association**  
**of**  
**Futurebazaar India Limited**

- I The name of the Company is Futurebazaar India Limited**
- II The registered office of the Company will be situated in the State of Maharashtra i.e. within the jurisdiction of Registrar of Companies, Maharashtra at Mumbai.**
- III The objects for which the Company is established are :**
- (A) THE MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:**
1. To carry on the business of a e-trading company, and as merchants, importers, exporters, buyers, sellers, retailers and processors of and dealers and agents in all kinds of commodities, materials, articles and goods of all kinds and products of every description, either raw or manufactured or in the natural state or processed through electronic media, computer, internet web sites, electronic kiosks, intranet, television, video channels, telephone lines whether fixed or mobile and such other electronic or other media as may be possible for carrying out the above business activities. No money circulation scheme will be carried out.
- (B) THE OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS ARE:**
2. To establish and maintain commercial websites for display of products, commodities, goods and services available for consideration, to appoint various agencies or representative, franchisees, brokers, depots or distributors in India, or abroad for sale, purchase, exchange, deal in various products, commodities or services and for any one or more objects of the Company and to regulate and discontinue the same in part or whole.
  3. To collect various data and information about the consumer behaviour, consumption pattern, specific likes and dislikes and such other data as may be useful to approach the potential

consumer or client and to sale such collected information or data for consideration or otherwise in any other manner.

4. To carry on business of advisors and consultants in marketing, setup of electronic commercial websites, use of software for secure transactions and to track marketing habits of the consumers and for tracking the inventory positions as well as for other commercial uses, creation of various business models for sale of products through kiosks, dispensing machines, on tele-order mechanism or such similar or other type of marketing tie-ups.
5. To procure, develop, import, lease, obtain on licence, develop and deal in computer software, articles, equipment, technology, processes, intellectual property rights and things of all kinds capable of being used or which can conveniently be dealt in by the Company in connection with any of its objects.
6. To amalgamate, or enter into partnership or into any arrangement for sharing profit, union of interest, co-operation, joint venture, reciprocal concession or otherwise with any person, firm or company carrying on or engaged in or about to carry on or engage in any business or transaction which this Company is authorised to carry on or engage in or to purchase from such company its business as a going concern and/or its assets, including but not limited to necessary licenses, permits and other rights of such company.
7. To take or otherwise, acquire and hold, re-sale, dispose off shares in any other company having objects altogether or in part similar to those of the company or carrying on any business capable of being conducted so as to directly or indirectly benefit the Company.
8. To appoint consultants, accountants, analysts, professionals, contractors, managers, canvassers, agents, advertising agencies and other persons and to establish, undertake, transact, execute, and maintain agencies or branches in any part of India or elsewhere for the purpose of the Company's business and to discharge and to discontinue the same.
9. To engage any person, firm or company for rendering professional, technical, consultancy or advisory services to the Company and to remunerate any such person, firm or company as may be thought expedient.
10. To negotiate and enter into agreements and contracts with such other individuals, companies, corporations and also organisations in India or abroad for obtaining or providing technical, management, advisory, financial or any other such assistance for carrying out all or any of the objects of the Company and also for

the purpose of activating surveys, research and development of projects on the basis of know-how, financial participation and for technical collaboration and to acquire or provide necessary intellectual property rights for furthering the objects of the Company.

11. To purchase or take on lease or license or in exchange, hire or otherwise acquire and to erect, maintain, construct, reconstruct, and adopt any equipment, offices and any other kind of real and personal property, whether movable or immovable, necessary or convenient for the purpose of the business of the Company and for that purpose to enter into any Agreement, Deed of Sale or any kind of arrangement with any party and to create any kind of fund (depreciation, reserve, sinking, insurance) or any other fund for repairing, maintaining, extending, improving or replacing its assets/properties and also to extend, expand, develop the business of the Company by adding or altering, enlarging all or any of the offices, equipment and stock in trade for the time being the property of or in possession of the Company and by expending from time to time, such sums of moneys as may be necessary or expedient for the purpose of improving, repairing and maintaining the buildings, equipment and any of the property for the time being of the Company.
12. To exchange, sell, convey, mortgage, assign or let on lease or leases, grant licenses, easements and other rights over and in any other manner deal with or dispose off the whole or any part of the property, undertaking, assets, rights and effects of the Company (whether movable or immovable) and to accept as consideration for or in lieu thereof other land or building or equipment or cash or Government securities or securities guaranteed by the Government of India or Provincial or other Government or Municipal, Port Trust, Railways or other authority or shares, debentures, stocks, bonds or securities of any other company or companies or partly the one or partly the other and to take back or reacquire any property so disposed off by repurchasing or leasing the same for such price or prices and on such terms and conditions as the Company may think fit.
13. To apply for, purchase or otherwise acquire and protect, prolong and renew whether in India or in any part of the world, for the purpose of using in its business, any patents, patent rights, copy rights, technology, processes, designs, licenses, concessions and the like, conferring any exclusive or non-exclusive or limited right to use any secret technical or other information as to any invention which may seem capable of being used for any of the purposes of the Company or the acquisition of which may directly or indirectly benefit the Company.

14. To apply for, purchase or otherwise acquire and protect, prolong and renew whether in India or in any part of the world, for the purpose of using in its business, any, trade marks, service marks, brand names and the like.
15. To undertake the payment of all rent and the performance of all covenants, conditions and agreements contained in and reserved by any lease that may be granted or assigned to or be otherwise acquired by the Company.
16. To purchase the reversion or reversions or otherwise acquire the freehold rights in all or any part of the lands for the time being held under lease or for an estate less than a freehold estate by the Company.
17. To enter into any arrangements with any Government Authorities (Central, State, Municipal, local or others) or company (whether incorporated in India or outside India) firm or person that may seem conducive to the attainment of Company's objects or any of them and to obtain from any such Government or other authorities any orders, charters, licenses, authorisations, rights, privileges, consents, approvals and concessions which the Company may think desirable to obtain and to carry out, exercise and comply with any such arrangements, rights, privileges, consents, approvals and concessions.
18. To undertake or take part in the formation, supervision or control of the business or operations of any person, firm, body, corporation and to promote or form any company or companies for the purpose of acquiring all or any part of the property rights and liabilities of the Company or undertaking any business or operations or for any other purpose which may appear likely, directly or indirectly, to assist or benefit the Company or to acquire and undertake the whole or any part of the business, goodwill, property and liabilities of other persons, firms and companies or undertakings either existing or new, engaged in or carrying on or proposing to carry on any business which this Company is authorised to carry on or possessed of any property or rights suitable for the purposes of the Company by paying or contributing towards the preliminary expenses thereof or providing the whole or part of the capital thereof or by taking shares therein or by lending money or by otherwise providing lawful consideration.
19. To invest and deal with the moneys of the Company not immediately required in such manner as may from time to time be determined.

20. To accept commissions and to employ and remunerate experts or other agents in connection therewith with a view to secure any of the objects of the Company.
21. To lend money to any person on such terms as may seem expedient and in particular to members of the staff, customers and others having dealings with the Company and to guarantee the performance of contracts and engagements by any such persons.
22. Subject to the provisions of section 292 and 58A of the Companies Act, 1956 and the Regulations made thereunder and as per directives of the Reserve Bank of India, to borrow or raise or secure the payments of money or to receive money other than public deposits on deposit at interest for any of the purposes of the Company and at such time or times and in such manner as may be thought fit in particular by the issue of debentures or debenture-stock, perpetual or otherwise, including debentures or debenture-stock convertible into shares of this or an other company or perpetual annuities and as security for any such money so borrowed, raised or received or of any such debentures or debenture-stock so issued, to mortgage, pledge or charge the whole or any part of the property, assets, or revenue and profits of the Company, present or future including its uncalled capital, by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders power of sale and other powers as may seem expedient and to purchase, redeem or pay off any securities. PROVIDED that, the Company shall not carry on banking business as defined in the Banking Regulation Act, 1949.
23. To apply for, promote and obtain any order, license or consents of the Central/State Government or other Authority for enabling the Company to carry any of its objects into effect or for effecting any modification of the Company's constitution or for any other purpose which may seem calculated, directly or indirectly to promote the Company's interests and to oppose any proceedings directly or indirectly that are likely to prejudice the Company's interests.
24. To adopt, carry out or give effect to any pre-incorporation or post-incorporation agreements, arrangements or any modifications or amendments thereto, arrived at between the Company's shareholders, promoters and/or any Government Authority (Central, State, Municipal, local or other), company (whether Indian or Foreign) firm or person for promotion of the Company, provision of financial and technical know-how to the Company and or in respect of any matters concerning the affairs and business of the Company.

25. To draw, make, accept, endorse, discount, execute, issue, negotiate, assign and otherwise deal in cheques, drafts, bills of exchange, promissory notes, hundis, debentures, bonds, bills of lading, airway bills, railway receipts, warrants and other negotiable or transferable instruments.
26. To open an account or accounts with any individual firm or company or with any bank or banks and to pay into and to withdraw money from such account or accounts.
27. To remunerate any person, firm or company for services rendered or to be rendered in placing or assisting to place or guaranteeing of any of the shares in the Company's capital or any debentures or debenture stocks or other securities of the Company or in or about the formation or promotion of the Company or the conduct of its business.
28. Subject to the provisions of the Companies Act, 1956, to sell or dispose of the undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to those of this Company.
29. To distribute any of the property of the Company or any proceeds of sale or disposal of any property in specie or kind among the members, subject to the provisions of the Companies Act, 1956, in the event of winding up of the Company.
30. To pay out of the funds of the Company all expenses of and incidental to the formation, registration, advertisements and establishment of the Company.
31. To create any reserve fund, sinking fund, insurance fund or any other special fund whether for depreciation or for repairing, insuring, improving, extending or maintaining any of the property of the Company or for any other purpose, conducive to the interest of the Company.
32. To distribute as bonus shares amongst the members or to place in reserve or otherwise to apply as the Company may from time to time determine, any moneys received in payment of forfeited shares and moneys arising from the sale by the Company of forfeited shares or any moneys received by way of premium on shares or debentures issued at a premium by the Company.
33. Subject to the provisions of section 293A of the Act, to subscribe, contribute, gift or donate any moneys, rights or assets for any national, educational, religious, charitable, scientific, public, general



or useful object or to make gifts or donations of moneys or such other assets to any institutions, clubs, societies, associations, trusts, scientific research associates, funds, universities colleges or any individual, body of individuals, or bodies corporate.

34. To establish and maintain or procure for the establishment and maintenance of any contributory or non-contributory pension or superannuation, provident or gratuity funds for the benefit of and give or procure the giving of donations, gratuities, pensions, allowances, bonus or emoluments to any persons who are or were at any time in the employment or service of the company, or any company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary company or who are or were at any time Directors or officers of the Company of any other such company as aforesaid and the wives, widows, families and dependents of any such persons and also to establish and subsidise and subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or any such other Company or persons as aforesaid and make payments to or towards the insurance of any such persons as aforesaid and to do any of the matters aforesaid, either along or in conjunction with any such other company as aforesaid.
35. To undertake jobs, or divisible or indivisible works contracts, in which the parts, components, accessories, products and instruments are to be employed together with the deployment or employment of the requisite personnel, labour, expertise, technical know-how and accumulated experience and skills.
36. To second, arrange, procure, give on hire for consideration, the services of skilled and unskilled employees of the Company for financial, management advisory and technical services, customer relationship management, compliance checking services, data processing and analysis, accounting, bookkeeping, to act as technology and engineering consultants and to provide training and human resource related services.
37. To train or pay for the training in India or abroad of any of the Company's employees or any candidate in the interest of or for the furtherance of the Company's objects and to employ or retain experts to further the interest of the Company and to remunerate such experts.
38. To promote any company or companies, whether in India or abroad which in the opinion of the Company could or might directly or indirectly assist the Company in the management of its business or the development of its properties or otherwise prove advantageous

to the Company and to pay all or any of the costs and expenses incurred in connection with any such promotion or incorporation.

