

THE COMPANIES ACT, 1956
(COMPANY LIMITED BY SHARES)
ARTICLES OF ASSOCIATION
OF
GWALIOR TOOLS LIMITED

2. ~~The regulations~~ contained in Table "A" in the First Schedule to the Companies Act, 1956, or the Schedule to any previous Companies Act, ~~shall~~ apply to this Company, but the regulations for the management of the Company and for the observance of the members thereof and their representatives, shall, subject to any exercise of the statutory powers by the Company with reference to the repeal or alteration of ~~or addition to~~, its regulations by Special Resolution, as prescribed by ~~the said~~ Companies Act, 1956, be such as are contained in these articles.

Table "A" not to apply but Company to be governed by these Articles.

INTERPRETATION

2. In the interpretation of these Articles the following expression shall have the following meanings, unless repugnant to the subject or context.

Interpretation.

"The Act"—means the Companies Act, 1956, (Act 1 of 1956) or any statutory modification or re-enactment thereof for the time being in force.

"The Act"

"Auditors"—means and includes the persons appointed as such for the time being of the Company.

Auditors.

"Board" or "Board of Directors"—means a meeting of the Directors or a Committee thereof 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 these Articles, or acting by Circular Resolution under the Articles.

Board or Board of Directors.

"Bye-Laws"—means the Bye-laws which may be made by the Board of Directors of the company under these Articles and which may for the time being be in force.

Bye-laws.

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

Capital.

"The Chairman"—means the Chairman of the Board of Directors for the time being of the Company.

Chairman.

"The Company" or "This Company"—means GWALIOR TOOLS LIMITED.

The Company or this Company.

Debenture.	"Debenture"—includes Debenture stock.
Directors.	"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 a Circular Resolution under the Articles.
Dividend.	"Dividend"—includes bonus.
Documents.	"Document"—include summons, notice, requisition, other legal process and registers, whether issued, sent, or kept in pursuance of this or any other Act or otherwise;
Executor or Administrator.	"Executor" or "Administrator"—means a person who has obtained probate or letter of administration, as the case may be, from a competent Court.
In writing and written.	"In writing" and "written"—include printing, lithography and other modes of representing or reproducing words in a visible form.
Marginal notes.	The marginal notes hereto shall not affect the construction hereof.
Members.	"Members"—means the duly registered holders, from time to time of the shares of the Company and includes the subscribers to the Memorandum of the Company.
"General Meeting".	"General meeting"—means a general meeting of the members.
Annual General meeting.	"Annual General Meeting"—means a general meeting of the members held in accordance with the provisions of Section 166 of the Act.
Extra-ordinary General Meeting.	"Extra-ordinary General meeting"—means an extra-ordinary general meeting of the members duly called and constituted and any adjourned holding thereof.
Month.	"Month"—means a calendar month.
Office.	"Office"—means the registered office for the time being of the Company.
Ordinary Resolution.	"Ordinary Resolution"—shall have the meaning assigned to it by Section 189 of the Act.
Paid up.	"Paid up"—includes credited as paid up.
Persons.	"Persons"—includes individuals, any company or association or body of individuals whether incorporated or not.
"Proxy."	"Proxy"—means an instrument whereby any Person is authorised to vote for a member at the general meeting or poll.
The Register of Members.	"The Register of Members"—means the register of members to be kept pursuant to Section 150 of the Act.

<p>"The Registrar"—means the Registrar of Companies, Madhya Pradesh.</p>	The Registrar.
<p>"The Company's Regulations"—means the regulations for the time being in force for the management of the Company.</p>	"The Company's Regulation"
<p>"Seal"—means the Common Seal for the time being of the Company.</p>	Seal.
<p>"Secretary"—includes a temporary or assistant Secretary and any person or persons appointed by the Board to perform any of the duties of Secretary.</p>	Secretary.
<p>"Shares"—means the shares of stocks into which the capital of the Company is divided and the interest corresponding with such shares or stocks except where a distinction between stocks and shares is expressed or implied.</p>	Shares.
<p>"Special Resolution"—shall have the meaning assigned thereto by section 23 of the Act.</p>	Special Resolution.
<p>"The Statutes"—means the Companies Act, 1956, and every other Act, for the time being in force affecting the Company.</p>	The Statutes.
<p>"Year"—means the calendar year and "Financial Year"—shall have the meaning assigned thereto by Section 2 (17) of the Act.</p>	Year.
<p>Words importing the masculine gender also include the feminine gender.</p>	Gender
<p>Words importing the singular number include where the context admits or requires, the plural number and <i>vice versa</i>.</p>	Singular Number.
<p>Unless the context otherwise requires, words and expressions contained in these Articles shall bear the same meaning as in the Act, or any statutory provision thereof for the time being in force.</p>	Expressions in the Act to bear the same meaning in Articles.