39. To give any guarantee or indemnity for the payment or the performance of any obligation or undertaking.
40. To make advance upon or for the purchase of materials, goods, equipment, stores and other articles or services required for the purpose of the Company.
41. To give any guarantee in relation to the payment of any debentures, debenture-stocks, bonds, obligations or securities and to guarantee the payment of interest thereon or of dividends on any stock or share of the Company.
42. To establish, undertake, transact, execute, and maintain agencies or branches in any part of India or elsewhere or to enter into any contracts or arrangements with individuals, companies, associations or boards in and outside India for the conduct of the business of the Company.
43. To do all or any of the above things in any part of the world either as principals, agents, contractors, trustees or otherwise and either by or through agents, trustees, subcontractors or otherwise and either alone or in conjunction with others and to do all such things as are incidental or conducive to the attainment of the main objects of the Company.

**(C) OTHER OBJECTS :**

44. To act as consultants and advisors in relation to any and all objects of the Company, including processing of various food products, retailing, whole selling, setting up of distribution chains and other related fields.
45. To act as agents and brokers for sellers, buyers, exporters, importers, merchants, manufacturers, tradesmen, insurers and others and to undertake and carry out agency work of any kind whatsoever and transact all manners of agency and clearing and forwarding agents.
46. To produce, manufacture, purchase, sell, distribute, import, export or otherwise deal in all types of activities, services or materials relating to the business of the Company.
47. To carry on the business as designer and manufacturers, buyers, sellers, assemblers, exporters and importers, distributors, agents and dealers of plant, machinery, equipment, computer systems

including the peripheral equipment such as recording devices of sound on film or desk, printers, readers, magnetic or otherwise, CRT display and terminals and all other electronic components relating to computer aided manufacturing, designing or process control.

48. To carry on the business of publishing books, periodicals, magazines, journals and/or other publications on any subject and in any form and for this purpose to purchase and set up all necessary equipment and infrastructure.
49. To promote, establish, manage and maintain training centres, data processing centres, technical and financial consultancies and other services relating to financial or investment know how and information technology.
50. To carry on the business of advertising in all media including print, audio, visual, to act as advertising strategy consultants and to render consultancy services to any person firm or company in the field of copyrighting and advertising.
51. To carry on the business of manufacture and other products.
52. To carry on business of buying, selling or otherwise dealing in land (leasehold or freehold) and buildings or flats or tenements or shop, offices, and other premises in such buildings.
53. To grant leases, sub-leases or licenses in respect of land, buildings and tenements shops, offices, godowns, and other premises with or without furniture, fixtures, fittings, amenities therein.
54. To promote the consideration and discussion of all questions affecting the building trade (which expression in the Memorandum includes the trade of builders and of contractors for the execution of public and private works and all ancillary and allied trades and every branch of any such trade) and generally to watch over and protect the interests of persons engaged in the building trade
55. To buy, purchase, sell, lease, take on lease, exchange or other wise acquire lands, buildings and hereditaments of any tenure or description in India or elsewhere for residential, business, manufacturing or other purposes, and any rights, easements, advantages, manufacturing or other purposes, and any rights, easements, advantages and privileges relating thereto and either for investment or resale or for trafficking in the same and to turn the same into account as may seem expedient, and to construct, alter, improve, decorate, develop, furnish and maintain offices, flats, houses, factories, ware-houses, godowns, shops and buildings and

other structures works and convenience of all kinds of any of the lands or immoveable properties purchased or acquired by the Company and to lease, sell, deal in or to otherwise dispose of the same.

56. To transact deal in or carry on all kind of agency business and subject to the provisions of any law for the time being in force, in particular in relation to the collection, payment, remittance and transmission of monies, securities, and valuables or investment of the same purchase, sale, and improvement, development, management of property including business concerns and undertakings.
57. To carry on the business of construction and deal in land, Buildings and hereditaments of any tenure or description and estate or interest therein, or any right over or in connection with land and preparing building sites and by construction and reconstruction, altering improving, decorating, furnishing offices, flats, service flats, houses, bungalows, chawls, factories, buildings, hospital, nursing homes, clinic, godowns and other commercial works of all kinds and by leasing, letting on building by lease or building agreement, and to acquire plot of land or building apartments including agriculture lands.
58. To carry on the profession of consultants or management, property and hotel consultant, taxation, financial, employment, engineering, industrial and technical matters to industry and business of and to act as employment agents, to carryon the business of printing and publishing books, magazines, journals and newspapers and to act as agents in connection therewith.
59. To establish and carry on the business of acquire, undertake, promote, run, manage, own, lease, convert, build, commercialise, handle, operate, renovate, construct, maintain, improve, exchange, furnish, recondition, hire, let on hire, develop, consolidate, subdivide & organise, hotels, restaurants, cafes, taverns, rest houses, tea and coffee houses, flight carriers, lodging house keepers, refreshment rooms with necessary amenities and to do all incidental acts and things necessary for the attainment of foregoing objects.
60. To carry on in India or elsewhere the business of an investment company in all its branches and to sale, purchase, exchange, subscribe, acquire, undertake, underwrite, hold, auction, convert or otherwise to deal in all types of shares, stocks, bonds, fully convertible debentures, partly convertible debentures, non-convertible debentures, debenture stocks, warrants, certificates, premium notes, mortgages, obligations, inter-corporate deposits,

call money deposits, public deposits, commercial papers, securities of all types and other similar instruments whether issued by government, semi government, local authorities, public sector undertaking, companies, corporations, co-operative societies, and other similar organisations at national & international levels and to do all incidental acts and things necessary for the attainment of above objects.

61. To carry on business of advisors and consultants in takeover bids, mergers, amalgamations, acquisitions, diversifications, rehabilitation or restructuring of any enterprises whether incorporated or not.
62. To carry on the business of providing financial, investment advisory services, management and facilitation services, including but not limited to identifying investment opportunities, conducting analysis and assessment, providing investment recommendations and consultancy service for making available infrastructure (including but not limited to administrative, managerial, logistical, financial, communication and information technology facilities/services) to venture capital funds, including the trustees, beneficiaries and contributories of such funds, other funds (including but not limited to funds for providing debt financing investing in equity, equity linked securities and all other instruments as permitted under applicable laws), trusts, investment companies, joint ventures, corporate, institutional, group and individual investors.

#### IV. LIABILITY

The liability of the Members is limited.

**CERTIFIED TO BE TRUE**  
For Futurebazaar India Limited



Director/ ~~Authorised signatories~~

#### V. SHARE CAPITAL

- # (a) The Authorised Share Capital of the Company is Rs.20,00,00,000/- (Rupees Twenty Crores only) divided into 2,00,00,000 (Two Crores) equity shares of Rs.10/-(Rupees Ten only) each, with power to increase or decrease the capital.
- (b) Paid up capital of the Company shall be Rs. 5,00,000/- [Rupees Five lakhs Only].

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# Clause V(a) altered vide Ordinary Resolution passed in the Extra Ordinary General Meeting held on 29/06/2007

We, the following persons whose names, addresses and descriptions are subscribed hereunder 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 equity capital of the company set opposite our respective names.

Name address/ occupation of subscribers	No of shares taken by each subscriber	Signature of subscriber	Signature/name/ address/occupation & description of witness
<b>1. Kishore Biyani</b> 406, Jeevan Vihar, Manav Mandir Road Mumbai 400006 S/o Laxminarayan Rathi Business	49,994 (Forty Nine Thousand Nine Hundred Ninety Four)	Sd/-	Witness to Subscriber No. 1 to 7 Sd/- <b>Sanjay Rathi</b> 8, Divyapuri, Shreenagar Colony, Goregaon (West), Mumbai 400062. S/o. Shri Ramprasad Rathi Consultant
<b>2. Ved Prakash Arya</b> 701, Gladioli, Off Yari Road, Varsova, Andheri (West), Mumbai 400053 S/o Shri S P Arya Service	1 (one)	Sd/-	
<b>3. Chandra Prakash Toshniwal</b> A-603, Great Eastern Link, Ram Mandir Road Goregaon (West), Mumbai 400104 S/o Shri Ram Gopal Toshniwal Business	1 (one)	Sd/-	
<b>4. Krishan Kant Rathi</b> B/72, Dakshina Park, Plot No. 15, N. S. Road, 10th JVPD Scheme, Mumbai 400049 S/o Radhamohan Rathi Company Executive	1 (one)	Sd/-	
<b>5. Rajesh Kalyani</b> D-48, Sagar Kiran ONGC Colony, Navghar Road Bhayander (East), 401105 S/o Shri Ramjilal Kalyani Company Executive	1 (one)	Sd/-	
<b>6. Pankaj Patel</b> 3, Sankalpa Siddhi, Tardeo P.B Marg, Mumbai 400007 S/o Ramesh S. Patel Company Executive	1 (one)	Sd/-	
<b>7. Pradeep Jain</b> B-1502, Vastu Park Tower, Evershine Nagar, Malad (West), Mumbai 400064 S/o Shri Ratanchand Jain Service	1 (one)	Sd/-	
Total	50000 (Fifty Thousand)		

Dated at **Mumbai** this **07** day of **January 2006**.

# The Companies Act, 1956

(Public Company limited by shares)

## Articles of Association

of

## Futurebazaar India Limited

### CONSTITUTION

1. Save as reproduced herein the regulations contained in Table A in the First Schedule of the Companies Act, 1956 shall not apply to the Company.
2. The Regulations for the management of the Company and for the observance of the Members thereof shall be such as are contained in these Articles subject however to the exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by Special Resolution as prescribed by the Companies Act, 1956.

### INTERPRETATION

In these presents, the following words and expressions shall have the following meanings, unless excluded by the subject or context:

- (i) "The Company" or "This Company" means Futurebazaar India Limited.
- (ii) "The Act" means the Companies Act, 1956 for the time being in force.
- (iii) "Auditors" means and includes those persons appointed as such for the time being by the Company.
- (iv) "Annual General Meeting" means a general meeting of the members held in accordance with the provisions of Section 166 of the Act.
- (v) "Articles" means Articles of association for the time being or as altered from time to time by special resolution.
- (v) "Board" or "Board of Directors" means a meeting of the Directors duly called and constituted, or as the case may be, the Directors assembled at a Board or the requisite number of Directors entitled to pass a Circular resolution in accordance with the Articles, or the Directors of the Company collectively.
- (vi) "Buy Back" shall have same meaning as referred to under Section 77-A of the Act.
- (vii) "Capital" means the share capital for the time being raised or authorised to be raised, for the purpose of the Company.
- (viii) "Debenture" includes debenture-stock.