SHARE CAPITAL

3. (a) The Authorized Share Capital of the Company is Rs. 25,00,000 (Rupees Twenty five lacs) divided into 2,00,000 (Two lacs) equity shares of Rs. 10/- each and 5,000 (Five thousands) 9½% Fixed Redeemable Cumulative Preference Shares of Rs. 100/- each with power to increase or reduce such Capital from time to time in accordance with the regulations of the Company and the legislative provisions for the time being in force in this behalf with power to divide the shares in the Capital for the time being, whether original or increased, into several classes and attach thereto any Preferential, Special or qualified rights privileges and conditions.
- (b) The said Cumulative Redeemable Preference shares shall subject as hereunder provided confer on the holders thereof the rights and privileges following, that is to say :

Share Capital.

Rights and
Privileges of
Preference
Shareholders.

- (i) The right to a Cumulative Preferential dividend at the rate of 9.5 percent per annum on the capital for the time being paid up thereon, free of Company's income tax, but subject to deduction of taxes at source at the prescribed rates ;
 - (ii) The right in the event of winding up to payment of such capital and arrears of dividend, whether earned, accrued, declared or not down to the commencement of the winding up in priority to the Equity shares but shall not confer any further right to participate in profits or assets.
- (c) Subject to the provisions of Section 80 of the Act, the following provisions shall apply in regard to the redemption of the Cumulative Preference shares ;
- (i) The Company may at any time after 12 years but in any event not late than 15 years from the date of allotment of the shares, apply any profits or moneys of the Company which may be lawfully applied for the purpose in the redemption of the preference shares at par, together with a sum equal to arrears of the dividend thereon down to the date of redemption.
 - (ii) In the case of partial redemption under sub-clause 2 (a) of this Article, the Company shall for the purpose of ascertaining the particular shares to be redeemed, cause a drawing to be made at the Registered Office of the Company or at such other place the Directors may decide, in the presence of a representative of the Auditors for the time being of the Company.
 - (iii) Forthwith after every such drawing the Company shall give to the holders of the shares drawn for redemption notice in writing of the Company's intention to redeem the same, fixing a time (not less than three months thereafter) and the place for the redemption and surrender of the shares to be redeemed.
 - (iv) At the time and place so fixed, each holder shall be bound to surrender to the Company the certificate for his shares to be redeemed and the Company shall pay to him the amount payable in respect of such redemption and where any such certificate comprises any shares which have not been drawn for redemption, the Company shall issue the holders thereof a fresh certificate therefor.
 - (v) Any of the Redeemable Cumulative Preference shares not previously redeemed under the foregoing provisions shall be redeemed at the expiry of 15 years from the date of allotment of the shares at par together with all arrears of dividend thereon upto the date of payments.

- (d) Subject to the provisions of this Article, the Company shall be entitled to create an issue of further Preference shares ranking in all or any respects *pari passu* with the said 7,000 Redeemable Cumulative Preference shares provided in the event of its creating and/or issuing Preference shares in future ranking *pari passu* with the 7,000 Preference shares or any part thereof Proposed to be issued, the Company would do so only with consent the holders of not less than three-fourths of the Preference shares then outstanding.
- (e) The Cumulative Preference shares shall not confer on the holders thereof the right to vote either in person or by proxy at any general meeting of the Company save to the extent and in the manner provided by Section 87 (2) of the Act.
- (f) The rights, privileges and conditions for the time being attached to the Cumulative Preference shares may be varied, modified or abrogated in accordance with the provisions of these Articles and of the Act.

Increase
of capital
by the
Company
and how
created into
equity.

4. The Company in general meeting may, by ordinary resolution from time to time, increase the Capital by creation of new shares and increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed there to as the resolution shall prescribe, and in particular, such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at general 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 Company shall file with the Registrar notice of the increase of capital as required by Section 97 of the Act within thirty days after the passing of the resolution authorising the increase.

Capital of
two kinds
only.