- (ix) "Director" means the Directors for the time being of the Company or as the case may be, the Directors assembled at a Board or acting under Circular Resolution under the Articles.
- (x) "Dividend" includes interim dividend.
- (xi) "Employees Stock Option" means the option given to the whole-time Directors, Officers or employees of the Company, which gives such Directors, officers or employees the benefit or right to purchase or subscribe at a future date, the securities offered by the Company at a pre-determined price.
- (xii) "Extra Ordinary General Meeting" means an extraordinary general meeting of the Members duly called and constituted and any adjourned holding thereof.
- (xiii) "Hybrid security" means any security, which has the character of more than one type of security, including their derivatives.
- (xiv) "In writing" and "Written" include printing, lithography and other modes of representing or reproducing words in a visible form.
- (xv) "Meeting" or "General Meeting" means a general meeting of Members.
- (xvi) "Member" means the duly registered holder from time to time of the shares of the Company and includes the subscribers of the Memorandum of the Company.
- (xvii) "Month" means a Calendar Month.
- (xviii) "Office" means the registered office for the time being of the Company.
- (xix) "Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto by Section 189 of the Act.
- (xx) "Paid up" includes credited as paid up.
- (xxi) "Persons" included Corporations and firm as well as individuals.
- (xxii) "Proxy" means as instrument whereby any person is authorised to attend a meeting and vote for a member at the general meeting on poll and includes attorney duly constituted under a Power of Attorney.
- (xxiii) "Register of Members" means the Register of Members to be kept pursuant to Section 150 of the Act.
- (xxiv) "Registrar" means the Registrar of Companies of the State in which the office of the Company is for the time being situated.
- (xxv) "Secretary" includes a temporary or Assistant Secretary or any person or persons appointed by the Board to perform any of the duties of the Secretary.
- (xxvi) "Seal" means the Common Seal for the time being of the Company.
- (xxvii) "Share" means share in the capital of the Company and includes stock except where a distinction between stock and shares is expressed or implied.



(xxviii) "Share with differential rights" means a share issued with differential rights, in accordance with the provisions of the Act.

(xxix) "Sweat Equity" means equity share issued by the Company to employees or Directors at a discount or for consideration other than cash for providing know-how for making available rights in the nature of intellectual property rights or value additions, by whatever name called.

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

(xxxi) Words importing the masculine gender also include the feminine gender

(xxxii) "year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(17) of the Act.

The headings/sub-headings used in these Articles shall not affect the construction hereof.

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

## SHARE CAPITAL

### 3. Authorised Capital

The authorised Capital of the Company is as defined in Clause V of the Memorandum of Association including amendments thereto, if any.

The paid-up share capital of the Company shall be a minimum of Rs. 5,00,000/- (Rupees Five Lac only).

### 4. Increase of Capital by the Company and how carried into effect

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. Subject the provisions of the Act, any shares of the original or increased Capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Directors shall determine; and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with a right of voting at General Meeting of the Company in conformity with Sections 87 and 88 of the Act. Whenever the Capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.

The Company may, subject to provisions of the Act and Rules made thereunder as may be in force, from time to time, issue shares and other securities under Employees Stock Options and/or by way of Sweat Equity.

### 5. New Capital same as existing Capital

Except so far as otherwise provided by the conditions of issue of these presents, any capital raised by the creation of new shares shall be considered as part of the original Capital, and

shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

6. Redeemable preference Shares

Subject to the provisions of the Section 80 of the Act, the Company shall have the power to issue preference Shares, which are or at the option of the Company liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.

7. Voting rights of preference shareholders

The holder of preference Shares shall have a right to vote only on resolutions, which directly affect the shares attached to his preference Shares. The preference shareholders shall also be entitled to vote on every kind of resolution placed before the Company at any Meeting until and then only for so long as their dividend are more than 2 years in arrears preceding the date thereof.

8. Provisions to apply on issue of redeemable preference Shares

On the issue of redeemable preference Shares under the Provisions of Article 6 hereof the following provisions shall take effect:

- (a) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption;
- (b) no such shares shall be redeemed unless they are fully paid;
- (c) the premium, if any, payable on redemption must have been provided for out of the profits of the Company or the Company's Share Premium Account before the shares are redeemed;
- (d) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called the "Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid up share capital of the Company.

9. Issue of Shares at Discount

With the previous authority of the Company in General Meeting and the sanction of the Central Government and upon otherwise complying with Section 79 of the Act (or any amendment thereof) the Board may issue at a discount shares of a class already issued.

10. Instalments on shares to be duly paid.

If by the conditions of any allotment of any shares the whole or any part of the amount of issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the shares or his legal representatives, and shall for the purpose of these Articles be deemed to be payable on the date fixed for payment and in the case of non-payment the provisions of these Articles as to payment of interest and expenses

forfeiture and the like and all the other relevant provisions of the Articles apply as if such instalments were a call duly made and notified as hereby provided.

11. The Board may issue shares as fully paid up.

Subject to the provisions of the Act and these Articles, the Board may allot and issue shares in the Capital of the Company as payment of any property sold or transferred or for service rendered to the Company in the conduct of its business or in satisfaction of any outstanding debt or obligation of the Company and any shares which may be so issued shall be deemed to be fully paid-up shares.

12. Reduction of Capital

The Company may (subject to the provisions of Sections 78, 80, 100 to 105 inclusive of the Act) from time to time by Special Resolution, reduce its Capital, any Capital Redemption Reserve Account and Share Premium Account in any manner for the time being authorised by law, and in particular Capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted.

13. Buy Back

Subject to the provisions of Section 77A, 77AA and 77B of the Act, the Rules made thereunder and any statutory modifications thereof, the Company may Buy Back its own Shares or other specified securities from time to time.

14. Sub-division, consolidation and cancellation of Shares

Subject to the provisions of Section 94 of the Act the Company in General Meeting may, from time to time, sub-divide or consolidate its Shares, or any of them, and the resolution whereby any Share is sub-divided, may determine that, as between the holders of the Shares resulting from such sub-division one or more of such Shares shall have some preference or special advantage as regards dividend capital or otherwise over or as compared with the others or other. Subject as aforesaid the Company in General Meeting may also cancel Shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the Shares so cancelled.

15. Whenever the Company shall do any one or more of the things as aforesaid, the Company shall within 30 days thereafter give notice thereof to the Registrar as required under Section 95 of the Act, specifying, as the case may be the shares consolidated, divided, sub-divided or cancelled.

16. Modification of Rights

Whenever 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 each class may subject to the provisions of Sections 106 and 107 of the Act be modified, commuted, affected or abrogated, or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three fourths in nominal value of the issued shares of the class or is confirmed by a Special Resolution passed at a separate General Meeting of the holders of the shares of that class. This Article is not to derogate from any power the Company would have if it were omitted.

## 17. Shares with differential rights

Subject to the provisions of Section 86 of the Act and other applicable statutory provisions, the Company shall have the power to issue equity Shares with voting rights or with differential rights as to dividend, voting or otherwise in accordance with such rules and subject to such conditions as may be prescribed.

## 18. Issue of "Hybrid" or other security

Subject to the provisions of the Act and rules made thereunder, from time to time, the Company shall be entitled to issue Hybrid or other security.

### SHARES AND CERTIFICATES

## 19. Register and Index of Members

The Company shall cause to be kept a Register and Index of Members in accordance with Section 150 and 151 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.

## 20. Shares to be numbered progressively and no share to be sub-divided

The shares in the Capital shall be numbered progressively according to their several denominations and except in the manner herein before mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

## 21. Further issue of Capital

(a) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the 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, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on these shares at that date. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice as aforesaid shall contain a statement of this right; provided that the directors may decline, giving reasons for refusal to allot any shares to any person in whose favour any member may renounce the shares offered to him. 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 they think most beneficial to the Company.

(b) Notwithstanding anything contained in the preceding sub-clause, the Company may:

i) by a Special Resolution; or

- ii) where no such Special Resolution is passed, if the votes cast (whether or 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 do to, 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 of Directors in this behalf, that the proposal is most beneficial to the Company.

Offer further shares to any person or persons, and such person or persons may or may not include the persons who at the date of the offer, are the holders of the equity shares of the Company;

- (c) Notwithstanding anything contained in sub-clause (a) above, but subject however, to Section 81(3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to debentures issued or loans raised by the Company, to convert such debentures or loans into shares, or to subscribe for shares in the Company.

## 22. Share under control of Directors

Subject to the provisions of these Articles and of the Act, the shares (including any shares forming part of any increased Capital of the Company) shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons in such proportion on such terms and conditions and at such times as the Directors think fit and subject to the sanction of the Company in General Meeting with full power, to give any person the option to call for or be allotted shares of any class of the Company either (subject to the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount and such option being exercisable for such time and for such consideration as the Directors think fit. The Board shall cause to be filed the return as to allotment provided for in Section 75 of the Act.

## 23. Power to issue shares in General Meeting

In addition to and without derogating from the powers for that purpose conferred on the Board under Articles 17 and 18, the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any shares (whether forming part of the original Capital or of any increased Capital of the Company) shall be offered to such person (whether a Member or not), in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78, 79, and 86 of the Act ) at a premium or at par or a discount or shares with voting rights or with differential rights as to dividend, voting or otherwise as such General Meeting shall determine and with full power to give any person (whether a member or not) the option to call for or be allotted shares of any class of the Company either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares.

## 24. Acceptance of Shares

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 names is on the Register shall, for the purposes of these Articles, be a Member.

25. Deposit and call etc, to be debt payable immediately

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

26. Liability of Members

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 shall, from time to time in accordance with the Company's regulations, require or fix for the payment thereof.

27. Share Certificates

- (a) Every member or allottee of shares shall be entitled without payment, to receive one certificate specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid-up thereon. Such certificate shall be issued only in pursuance of a Resolution passed by the Board and on surrender to the Company of the letter of allotment or the fractional coupons of requisite value, save in case of issues against letters of acceptance or of renunciation or in cases of issue of bonus shares. Provided that if the letter of allotment is lost or destroyed the Board may impose such reasonable terms, if any, as it thinks fit, as to evidence and indemnity and payment of out of pocket expenses incurred by the Company in investigating the evidence. Every such certificate shall be issued under the seal of the Company, which 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 the two Directors or their Attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, one of the aforesaid two Directors shall be a Managing or a whole time Director.

Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue. For any further certificate the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding Rupee One. The Company shall comply with the provisions of Section 113 of the Act.

- (b) 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 subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them;
- (c) 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 a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

## RENEWAL OF SHARE CERTIFICATES

## 28. Renewal

- (a) No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated in replacement of those which are defaced, torn or old, decrepit, worn out, or where the pages on the reverse for recording transfers have been duly utilised, unless the certificate in lieu of which it is issued is surrendered to the Company.  
Provided that no fees shall be charged for issue of new certificates in replacement of those which are old, decrepit or worn out of where the pages on the reverse for recording transfers have been fully utilised.
- (b) When a new share certificate has been issued in pursuance of clause (a) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "issued in lieu of share certificate No. \_\_\_ sub-divided/replaced or consolidation of shares".
- (c) If a share certificate is lost or destroyed or is otherwise defaced, torn, damaged or decrepit, a new certificate in lieu thereof shall be issued only with the prior consent of the Board and on such terms, if any, as to evidence and indemnity and as to the payment of out of pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit;
- (d) When a new share certificate has been issued in pursuance of clause (c) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "duplicate issued in lieu of share certificate No. \_\_\_". The word "Duplicate" shall be stamped or punched in bold letters across the face of the share certificate.
- (e) Where a new share certificate has been issued in pursuance of clause (a) or (c) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against the names of the persons to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued and the necessary changes indicated in the Register of Members by suitable cross reference in the "Remarks" column.
- (f) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a Resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and the blocks engravings, facsimiles and hues relating to the printing of such forms shall be kept in the safe custody of the Secretary or of such other person as the Board may appoint for the purpose, and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
- (g) The Managing Director of the Company for the time being or, if the Company 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 certificate referred to in clause (f) of this Article.
- (h) All books referred to in clause (g) of this Article shall be preserved in good order permanently.

## 29. The First name of joint holders deemed sole holder

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 regulation.

## 30. Company not bound to recognise any interest in shares other than of registered holder.

Except as ordered by a Court of Competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof; but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

#### UNDERWRITING AND BROKERAGE

## 31. Commission may be paid

Subject to the provisions of 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 percent of the price at which the shares are issued and in the case of debentures two and a half percent of the price at which the debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.

## 32. Brokerage

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

#### INTEREST OUT OF CAPITAL

## 33. Interest may be paid out of Capital

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 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.

#### CALLS

## 34. Directors may make calls

The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a Resolution passed at a meeting of the Board (and not by circular Resolution) make such call as it thinks fit upon the Members in



respect of all moneys unpaid on the shares whether on account of nominal value of the shares or by way of premium held by them respectively and each Member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by instalments.

35. Notice of Calls

Fourteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.

36. Sub-division and payment of call money

Where calls are made on partly paid up shares :-

- (i) Call notice shall be sub-divided into smaller units when so required by the registered shareholders and duplicate call notices shall be issued at the request of the persons beneficially entitled on production of satisfactory evidence that they are so beneficially entitled.
- (ii) Payment of call moneys shall be accepted from the beneficial holders on production of sub-divided or duplicate call notices without insisting that the shares in respect of which these call monies are paid shall be transferred into the names of the beneficial holders.
- (iii) The surrender of call money receipts shall be accepted when allotment letters are presented to the Company to be exchanged for share certificates regardless of the persons in whose favour the receipts have been made out and the Board shall not require the surrender of any receipts from the registered shareholder(s) of the issue of discharge or indemnity from him or them before issuing the share certificate(s).

37. Call to date from Resolution

A call shall be deemed to have been made at the time when the Resolution authorising such call was passed at a meeting of the Board.

38. Call may be revoked or postponed

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

39. Liability of joint holders

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

40. Directors may extend time

The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time to all or any of the Members, the Board may deem fairly entitled to such extension but no Member shall be entitled to such extension save as a matter of grace and favour.

41. Calls to carry interest

If any member fails to pay any call or instalment due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual

payment at such rate as shall from time to time be fixed by the Board, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.

42. Sums deemed to be calls

Any sums, which by the terms of issue of a share becomes payable on allotment or any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

43. Proof on trial of suit for money due on shares

On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequently to the date at which the money sought to be recovered as alleged to have become due on 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 so sued in pursuance of these Articles, and 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 Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

44. Partial payment not to preclude forfeiture

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

45. Payment in anticipation of calls may carry interest

(a) The Board may, if it thinks fit, agree to and receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board may pay or allow interest, at such rate as the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing. Provided that moneys paid in advance of calls on any shares may carry interest but shall not confer a right to dividend or to participate in profits.

- (b) 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.

#### LIEN

46. Company to have lien on shares

The Company shall have a first and paramount lien upon all the shares (other than fully paid-up shares) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at fixed time in respect of such shares, and no equitable interest in any shares shall be created except upon the footing and upon the condition that Article 25 hereof is to have full effect. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.

47. As to enforcing lien by sale

For the purpose of enforcing such lien the Board may sell the shares subject thereof in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their number to execute a transfer thereof on behalf of and in the name of such Member. No sale shall be made until such period as aforesaid shall have arrived, and until notice in writing of the intention to sell shall have been served on such Member or his representatives and default shall have been made by him or them in payment, fulfilment or discharge of such debts, liabilities or engagements for fourteen days after such notice.

48. Application of proceeds of sale

The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares at the date of the sale.

#### FORFEITURE OF SHARES

49. If money payable on share not paid, notice to be given to Member

If any member fails to pay any call or instalment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board 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 interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

50. Form or Notice

The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and that which such call or instalment and such interest thereof at such rate as the Board of Directors shall determine from the date 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 be forfeited.

## 51. In default of payment, shares to be forfeited

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

## 52. Notice of forfeiture to a Member.

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 any omission or neglect to give such notice or to make any such entry as aforesaid.

## 53. Forfeited share to be property of the Company and may be sold, etc.

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

## 54. Member still liable to pay money owing at time of forfeiture and interest

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 as the Board may determine and the Board may enforce the payment thereof, if it thinks fit but shall not be under any obligation to do so.

## 55. Effect of forfeiture

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

## 56. Evidence of forfeiture

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 shares.

## 57. Validity of sale under Articles 48 and 53

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold and the Purchaser shall not be bound to see the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be

impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

58. Cancellation of share certificates in respect of forfeited shares

Upon any sale, re-allotment or other disposal under the provision of the preceding 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 of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.

59. Power to annul forfeiture

The Board may at any time before any share so forfeited shall have been sold, re-allotted or disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

60. Surrender of shares

The directors may, subject to the provisions of the Act, accept surrender of any shares from or for any members desirous of surrendering on such terms as they may think fit.

#### TRANSFER AND TRANSMISSION OF SHARES

61. Register of Transfer

The Company shall keep a "Register of Transfer" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share.

62. Form of Transfer

The instrument of transfer shall be in writing and all the provisions of Section 108 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and the registration thereof.

63. Transfer form to be completed and presented to the Company

The instrument of Transfer duly stamped and executed by the Transferor and the Transferee shall be delivered to the Company in accordance with the provisions of the Act. The instrument of the Transfer shall be accompanied by such evidence as the Board may require to prove the title of Transferor and his right to transfer the shares and every registered instrument of Transfer shall remain in the custody of the Company until destroyed by order of the Board. 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. Before the register of a transfer the certificate or certificates of the shares must be delivered to the Company.

64. Transfer Books and Register of Members when closed

The Board shall have power on giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the Office of the Company is situated to close the Transfer Books, the Register of Members or Register of Debenture holders, 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.

## 65. Directors may refuse to register Transfers

Subject to the provisions of Section 111 of the Act, the Board may, at its own absolute and uncontrolled discretion and without assigning any reason, 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 two months 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 provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any person or persons indebted to the Company on any account whatsoever except where the Company has a lien on the shares.

## 66. Notice of application when to be given

Where, in the case of partly paid shares, an application for registration is made by the Transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.

## 67. Nomination and Transmission of Shares

Every holder of Shares, in or holder of debentures or other securities of the Company may at any time, nominate in the prescribed form, pursuant to Section 109-A of the Act and the Rules made thereunder, any person to whom his shares debentures or other securities shall vest in the event of his death.

Any person who becomes a nominee as above, shall, in accordance with and subject to Section 109-B of the Act, and upon such evidence as may be required by the Board elect either.

- (a) to be registered himself as holder of the share or debenture or other security, as the case may be, or
- (b) to make such transfer of the share or debenture or other security, as the case may be as the deceased holder, debenture holder or the holder of such other security could have made.

## 68. Refusal to register a nominee

Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any share of his nominee as if he were the transferee named in an ordinary transfer presented for registration

## 69. Death of one or more joint-holders of shares

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

## 70. Title to shares, etc. of deceased Members

Where a shareholder, debenture holder or the holder of other security has not nominated any other person pursuant to Section 109 A of the Act, the executors or administrators or holders of a Succession Certificate or the legal representatives of a deceased member (not

being one of two or more joint holders) shall be the only persons recognised by the Company as having any title to the shares, debenture or other securities registered in the name of such person, and the Company shall not be bound to recognise such executors or administrators or holders of a Succession Certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be, from a duly constituted Court in the Union of India, provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of Probate or Letters of Administration or Succession Certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and register the name of any person who claims to be absolutely entitled to the shares standing in the name of the deceased Member as a Member.

71. No transfer to infant etc.

No share shall in any circumstances be transferred to any infant, insolvent or person of unsound mind.

72. Registration of persons entitled to shares otherwise than by Transfer

Subject to the provisions of the Act and Articles 69 and 70 any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any Member, or by any lawful means other than by a Transfer in accordance with these Articles, may, with the consent of the Board (which it 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 such title as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some person nominated by him and approved by the board 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.

73. Persons entitled may receive dividend without being registered as Members

Subject to the provisions of the Act, 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, be entitled to receive and may give a discharge, for any dividends or other moneys payable in respect of the shares.

74. Fee on transfer or transmission

There shall be paid to the Company, in respect of the transfer or transmission of any number of shares to the same party, such fee, if any, as the Directors may require.

75. Company not liable for disregard of a notice prohibiting registration of a transfer

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 or 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 thereof if the Board shall so think fit.

#### COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS

76. Copies of Memorandum and Articles of Association to be sent by the Company

Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 39 of the Act shall be sent by the Company to every Member at his request within seven days of the request on payment of the sum of Rupee One for each copy.

#### BORROWING POWERS

77. Power to Borrow

Subject to the provisions of Sections 58 A, 292 and 293 of the Act, the Board may, from time to time at its discretion by a Resolution passed at a meeting of the Board accept deposits from Members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. Provided, however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the Company in General Meeting.

78. Payment or Repayment of Moneys borrowed

Subject to the provisions of Article 77 hereof, 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 General Meeting Resolution shall prescribe including by the issue of debentures of debenture stock 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.

79. Terms of issue of Debentures, etc.

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

80. Register of Mortgages, etc. to be kept

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



## 81. Register and Index of Debenture Holders

The Company shall, if at any time it issues debentures, keep a Register and Index of Debenture-holders in accordance with Section 152 of the Act. The Company shall have the power to keep in any State or country outside India a Branch Register of Debenture holders resident in that State or Country.

### SHARE WARRANTS

## 82. Power to issue share warrants

The Company may issue share warrants subject to, and in accordance with the provisions of Section 114 and 115, and accordingly the Board may in its discretion, with respect to any share which is fully paid, upon application in writing signed by the person, registered as holder of the share, and unauthenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the person signing the application, and on receiving the certificate (if any) of the share, and the amount of the stamp duty on the Warrant and such fee as the Board may from time to time require, issue a share warrant.

## 83. Deposit of share warrant

- (1) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the Warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a Meeting of the Company, and of attending, and voting and exercising the other privileges of a Member at any Meeting held after the expiry of two clear days from the time of deposit as if his name were inserted in the Register of Members as the holder of the share included in the deposited warrant.
- (2) Not more than one person shall be recognised as depositor of the share warrant.
- (3) The Company shall, on two days written notice, return the deposited share warrant to the depositor.