5. Neither the original capital nor any increased capital shall be of more than two kinds, namely (i) equity share capital and (ii) preference share capital, as defined in Section 85 of the Act.

New Capital
same
as existing
capital.

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

Redeemable
Preference
Shares.

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

Provisions to apply on issue of Redeemable Preference Shares.

8. On the issue of redeemable preference shares under the provisions of Article 7 hereof the following provisions shall take effect :

- (a) No such shares shall be redeemed except out of 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 redemption.
- (b) No such shares shall be redeemed unless they are fully paid.
- (c) The premium, if any, payable on redemption shall have been provided for out of the Company's share premium account before the shares are redeemed.
- (d) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of the 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.
- (e) Subject to the provisions of Section 80 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit.

Reduction of Capital

9. The Company may (subject to the provisions of Section 100 to 105, both inclusive, and other applicable provisions, if any of the Act) from time to time by special resolution, reduce (a) its share capital, (b) any capital redemption reserve account, or (c) any share premium account in any manner and with and subject to any incidents, for the time being authorized and consent required 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.

Consolidation, division, subdivision, and cancellation of shares.

10. Subject to the provisions of Section 94 of the Act, the Company in general meeting may from time to time by an ordinary resolution alter the conditions of its Memorandum as follows :

- (a) Consolidate and divide all or any of its capital into shares of larger amount than its existing shares;
- (b) Sub-Divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
- (c) Cancel any shares which, at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this sub-clause shall not be deemed to be reduction of share capital within the meaning of the Act.

Whenever the Company shall do any one or more of the things provided for in the foregoing sub-clauses (a), (b) and (c) the Company shall, within thirty days thereafter give notice thereof to the Registrar as required by Section 95 of the Act specifying, as the case may be, the share consolidated, divided, sub-divided or cancelled.

11. 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 varied, modified, commuted, affected or abrogated, or dealt with the consent in writing of the holders of not less than three-fourth of the issued capital of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of that class, and all the provisions hereafter contained as to general meetings shall, *mutatis mutandis*, apply to every such meeting. This Article is not to derogate from any power the Company would have if this Article was omitted.

The rights conferred upon the holders of the shares (including preference shares if any) of any class issued with preferred or other rights or privileges shall unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated dealt with or varied by the creation or issue of further shares ranking *pari passu* therewith.

SHARES AND CERTIFICATES

12. The Company shall cause to be kept a Register and Index of Members in accordance with Sections 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.

13. The Board of Directors shall observe the restrictions as to allotment of shares to the public contained in Sections 69 and 70 of the Act, and shall cause to be made the returns as to allotment provided for in Section 75 of the Act.

Register
and Index
of Mem-
bers.

Restriction
on allot-
ment and
Returns of
allotment.

Further
issue of
capital.

14. (1) 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 :
- (a) Such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date;
 - (b) 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;
 - (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (b) hereof shall contain a statement of this right; PROVIDED THAT the Directors may decline without assigning any reason, to allot any shares to any person in whose favour any member may renounce the shares offered to him;
 - (d) After the expiry of the time specified in the aforesaid notice, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose them of in such manner as they think most beneficial to the Company.
- (2) Notwithstanding anything contained in sub-clause (1) hereof, the further shares aforesaid may be offered to any persons whether or not those person include the persons referred to in clause (a) sub-clause (1) hereof in any manner whatsoever;
- (a) if special resolution to that effect is passed by the Company in general meeting; or
 - (b) where no such special resolution is passed, if the votes cast (whether on a show of hands, or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote if any, of the Chairman) by members, who being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.

(3) Nothing in sub-clause (c) of clause (1) hereof shall be deemed;

- (a) to extend the time within which the offer should be accepted, or
- (b) to authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(4) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued or loans raised by the Company;

- (i) to convert such debentures or loans into shares in the Company, or
- (ii) To subscribe for shares in the Company (whether such option is concerned in these Articles or otherwise);

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term —

- (a) either has been approved by the Central Government before the issue of the debentures or the raising of the loans, or is in conformity with the rules, if any, made by that Government in this behalf; and
- (b) in the case of the debentures or loans other than debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in general meeting before the issue of the debentures or the raising of the loans.

15. Subject to the provisions of these Articles and of the Act, the shares shall be under the control of the Directors who may allot or otherwise dispose of the same to such persons on such terms and conditions and at such times, as they think fit and with full power subject to the sanction of the Company in General meeting to give any person the option to call for or be allotted shares of any class of the Company either at a premium or at par or at a discount subject to the provisions of Sections 78 and 79 of the Act and for such time and for such consideration as the Directors think fit.