## 84. Privileges and disabilities of the Holders of Share Warrant.

- (1) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a Meeting of the Company, or attend, or vote or exercise any other privileges of a Member at a Meeting of the Company, or be entitled to receive any notice from the Company.
- (2) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the share included in the Warrant, and he shall be a Member of the Company.

## 85. Issue of new share warrant or coupon

The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

**CONVERSION OF SHARES INTO STOCK AND RECONVERSION**

## 86. Shares may be converted into Stock

The Company in General Meeting may convert any 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 interest therein, or any part of such interest, in the same manner and subject to the same regulations, as and subject to which 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 paid up shares of any denomination.

## 87. Right of Stock holders

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

## 88. Regulations applicable to Stock and share warrants

Such of the regulations of the Company as are applicable to paid up shares shall apply to stock and the words "Share " and Shareholder" in these regulations shall include "Stock" and Stockholder" respectively.

**MEETINGS OF MEMBERS**

## 89. Statutory Meeting

The Statutory Meeting shall be held in accordance with the provisions of Section 165 of the Act, within a period of not less than one month and not more than six months from the date on which the Company shall be entitled to commence business.

## 90. Annual General Meeting

The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other Meetings in that year. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings. The First Annual General Meeting shall be held within eighteen months from the date of incorporation of the Company and the next Annual General Meeting shall be held within six months after the expiry of the Financial Year in which the first Annual General Meeting was held and thereafter an Annual General Meeting of the Company shall be held within six months after the expiry of each Financial Year, provided that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 166(1) of the Act to extend the time within which any Annual General Meeting may be held.

Every Annual General Meeting shall be called at a time during business hours, on a day, that is not a public holiday and shall be held at the registered office of the Company or at some other place within the city in, which the registered office of the Company is situated as the Board may determine and the Notices calling the Meeting shall specify as the Annual General Meeting. The Company may in any one Annual General Meeting fix the time for its

subsequent Annual General Meetings. Every Member of the Company shall be entitled to attend either in person or by Proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting, which he attends on any part of the business, which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Director's Report (if not already incorporated in the Audited Statement of Accounts) the Proxy Register with Proxies and the Register of Directors' Shareholding which later Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual List of Members, Summary of the Share Capital, Balance sheet and Profit and Loss Account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.

91. Extraordinary General Meeting

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

92. Requisition of Members to state object of Meeting

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 provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.

93. On receipt of requisition Directors to call Meeting and in default requisitionists may do so.

Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting, and if they do not proceed within twenty one days from the date of the requisition being deposited at the Office to cause a Meeting to be called on a day not later than forty five days from the date of deposit of the requisition; the requisitionists, or such of 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-up 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.

94. Meeting called by Requisitionists

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.

95. Twenty One Days notice of Meeting to be given.

At least Twenty-One Clear days' notice of every General Meeting, Annual or General, and by whomsoever called specifying the day, place and hour of Meeting, and the general nature of the business to be transacted there at, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company. Provided that in the case of an Annual General Meeting within the consent of any other Meeting, the Consent of Members holding not less than 95% of such part of the paid-up share capital of the Company as gives a right to vote at the Meeting, a Meeting may be convened by a shorter notice. In the case of an Annual General Meeting, if any business other than (i) the consideration of the Accounts, Balance Sheets and Reports of the Board of Directors and Auditors; (ii) the declaration of dividend; (iii) the appointment of directors in

place of those retiring, (iv) the appointment of, and fixing of the remuneration of the Auditors, is to be transacted and in case of any other Meeting in any event there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest, if any therein of every Director, and the Manager (if any). Where any such item of special business relates to or affects any other Company, the extent of shareholding interest in other Company of every Director and the Manager, if any, of the Company shall also be set out in the statement if the extent of such shareholding interest is not less than 20 per cent of the paid up share capital of that other Company. Where 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.

96. Omission to give notice not to invalidate a resolution passed

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

97. Meeting not to transact business not mentioned in notice

No General Meeting, Annual or Extraordinary, shall be competent to enter upon discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.

98. Resolutions requiring special notice

The Company shall comply with the provisions of Section 190 of the Act relating to resolutions requiring special notice.

99. Quorum at General Meeting

Five Members present in person shall be a quorum for a General Meeting.

100. Body Corporate deemed to be personally present.

A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act.

101. If quorum not present, Meeting to be dissolved or adjourned

If, at the expiration of half an hour from the time appointed for holding Meeting of the Company, a quorum is not 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 a public holiday until next succeeding day which is not a public holiday at the same time and place or to such day and at such other time and place in the city or town in which the office of the Company is for the time being situated, 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 Meeting, the Members present shall be a quorum and may transact the business for which the Meeting was called.

102. Chairman of General Meeting

The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there be no such Chairman of the Directors, or if at any Meeting he is not present within fifteen minutes of the time appointed

for holding such Meeting of if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman and if no Director be present or if at all the Directors present decline to take the chair, then the Members present shall elect one of their number to be Chairman.

103. Business confined to election of Chairman whilst chair vacant

No business shall be discussed at any General Meeting except the election of a Chairman, whilst the Chair is vacant.

104. Chairman with consent may adjourn Meeting

The Chairman with the consent of the Members may adjourn any Meeting from time to time and from place to place, but no business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place.

105. Questions at General Meeting how decided

At any General Meeting 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 in that behalf by at least five members having the right to vote on the resolution and present in person or by proxy or by any member or members present in person or by Proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than fifty thousand rupees has been paid up. The demand for a poll may be withdrawn at any time by the person or persons who make the demand.

106. Chairman's Casting Vote

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

107. Poll to be taken if demanded

If a poll is demanded as aforesaid the same shall subject to Article 109 to be taken at such time (not later than forty eight hours from the time when the demand was made) and place in the city or town in the office of the Company in which the office is for the time being situated, and either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the resolution of the Meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

108. Scrutineers at poll

Where a poll is to be taken, the Chairman of the Meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him. One of the Scrutineers so appointed shall always be a Member (not being an office or employee of the Company) present at the Meeting, provided such a member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from such removal or from any other cause.

## 109. In what case poll taken without adjournment

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

## 110. Demand for poll not to prevent, transaction of other business

The demand for a poll except on the questions 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 on which the poll has been demanded.

### VOTES OF MEMBERS

## 111. Members in arrears not to vote.

No member shall be entitled to vote either personally or by Proxy at any General Meeting or Meeting of a 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, exercised any right of lien.

## 112. Number of Votes to which Member entitled

Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the Capital of the Company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and vote at such Meeting, and on a show of hands every Member present in person ( or being a body corporate present by a representative duly authorised) shall have one vote and upon a poll the voting right of every Member present in person ( including a body corporate by a duly authorised representative) or by an agent duly authorized by a power of attorney or by Proxy shall be in proportion to his share of the paid-up-equity share capital of the Company.

Provided, however, if any, Preference share holder be present at any Meeting of the Company, save as provided in clause (b) of sub-section (2) of Section 87, he shall have a right to vote only on resolutions placed before the Meeting which directly affect the rights attached to his preference shares.

Provided further that holders of Shares issued pursuant to Article 17 with differential voting rights, shall have rights to voting as per the terms and conditions of the said issue.

## 113. Casting of Votes by a Member entitled to more than one vote

On a poll being taken at a Meeting of the Company, a member entitled to more than one vote, or his Proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

## 114. How Members non compos mentis and minor may vote

A member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may on poll vote by Proxy, if any Member is a minor, the vote in respect of his shares or shares shall be by his guardian, or any one of his guardians, if more than one, to be selected in case of dispute by the Chairman of the Meeting.

## 115. Votes of Joint Members

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, if he were solely entitled thereto but the Proxy so appointed shall not have any right to speak at the Meeting 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 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 shares stand shall for the purpose of these Articles be deemed joint holders thereof.

116. A body corporate (whether a Company within the meaning of the Act is not) may, if it is member or creditor of the Company (including a holder of debentures), authorise such person as it thinks fit, by a resolution of its Board of Directors as its representative at any meeting of the creditors of the Company or debenture holders of the Company. The person authorised by resolution or its applicable internal resolution aforesaid shall be entitled to exercise the same rights and power (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, creditor or holder of debentures of the Company. The production of a copy of the resolution, certified by a Director or the Secretary or other officer of such body corporate before the commencement of the meeting shall be accepted by the Company and sufficient evidence of the validity of the said representative appointment and his right to vote thereat. A representative so appointed shall not be deemed to be a proxy.

## 117. Voting in person or by Proxy

Subject to the provisions of these Articles votes may be given either personally or by Proxy. A body corporate being a member may vote either by Proxy or by a representative duly authorised in accordance with Section 187 of the Act and such representative 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.

## 118. Votes in respect of shares of deceased and insolvent Member

Any person entitled under Article 67 to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were 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 or the Directors shall have previously admitted his right to vote at such Meeting in respect thereof.

## 119. Appointment of Proxy

Every Proxy (whether a Member or not) shall be appointed in writing under the hand of the Appointer or his attorney, or if such appointer is a body corporate under the common seal or such corporation, or be signed by an officer or any attorney duly authorised 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.

## 120. Proxy either for specified Meetings or for a period

A Proxy may be appointed by an instrument of Proxy either for the purpose of a particular Meeting specified in the instrument and any adjournment thereof or 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.

## 121. Proxy to vote only on a Poll

A member present by Proxy shall be entitled to vote only on a poll.

## 122. Deposit of Instrument of Appointment

The instrument appointing a Proxy and the power of Attorney or other authority (if any), under which it is signed or a notarised certified copy of that power or authority, shall be deposited at the Office not later than forty eight hours before the time for holding the Meeting at which the person named in the instrument proposes to vote and in default the instrument of Proxy shall not be treated as valid.

## 123. Form of Proxy

Every instrument of Proxy whether for a specified Meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule-IX of the Act and signed by the appointer or his attorney duly authorised in writing, or if the appointer is a body corporate be under the seal or be signed by any officer or attorney duly authorised by it.

## 124. Validity of votes given by Proxy notwithstanding death of Member

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.

## 125. Time for objections to votes

No objection shall be made to the validity of any vote, except at any 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.

## 126. Chairman of the Meeting to be the Judge of the validity of every vote

The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

## 127. Minutes of General Meeting and Inspection thereof by Members

(1) The Company shall cause minutes of the proceedings of every General Meeting to be kept by making thirty days of the conclusion of every such Meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.



- (2) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each Meeting in such book shall be dated and signed by the Chairman of the same Meeting within the aforesaid period of thirty days or in the event of the death or inability, of that Chairman within that period, by a Director duly authorised by the Board for the purpose.
- (3) In no case the minutes of proceedings of a Meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (4) The minutes of each Meeting shall contain a fair and correct summary of the proceedings thereat.
- (5) All appointments of the Officers made at any aforesaid Meeting shall be included in the minutes of the Meeting.
- (6) 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 (a) is or could reasonably be regarded as, defamatory of any person, or (b) is irrelevant or immaterial of the proceedings, or (c) is detrimental to the interests of the Company. The Chairman of the Meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.
- (7) Any such minutes shall be evidence of the proceedings recorded therein.
- (8) The book containing the minutes of proceedings of General Meetings shall be kept at the office of the Company and shall be open during business hours for such periods not being less in the aggregate than two hours in each day as the Directors determine, to the inspection of any member without charge.

#### DIRECTORS

128. (a) Number of Directors

Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors (excluding Debenture and Alternate Directors) shall not be less than three or more than twelve.

(b) The First Directors:

The First Directors shall be

- i) **Shri Ved Prakash Arya**
- ii) **Shri Krishan Kant Rathi**
- iii) **Shri Chandraprakash Toshniwal**

129. Appointment of alternate Director

The Board may appoint an Alternate Director to act for a Director (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 for a period longer than that permissible to the original Director in whose place he has been appointed and shall vacate office if and

when the Original director is determined before he so returns to that State, any provisions in the Act or in these Articles for the automatic re-appointment of retiring Director in default or another appointment, shall apply to the original Director and not to the Alternate Director.

130. Director's powers to add to the Board

Subject to the provisions of Section 260, 261 and 264, the Board shall have power at any time and from time to time to appoint any other qualified person to be an Additional Director, but so that the total number of Directors shall not at any time exceed the maximum fixed under Article 128. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting but shall be eligible for election at such meeting subject to the provisions of the Act.

131. Director's power to fill casual vacancies

Subject to the provisions of Sections 261, 264 and 284 (6), the Board shall have power at any time and from time to time appoint any other qualified person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only upto the date which the Director in whose place is appointed would have held office if it had not been vacated by him.

132. Qualification of Directors

A Director shall not be required to hold any share qualification.

133. Remuneration of Directors

(1) Subject to the provisions of the Act, a Managing Director or Managing Directors and any other Director/s who is/ are in the whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way or partly by the other provided that the remuneration paid to such director or where there are more than one such director, to all of them together, shall not exceed the maximum amount permissible under the law.

(2) Subject to the provisions of the Act, a Director who is neither in the whole time employment nor a Managing Director may be paid remuneration either:-

- i) By way of monthly, quarterly or annual payment with the approval of the Central Government, or
- ii) By way of commission, if the Company by a Special Resolution authorised such payment.

(3) The fees payable to a Director (other than Managing/ whole-time Director/s) for attending a meeting of the Board or Committee thereof shall be such sum as may be determined by the Board of Directors within the limits as prescribed by the Central Government from time to time.

134. Travelling Expenses incurred by Director not a bonafide resident or by Director going out on Company's business

The Board may allow and pay to any Director, who is not a bonafide resident of the place where meetings of the Board are ordinarily held and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation

for travelling, boarding, lodging and other expenses, in addition to his fee of attending such meeting as above specified, and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid any reimbursed any travelling or other expenses incurred in connection with business of the Company.

135. Extra remuneration to Directors for special work

Subject to the provisions of Sections 198, 309, 310, 311 and 314 of the Act, if any Director, being willing shall be called upon to perform extra services (which expression shall include work done by a Director as a member of any committee formed by the Director or in relation to signing Share Certificates) or to make special extensions in going or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company shall remunerate the Director so doing either by a fixed sum or otherwise as may be, either in addition to or in substitution for his share in the remuneration above provided

136. Directors may act notwithstanding any vacancy

The continuing Directors may act notwithstanding any vacancy in their body, but if so long as their number is reduced below the minimum number fixed by Article 128 hereof, the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or of summoning a General Meeting but for no other purpose.

137. Disqualification of Directors

A person shall not be capable of being appointed as a Director of the Company, if –

- (a) he has been found to be of unsound mind by a court of competent jurisdiction and the finding is in force;
- (b) he is an undischarged insolvent;
- (c) he has applied to be adjudged an insolvent and his application is pending
- (d) he has been convicted by a court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence.
- (e) he has not paid any call in respect of shares in the Company held by him whether alone or jointly with others and six months have elapsed from the last day fixed for the payment of the call; or
- (f) an order disqualifying him for appointment as Director has been passed by a court in pursuance of Section 203 of the Act and is in force, unless the leave of the court has been obtained for his appointment in pursuance of the Section.

138. When Office of Directors to become vacant

Subject to Sections 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 applies 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 larger, 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; or
- (h) he (whether by himself or by any person for his benefit on or on his account) or any firm in which he is a partner of any private company of which 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 an 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; or
- (l) he resigns his office by a notice in writing addressed to the Company.

139. Directors may hold office or place of profit under a contract with the Company

Subject to compliance with the provision, if any, 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 arrangement entered into by or on behalf of the Company in which any Director shall be in anyway interested be avoided, nor shall any Director be liable to account to the Company for profit arising from any such contract or any arrangement entered into by or on behalf of the Company in which any Director shall be in anyway interested be avoided, by reason only of such Director holding that office or of the fiduciary relation thereby established.

140. Director may contract with Company

- (1) A Director or his relative, firm in which such Director or relative is a Partner, or any other partner in such firm or a private company of which the Director is a Member or Director may enter into any Contract with the Company for the sale, purchase or supply of any goods, material or services or for underwriting the subscription of any shares in or debentures of the Company, provided that the sanction of the Board is obtained before or within three months of the date on which the contract is entered into in accordance with Section 297 of the Act.
- (2) No sanction shall, however, be necessary for:

- (a) Any purchase of goods and materials from the Company, or the sale of goods or materials to the Company, by any such Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or
- (b) Any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other for sale, purchase supply of any goods, materials and services in which either the Company or the Director's relative, firm, partner or private company, as the case may be, regularly trades or does business, where the value of the goods and materials or the cost of such services does not exceed Rs.5,000/- in the aggregate in any year comprised in the period of the contract or contracts.
- Provided that in circumstances of urgent necessity, a Director, relative, firm, partner or private company as aforesaid may, without obtaining the consent of the Board enter into any such contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or cost of such services exceeds Rs.5,000/- in the aggregate in any year comprised in the period of the contract, provided the consent of the Board is obtained to such contract or contracts at a meeting within three months of the date on which the contract was entered into.

#### 141. Disclosure of Interest

A Director of the Company who is in any way, whether directly or indirectly concerned or interest 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 in the manner provided in Section 299(2) of the Act, provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other company where any of the Directors of the Company or two or more of them together holds or hold not more than two percent of the paid-up share capital in any such other company.

#### 142. General Notice of Interest

A General Notice given to the Board of Director, to the effect that he is a Director or Member of a specified body corporate or is a partner of specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the Financial Year in which it is given by may be renewed for a further period of one Financial Year at a time by a fresh notice given in the last month of the Financial Year in which it would have otherwise expired. No such general notice, and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board of 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.

#### 143. Interested Director not to participate

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 discussion 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 or 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) a Director of such Company; and
    - (b) 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 2 percent of its paid-up share capital.

144. Register of Contracts in which Directors are interested

The Company shall keep a Register in accordance with Section 301(1) and shall within the time specified in Section 301(2) enter therein such of the particulars as may be relevant having regard to the application thereto of Section 297 or Section 299 of the Act as the case may be. The Register aforesaid shall also specify, in relation to each Director of the Company the names of the bodies corporate and firms of which notice has been given by him under Article 142. The Register shall be kept at the office of the Company and shall be open to inspection at such office, and extracts may be taken therefrom and copies thereof may be required by any member of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 163 of the Act shall apply accordingly.

145. Directors may be directors of Companies promoted by the Company

A Director may be or become a Director of any Company promoted by the Company, or in which it may be interested as a Vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as Director or shareholder of such Company except in so far as Section 309(6) or Section 314 of the Act may be applicable.

146. Retirement and Rotation of Directors

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

147. Ascertainment of Directors retiring by rotation and filling of Vacancies

Subject to Section 256(2) of the Act, the Directors to retire by rotation under Article 146 at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day, those who are to retire, shall, in default of and subject to any agreement among themselves, be determined by lot.

## 148. Eligibility of re-election

A retiring Director shall be eligible for re-election.

## 149. Company to Appoint successors

Subject to Sections 258 and 261 of the Act, the Company at the General Meeting at which a Director retires in manner aforesaid may fill up the vacated office by electing a person thereto.

## 150. Provision in default of appointment

(a) 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 till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.

(b) If at the adjourned Meeting also, the place of the retiring Director is not filled up and that Meeting also has not been expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned Meeting unless-

- i) at that Meeting or at the previous Meeting resolution for the re-appointment of such Director has been put to the Meeting and lost;
- ii) the retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so-re-appointed.
- iii) he is not qualified or is disqualified for appointment.
- iv) a special resolution is required for the appointment or re-appointment by virtue of any provisions of the Act and such resolution could not be passed; or
- v) the proviso to sub-section (2) of Section 263 of the Act is applicable to the case.

## 151. Company may increase or reduce the number of Directors

Subject to section 259 of the Act, the Company may, by Ordinary Resolution from time to time, increase or reduce the number of Directors and may alter their qualifications and the Company may (subject to the provisions of Section 284 of the Act) remove any Director before the expiration of his period of office and appoint another qualified person in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

## 152. Notice of candidate for office director except in certain cases

(1) No person not being Retiring Director, shall be eligible for appointment to the Office of Director at any General Meeting unless he or some member intending to propose him has, not less than fourteen days before the Meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to prosecute him as a candidate for that office along with a deposit 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) 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 the Director) proposed as a candidate for the office of a Director shall sign and file with the Company, the consent in writing to act as a Director, if appointed.
- (3) A person other than a Director re-appointed after retirement by rotation or immediately on expiry of his term of office, or an Additional or Alternate Director or a person filling a casual vacancy in the office of a Director under Section 262 of the Act, appointed as a Director or 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 appointment signed and filed with the Registrar his consent in writing to act as such Director.

153. Register of Directors, etc. and Notification of charge to Registrar

- (a) The Company shall keep at its office a Register containing the particulars of its Directors and other persons mentioned in Section 303 of the Act and shall otherwise comply with the provisions of the said Section in all respects.
- (b) Register of shares or debentures held by Directors.

The Company shall in respect of each of its Directors also keep at its office a Register, as required by Section 307 of the Act, and shall otherwise duly comply with the provisions of the said section in all respects.

154. (a) Disclosure by Director of appointment to any other body corporate.

Every Director (including a person deemed to be a Director by virtue of the Explanation to sub-section (1) of Section 303 of the Act) Managing Director, Manager or Secretary of the Company shall within twenty days of his appointment to any of the above offices in any other body corporate, disclose to the Company the particulars relating to his office in other body corporate which are required to be specified under Section (1) of Section 303 of the Act.

155. (b) Disclosure by a Director of his holdings of Shares and Debentures of the Company, etc.

Every Director and every person deemed to be a Director of the Company by virtue of sub-section (10) of Section 307 of the Act, shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that section.

### MANAGING DIRECTORS

156. Board may appoint Managing Director or Managing Directors or whole time Director or Directors.

Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any of its number as Managing Director or Managing Directors or whole time Director or Directors of the Company for a fixed terms not exceeding five years at a time and upon such terms and conditions as the Board think fit, and subject to the



provisions of these Articles, the Board may by Resolution vest with such Managing Director or Managing Directors or whole time Director or Directors such of the powers hereby vested with the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such conditions and subject to such restrictions as it may determine. The remuneration of a Managing Director may be by way of monthly payment, fee for each Meeting or participation in profits, or by any or all these modes, or any other mode not expressly prohibited by the Act.