Application
of premium
received on
Shares.

16. (1) Where the Company issues shares at a premium whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those shares shall be transferred to an account, to be called "THE SHARE PREMIUM ACCOUNT" and the provisions

of the Act relating to the reduction of the share capital of the Company shall except as provided in this clause, apply as if the shares premium account were paid up share capital of the Company.

- (2) The share premium account may, notwithstanding clause (1) hereof be applied by the Company ;
- (a) in paying up unissued shares of the Company, to be issued to the members of the Company as fully paid bonus shares ;
 - (b) in writing off the preliminary expenses of the Company ;
 - (c) in writing off the expenses of or the commission paid or discount allowed, on any issue of shares or debentures of the Company; or
 - (d) in providing for the premium payable on the redemption of any redeemable Preference shares or of any debentures of the Company.

Power also to
Company in
General
Meeting to
issue shares.

17. In addition to and without derogating from the powers for that purpose conferred on the Board under Articles 15 and 16, 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) be offered to such persons (whether members or not) in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of Sections 78 and 79 of the Act) 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 at a premium or at par or at a discount (subject to compliance with the provisions of Sections 78 & 79 of the Act) Such option being exercisable at such time and for such consideration as may be directed by such general meeting or the company in general meeting may make any other provisions whatsoever for the issue, allotment or disposal of any such shares.

Shares at a
discount.

18. The Company may issue at a discount shares in the company of a class already issued, if the following conditions are fulfilled, namely ;
- (i) the issue of the shares at a discount is authorised by a resolution passed by the Company in general meeting and sanctioned by the Court ;
 - (ii) the resolution specifying the maximum rate of discount (not exceeding 10 per cent or such higher percentage as the Central Government may permit in any special case) at which the shares are to be issued ; and
 - (iii) the shares to be issued at a discount are issued within two months after the date on which the issue is sanctioned by the Court or within such extended time as the Court may allow.

29. If by the conditions of any allotment of any shares the whole or any part of the amount or 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.
30. 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 and any shares which may be so issued shall be deemed to be fully paid-up shares.
31. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles; and every person who thus or otherwise accepts any shares and whose name is therefore placed on the register shall, for the purpose of these Articles, be a member.
32. The money (if any) which the Board of Directors 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 inscription 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.
33. Every member, or his heirs, executors, or administrators to the extent of his assets which come to their hands shall be liable to pay to the Company the portion of the capital represented by his share or shares which may, for the time being, remain unpaid thereon in such amounts, at such time or times, and in such manner as the Board of Directors shall, from time to time, in accordance with the Company's regulations require or fix for the payment thereof.
34. (a) Every member or allottee of shares shall be entitled, without payment, to receive one certificate for all the shares of the same class registered in his name every share certificate specifying the name of the person in whose favour it is issued, the share certificate number and the distinctive number (s) of 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 its letter of allotment or its fractional coupons of requisite value, save in cases 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 the payment of out of pocket expenses incurred

by the Company in investigating the evidence. The Certificates of title to shares shall be issued under the Seal of the Company and shall be signed in conformity with the provisions of the Companies (Issue of Share Certificate) Rules, 1960 or any statutory modification or re-enactment thereof for the time being in force. Printing of blank forms to be used for issue of share certificates and maintenance of books and documents relating to issue of share certificates shall be in accordance with the provisions of aforesaid rules. Such certificates of title to shares shall be completed and kept ready for delivery within three months after the allotment unless the conditions of issue of shares provide otherwise.

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

Renewal of share Certificate.

25. No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the cages on the reverse for recording transfers have been duly utilised unless the certificate in lieu of which it is issued is surrendered to the Company. PROVIDED THAT no fee shall be charged for issue of new certificates in replacement of those which are old, decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilised.

The first named of joint holders deemed sole holder

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

Company not bound to recognize any interest in share other than of registered holder.

27. Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize, even when having notice thereof, any equitable, contingent, future or partial interest in any 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 any share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.

No purchase of or loans on Company's shares.

28. None of the funds of the Company shall except as provided by Section 77 of the Act be employed in the purchase of its own shares, unless the

consequent reduction of capital is effected and sanction in pursuance of Sections 78, 80 and 100 to 105 of the Act and these Articles or in giving either directly or indirectly and whether by means of a loan, guarantee, the provisions of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person, of or for any shares in the Company or in its holding Company.