157. Provisions to which Managing Director and Whole time Director would be subject to

Subject to the provisions of the Act and these Articles, the Managing Director and/or the Whole-time Director shall not while he continues to hold that office, be subject to retire by rotation. He shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as may be applicable to the other Directors of the Company and he shall ipso facto and immediately cease to be a Managing Director or Whole-time Director, as the case may be, if he ceases to hold the office of Director for any reason.

Provided that if at any time the total number of Directors (including Managing Director and Whole-time Director) as are not subject to retirement by rotation shall exceed one-third of the total number of Directors for the time being, then such of the Managing Directors or Whole-time Directors or two or more of them as the Directors may from time to time determine shall be liable to retirement by rotation in accordance with the provisions of these Articles to the intent that the total number of Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being

158. Restriction on Management

The Managing Director shall not exercise the powers to:-

- (a) make calls on shareholders in respect of money unpaid on the shares in the Company;
- (b) issue debentures, and

Except to the extent mentioned in the Resolution passed at the Board meeting under Section 292 of the Act, shall also not exercise the powers to

- (a) borrow moneys, otherwise than or debentures,
- (b) invest the funds of the Company; and
- (c) make loans.

159. Certain persons not to be appointed Managing Director/s

The Company shall not appoint or employ or continue the appointment or employment of a person as its Managing or Whole time Director who -

- (a) is an undischarged insolvent, or has at any time been adjudged an insolvent.
- (b) suspends, or has at any time suspended, payment to his creditors, or makes, or has at any time made, a composition with them; or

- (c) is or has at any time been convicted by a Court of an offence involving moral turpitude.

160. Special Position of Managing Director

A Managing Director shall not while he continues to hold that office, be subject to retirement by rotation, in accordance with Article 147. If he ceases to hold the office of Director he shall ipso-facto and immediately cease to be the Managing Director.

**PROCEEDINGS OF THE BOARD OF DIRECTORS**

161. Meeting of Directors

The Directors may meet together as a Board for the dispatch of business from time to time and shall also meet at least once in every three months and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit.

162. Notice of Meetings

Notice of every meeting of the Board shall be given in writing to every Director for the time being in India, and at his usual address in India, to every other Director.

163. Quorum

Subject to Section 287 of the Act, the quorum for a meeting of 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 Directors who are not interested, present at the meeting, being not less than two shall be the quorum during such time.

164. Adjournment of meeting for want of Quorum

If a meeting of the Board could not be held for want of a quorum then, the meeting shall automatically stand adjourned to such other date and time (if any) as may be fixed by the Chairman not being later than seven days from the date originally fixed for the meeting.

165. When meeting to be convened

The Secretary shall, as and when directed by the Directors to do so, convene a meeting of the Board by giving a notice in writing to every Director.

166. Chairman

The Directors may from time to time elect from among their number, a Chairman of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within fifteen minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting.

167. Questions of Board meetings how decided

Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of equality of votes, the Chairman shall have a second or a casting vote.

168. Powers of the Board

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 discretions which by or under the Act or the Articles of the Company are for the time being vested in or exercisable by the Board generally.

169. Directors may appoint Committee

Subject to the restrictions contained in Section 292 of the Act, the Board may delegate any of their powers to Committees of the Board consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes, but every Committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfilment of the purposes of their appointments but not otherwise, shall have the like force and effect as if done by the Board.

170. Quorum for Committee Meetings

The quorum for meeting of the Committee shall be two persons present in person.

171. Meeting of Committee how to be governed

The meetings and proceedings of any such Committee of the Board consisting of two or more members 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 preceding Article.

172. Resolution by Circulation

A resolution passed by circulation, without a meeting of the Board or of a Committee shall, subject to the provisions of the Act, be as valid and effectual as a resolution duly passed at a meeting of the Board or Committee duly called and held. However, no resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated, in draft, together with the necessary papers, if any, to all the Directors, or 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 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.

173. Acts of Board or Committee valid notwithstanding informal appointment

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 Director or persons 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 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 determined.

174. Proceedings of meetings of the Board and its Committees

- (1) The Company shall cause minutes of all proceedings of every meeting of the Board and Committee thereof to be kept by making within thirty days of the conclusion of every such meeting entries thereof in books kept for that purpose with their pages consecutively numbered.
- (2) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
- (3) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by passing or otherwise.
- (4) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (5) All appointments of officers made at any of the meeting aforesaid shall be included in the minutes of the meeting;
- (6) The minutes shall also contain
  - (a) The names of the Directors present at the meetings;
  - (b) all resolutions and proceedings of the meeting of the Board; and
  - (c) in the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from, or not concurring in the resolution.
- (7) Nothing contained in sub-clause (1) to (5) shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting: -
  - (a) is, or could reasonably be regarded, as defamatory of any person;
  - (b) is irrelevant or immaterial to the proceedings; or
  - (c) is detrimental to the interests of the Company.
- (8) The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the sub-clause.
- (9) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded herein.

175. Power of Directors

The Board 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 only, 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 Board shall not, except with the consent of the Company in General Meeting:

- (a) sell, lease or otherwise dispose of the whole or substantially the whole, of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole, of any such undertaking;
- (b) remit, or give time for the repayment of, any debt due by a Director.
- (c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertakings as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on only with difficulty or only after a considerable time;
- (d) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary case of business) will exceed the aggregate of the paid up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose.  
Provided further that the powers specified in Section 292 of the Act shall subject to these Articles, be exercised only at meetings of the Board, unless the same to be delegated to the extent therein stated; or
- (e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any Financial Year, exceed fifty thousand rupees or five percent of its average net profits as determined in accordance with the provisions of Section 350 of the Act during the three Financial Years immediately preceding, whichever is greater.

#### 176. Certain powers of the Board

Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say, power:

- (1) To pay costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company;
- (2) to pay and charge to the capital account of the Company any commission or interest lawfully payable thereat under the provisions of Sections 76 and 208 of the Act;
- (3) subject to Sections 292 and 297 of the Act, to purchase or otherwise acquire for the Company or property, rights or privileges which the Company is authorised to acquire at or for such price or consideration and

generally on such terms and conditions as they may think fit, and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;

- (4) At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, 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 specially charged upon all or any part of the property of the Company and its uncalled capital or not so charged;
- (5) To secure the fulfilment of any contract or enlargement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner, as they may think fit;
- (6) To accept from any Member, as far as may be permissible by law, a surrender of his shares, or any part thereof, on such terms and conditions as shall be agreed;
- (7) To appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purposes, and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;
- (8) To institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company, and also to compound and allow time for payment of satisfaction of any debts due and of any claim or demand by or against the Company and to refer any differences to arbitration, and observe and perform any awards made thereon;
- (9) To act on behalf of the Company in all matters relating to bankruptcy and insolvency;
- (10) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company;
- (11) Subject to the provisions of Sections 292, 295 and 372-A of the Act, to invest and deal with any moneys of the Company not immediately required to the purposes thereof upon such security (not being shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investment. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name;
- (12) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit

and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon,

- (13) To determine from time to time who shall be entitled to sign on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose;
- (14) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company, and to give to any Officer or other person employed by the Company a commission on the profits of any particular business or transaction, and to charge such bonus or commission as part of the working expenses of the Company;
- (15) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependants or connections of such persons, by building or contributing to the buildings of houses, dwelling or chawls, or by grants of money pension, gratuities, allowances, bonus or other payments or by creating and from time to time subscribing or contributing to provident fund and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places on instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise;
- (16) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation to Depreciation Fund, or to an Insurance Fund, to meet contingencies or to repay debentures, or debenture stock or redeemable preference shares or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the preceding clause), as the Board may, in their absolute discretion, think conducive to the interest of the Company and subject to Section 292 of the Act, to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner, and for such purposes as the Board in their absolute discretion, think conducive to the interest of the Company, notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof may be matters to or upon which the Capital moneys of the Company might rightly be applied or expended and to divide the Reserve fund into such special funds as the Board may think fit, with full power to transfer the whole or any portion of a Reserve Fund or division of a Reserve Fund and with full power to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in the purpose of repayment of Debentures of debenture-stock and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however, to the Board at their discretion to pay or

allow to the credit of such funds interest at such rate as the Board may think proper;

- (17) To appoint and at their discretion remove or suspend such general managers, managers, secretaries, assistants, supervisors, clerks, agents and servants for permanent temporary or special services as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit, and the provisions contained in the four next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause;
- (18) To comply with the requirements of any local law which in their opinion it shall in the interests of the Company be necessary or expedient to comply with;
- (19) From time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of such Local Boards, and to fix their remuneration;
- (20) Subject to Section 292 of the Act, from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow moneys, and to authorise the Members for the time being of any such Local Board or any of them, to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit and the Board may at any time remove any person so appointed, and may annual or vary any such delegation;
- (21) At any time and from time to time by Power of Attorney under the Seal of the Company to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board, the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and any such opportunity may (if the Board thinks fit) be made in favour of the Members or any of the members of any Local Board established as aforesaid or in favour any Company, or the share holders, directors, nominees or managers of the Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such Power of Attorney may contain such powers for the protection of convenience of persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them;



- (22) Subject to Section 294 and 297 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient;
- (23) From time to time to make, vary and repeal bye-laws for the regulation of the business of the Company its officers and servants.

#### MANAGEMENT

##### 177. Prohibition of simultaneous appointment of different categories of managerial personnel.

The Company shall not appoint or employ at the same time the following categories of managerial personal viz.:

- (a) Managing Director, and
- (b) Manager.

##### 178. Secretary

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

##### 179. The Seal, its custody and use

- (a) The Board shall provide a Common Seal for the purposes of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used, except by the authority of the Board or a committee of the Board, previously given.
- (b) The Company shall also be at liberty to have an official Seal in accordance with Section 50 of the Act, for use in any territory, district or place outside India.

##### 180. Deeds how executed

Every Deed or other instrument, to which the Seal of the Company is required to be affixed shall unless the same is executed by a duly constituted Attorney be signed by one Director or the Secretary or some other person appointed by the Board for the purpose. Provided that in respect of the Share Certificate the Seal shall be affixed in accordance with the Article 27.

#### DIVIDENDS

##### 181. Division of Profits

The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles and subject to the provisions of these Articles,

shall be divisible among the Members in proportion to the amount of Capital paid-up or credited as paid up the shares held by them respectively.

182. The Company in General Meeting may declare a Dividend

The Company in General Meeting may declare dividends to be paid to Members according to their respective rights, but no dividends shall exceed the amount recommended by the Board.

183. Dividends only to be paid out of profits

(1) No dividend shall be declared or paid otherwise than out of profits of the Financial Year arrived at after providing for depreciation in accordance with the provisions of Sections 205 and 205A of the Act or part of the profits of the Company for any previous Financial Year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both, provided that:

(a) If the Company has not provided for depreciation for any previous Financial Year or years it shall, before declaring in or paying a dividend for any Financial Year, provide for such depreciation out of the profits of the Financial Year or out of the profits of any other previous Financial Year or Financial Years;

(b) If the Company has incurred any loss in any previous Financial Year or Financial Years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the Dividend is proposed to be declared or paid or against the profits of the Company for any previous Financial Year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act or against both.

(2) Notwithstanding anything contained in sub-clause (1) hereof no dividend shall be declared or paid by the Company for any Financial Year out of the profits of the Company for that year arrived at after providing for depreciation in accordance with the provisions of sub-clause (1) hereof except after the transfer to the reserves of the Company of such percentage of its profits for that year not exceeding 10% as may be prescribed.

Provided that nothing in this clause shall be deemed to prohibit the voluntary transfer by a Company of a higher percentage of its profits to the reserves in accordance with such rules as may be made by the Central Government in this behalf.

(3) 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 such rules as may be made by the Central Government in this behalf and whereby 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.

## 184. Interim Dividend

Subject to the provisions of the Act, the Board may, from time to time pay to the Members such Interim Dividend as in their Judgment the position of the Company justifies.

## 185. Capital paid up in advance at interest not to earn dividend

Where Capital is paid in advance of calls, such Capital may carry interest but shall not in respect thereof confer a right to dividend or participate in profits.

## 186. Dividends in proportion to amount paid-up.

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

## 187. Dividend, etc. to joint holders.

Any one of several persons who are registered as the joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other payable in respect of such shares.

## 188. No member to receive dividend whilst indebted to the Company and Company's right to reimbursement thereof.

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

## 189. Transfer of Shares must be registered

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

## 190. Dividends how remitted

Unless otherwise directed any dividend may be paid by cheque or warrant or by a pay slip or receipt or any other approved mode having the force of a cheque or warrant and sent through the post to the registered address of the Member or person entitled or in case of joint holders to that one of them first named in the Register in respect of the joint-holdings. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transaction, or for any dividend lost to the Member or Person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay slip or receipt or the fraudulent recovery of the dividend by any other means. The remittance of dividend shall be made in accordance with the provisions of Section 205 of the Companies Act, 1956.

Dividends remaining unpaid and unclaimed will be dealt with according to the provisions of Sections 205-A, 205B, 205C of the Act, 1956.

## 191. No interest on Dividend

Subject to the provisions of the Act, no dividend shall bear interest as against the Company.

## 192. Unpaid Dividend

Where a dividend has been declared by a Company but has not been paid or the warrant in respect thereof has not been posted, within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall, within 7 days from the date of expiry of the said period of 30 days, transfer the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted within the said period of 30 days to a special account to be opened by the Company in that behalf in any Scheduled Bank.

## 193. Capitalisation

- (a) The Company in General Meeting may resolve that any 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 Reserves Account, or in the hands of the Company and available for dividend (or representing premium received on the issue of shares and standing to the credit of the Share Premium Account) be capitalised and distributed amongst such of the shareholders as would be entitled to receive the said 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 shareholders 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 share holders in full satisfaction of their interest in the said capitalisation sum. Provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purpose of this Article, only be applied in the paying of any unissued shares to be issued to members of the Company as fully paid bonus shares.
- (b) A General Meeting may resolve that any surplus moneys arising from the realisation 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.
- (c) For the purpose of giving effect to any resolution under the preceding paragraphs of this Article the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates and may fix the value for distribution of any specific assets, and may determine that such payments shall be made to any members upon the footing of the value so fixed or that fraction of less value than Rs. 10/- may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the person entitled to the dividend or capitalised fund as may seem expedient to the Board. Where requisite a proper contract shall be delivered to the Registrar for registration in accordance with the provisions of Section 75 of the Act, and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.

- (d) Whenever such a resolution as aforesaid shall have been passed, the Board shall –
- i. make all appropriations of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares; and
  - ii. generally do all acts and things required to give effect thereto.
- (e) The Board shall have full power –
- i. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in the case of shares becoming distributable in fractions; and also
  - ii. to authorise any person to enter on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively credited as fully paid up, of any further shares to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts of any part of amounts remaining unpaid on their existing shares.
- (f) Any agreement made under such authority shall be effective and binding on all such Members.
- (g) For the purpose of giving effect to any resolution, under the preceding clause of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.

### ACCOUNTS

#### 194. Directors to keep true Accounts

The Company shall keep at the office or at such other place in India as the Board thinks fit, proper Books of Account in accordance with Section 209 of the Act with respect to:

- (a) all sums of money received and expended by the Company and the matters in respect of which the receipts and expenditure take place;
- (b) all sales and purchases of goods by the Company.
- (c) the assets and liabilities of the Company where the Board decides 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.

The Company shall preserve in good order the Books of Accounts relating to a period of not less than eight years preceding the current year together with the vouchers relevant to any entry in such books of accounts.

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 the branch office and proper summarised returns, made upto date at intervals of not more than three months are sent by the branch office to the Company at its office or other place in India, at which the Company's Books of Accounts are kept as aforesaid.

The Books of Account and other books and papers shall be open to inspection by any Director during business hours.

## 195. As to inspection of accounts or books by Members

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 the 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 authorised by the Board.

## 196. Statement of Accounts to be furnished at General Meeting

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

## 197. Copies shall be sent to each Member

A copy of every such Balance Sheet (including the Profit and Loss Account), the Auditors' Report and every other document required by law to be annexed or attached, as the case may be, the Balance Sheet, which is to be laid before the Company in General Meeting, shall be made available for inspection at the Registered Office of the Company during working hours for a period of twenty-one days before the date of the Meeting.

A statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid, as the Company may deem fit, will be sent to every members of the Company and to every Trustee for the holders of any debentures issued by the Company, not less than twenty one days before the date of the Meeting.

#### AUDITORS

## 198. Accounts to be audited

Auditors shall be appointed and their rights and duties regulated in accordance with Sections 224 to 233 of the Act.

#### DOCUMENTS AND NOTICES

## 199. Service of Documents or Notices on members by Company

- (1) A document or notice may be served or given by the Company on any Member either personally or by sending it by Post to him to his registered address or (if he has no registered address in India) to the address, if any, in India supplied by him to the Company for serving documents notice to 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 expenses of doing so, 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, at the expiry of forty-eight

hours after the letter containing the document or notice is posted and in any other case, at the time at which the letter would be delivered in the ordinary course of post.

200. By Advertisement

A document or notice advertised in a newspaper circulating in the neighbourhood of the Registrar office of the Company shall be deemed to be duly served or sent on the day on which the advertisement appears, on 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.

201. On Joint holders

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

202. On Personal representatives, etc.

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

203. To whom documents or notices must be served or given

Documents or notices of every General Meeting shall be served or given in same manner hereinbefore authorised on or to (a) every members, (b) every person entitled to a share in consequence of the death or insolvency of a Member, and (c) the Auditor or Auditors for the time being of the Company.

204. Members bound by documents or notices served on or given to previous address.

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

205. Document or notice by Company and signature thereto

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

206. Service of document or Notice by Member

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 by post under a Certificate of posting or by registered post, or by leaving it at the office.

## WINDING UP

### 207. Distribution of assets on winding up

- (a) If the Company shall be wound up, and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may, the losses shall be borne by the members in proportion to the 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.
- (b) If on the winding-up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid-up at the commencement of the winding-up, the excess shall be distributed amongst the members (other than those not entitled to a share in the excess) in proportion to the capital at the commencement of the winding-up, or which ought have been paid up on the shares held by them respectively.
- (c) This Article is to be without prejudice these rights of the holders of shares issued upon special terms and conditions.

### 208. Distribution in specie or in kind of assets on winding up:

- (a) If the Company shall be wound up, whether voluntarily or otherwise, the liquidator may, with the sanction of a special resolution, divide amongst the contributories 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 liquidator, with the sanction, shall think fit.
- (b) In case any share to be divided as aforesaid involve a liability to calls or otherwise, any person entitled under such division to any of the said shares may within ten days after the passing of the special resolution by notice in writing direct the liquidator to sell his proportion and pay him the net proceeds and the liquidator shall, if practicable, act accordingly.

### 209. Right of shareholders in case of sale

A special resolution sanctioning a sale to any other Company duly passed pursuant to Section 494 of the Act may subject to the provisions of the Act in like manner as aforesaid determine that any shares or other consideration receivable by the liquidator be distributed amongst the members as may be provided therein, and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential rights conferred by the said sanction.

## INDEMNITY AND RESPONSIBILITY

### 210. Indemnity to directors & others

- (a) Save and except so far as the provisions of this Article shall be avoided by Section 201 of the Act, the Board of Directors, Managing Director, Managers, Secretary and other officers or other employees for the time being of the Company, Auditor and the Trustees, if any, for the time being acting in relation to any of the affairs of the Company, and every one of them and every one of their heirs, executors and administrators shall be indemnified and secured harmless out of the assets and



profits of the Company from the against all actions, costs, charges, losses, damages and expenses which they or any of them, or their or any of their executors or administrators shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, their respective offices or trusts, except such, if any, as they shall incur or sustain through or by their own wilful neglect or default respectively.

- (b) Save and except so far as the provisions of this Articles shall be avoided by Section 201 of the Act, none of them shall be answerable for the acts, receipts, neglects, defaults of the others of them, or for joining in any receipt for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for the insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts or in relation thereto, except when the same shall happen by or through their own dishonesty wilful neglect or default respectively.

211. Directors etc not responsible for acts of others

Subject to the provisions of Section 201 of the Act, no Director, Auditor or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Director for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damages arising from the insolvency or tortuous act of any person, firm or company to or with whom any moneys, securities or effects shall be entrusted or deposited or any loss occasioned by error of judgement, omission default or oversight on his part or for any other loss, damage or misfortune whatever which shall happen in relation to execution of the duties of his office or in relation thereto unless the same shall happen by or through his own wilful neglect or default.

**SECRECY CLAUSE**

212. Secrecy Clause

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

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

Name address/ occupation of subscribers	Signature of subscriber	Signature/name/ address/occupation & description of witness
<b>1. Kishore Biyani</b> 406, Jeevan Vihar, Manav Mandir Road Mumbai 400006 S/o Laxminarayan Rathi Business	Sd/-	Witness to Subscriber No. 1 to 7 Sd/- <b>Sanjay Rathi</b> 8, Divyepuri, Shreenagar Colony, Goregaon (West), Mumbai 400062. S/o. Shri Rampresad Rathi Consultant
<b>2. Ved Prakash Arya</b> 701, Gladioli, Off Yari Road, Varsova, Andheri (West), Mumbai 400053 S/o Shri S P Arya Service	Sd/-	
<b>3. Chandra Prakash Toshniwal</b> A-603, Great Eastern Link, Ram Mandir Road Goregaon (West), Mumbai 400104 S/o Shri Ram Gopal Toshniwal Business	Sd/-	
<b>4. Krishan Kant Rathi</b> B/72, Dakshina Park, Plot No. 15, N. S. Road, 10th JVPD Scheme, Mumbai 400049 S/o Radhamohan Rathi Company Executive	Sd/-	
<b>5. Rajesh Kalyani</b> D-48, Sagar Kiran ONGC Colony, Navghar Road Bhayander (East), 401105 S/o Shri Ramjilal Kalyani Company Executive	Sd/-	
<b>6. Pankaj Patel</b> 3, Sankalpa Siddhi, Tardeo P.B Marg, Mumbai 400007 S/o Ramesh S. Patel Company Executive	Sd/-	
<b>7. Pradeep Jain</b> B-1502, Vastu Park Tower, Evershine Nagar, Malad (West), Mumbai 400064 S/o Shri Ratanchand Jain Service	Sd/-	

Dated at Mumbai this 07 day of January 2006.