UNDERWRITING AND BROKERAGE

Commission may be paid

29. 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 of the Company, but so that the commission shall not exceed in the case of shares 5 per cent of the price at which the shares are issued and in the case of debentures 2½ per cent 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 debentures as the case may be or partly in one way and partly in the other.

Brokerage

30. The Company may on any issue of shares or debentures pay such brokerage as may be reasonable and lawful.

Commission to be included in the Annual Return

31. Where the Company has paid any sum by way of commission in respect of any shares or debentures or allowed any sums by way of discount in respect of any shares or debentures such statement thereof shall be made in the Annual Return as required by part I of Schedule V to the Act.

INTEREST OUT OF CAPITAL

Interest out of Capital

32. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings, or the provisions of any plant, which cannot be made profitable for lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act, and may charge the same to Capital as part of the cost of construction of the work or building or the provisions of the plant.

CALLS.

Dividend may be called

33. Subject to the provisions of Section 91 of the Act the Board of Directors may, from time to time, by a resolution passed at a meeting of the Board (and not by a circular resolution) make such calls as it thinks fit upon the members in respect of all moneys unpaid on the shares whether on account of the nominal value of the shares or by way of premium, held by them respectively and not by conditions of allotment thereof

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Section less the

made payable at fixed time 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 of Directors. A call may be made payable by instalments. A call may be postponed or revoked as the Board may determine.

- Notice of Calls. 34. Fourteen day's notice at the least 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.
- Calls to date, from resolution. 35. 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 of Directors and may be made payable by the members whose names appear on the Register of members on such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Board of Directors.
- Restrictions on power to make calls. 36. No call shall exceed one-fourth of the nominal amount of the share or be made payable within two months after the last preceding call was payable.
- Directors may extend time: 37. The Board of Directors may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members who, on account of their residence (a) being at a distance or other cause, the Board of Directors may deem fairly entitled to such extension; but no member shall be entitled to such extension as of right except as a matter of grace and favour.
- Amount payable at fixed time or by instalments to be treated as calls. 38. If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by instalments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or instalment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or instalment accordingly.
- When interest on call or instalment payable. 39. If the sum payable in respect of any call or instalment be not paid on or before the day appointed for the payment thereof the holder for the time being or allottee of the share in respect of which the call shall have been made or the instalment shall be due, shall pay interest on the same at such rate not exceeding twelve per cent per annum as Directors shall fix from the day appointed for the payment thereof to the time of actual payment but the Directors may waive payment of such interest wholly or in part.
- Evidence in actions by Company against shareholders. 40. On the trial or hearing of any action or suit brought by the Company against any member or his legal representatives for the recovery of any moneys 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 and entered on the register of member as the holder or as one of the holders at or subsequent to the date at which the money sought to be

uncovered is 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 minutes book; and that notice of such call was duly given to the member or his legal representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of 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 matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

41. Neither the receipt by the Company of a portion of any money which shall, from time to time, be due from any member to the Company in respect of his share, 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.

42. The Board of Directors may, if it thinks fit, agree to and receive from any member willing to advance the same, all or any part of the amount due upon the shares held by him beyond the sums actually called for PROVIDED THAT money paid up in advance of calls shall not confer a right to participate in profits or dividend. 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 of Directors may pay or allow interest, at such rate not exceeding, unless the Company in general meeting shall otherwise direct, nine percent per annum as the member paying the sum in advance and the Board of Directors agree upon. The Board of Directors may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to such members three months notice in writing.

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

43. The Company shall have a first and paramount lien upon all 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 a fixed time in respect of such shares and no equitable interests in any such share shall be created except upon the footing and condition that this Article is to have full legal effect. Any such lien shall extend to all dividends from time to time declared in respect of such shares; PROVIDED THAT the Board of Directors may, at any time, declare any share to be wholly or in part exempt from the provisions of this Article.

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As to enforcing lien by sale.

44. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien for the purpose of enforcing the same, PROVIDED THAT no sale shall be made;

- (a) unless a sum in respect of which the lien exists is presently payable; or
- (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency. For the purpose of such sale the Board may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their members to execute a transfer thereof on behalf of and in the name of such members.

Transfer of shares sold under lien.

45. (1) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
- (2) The Purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (3) The Purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceeding in reference to the sale.

Application of proceeds of sale.

46. (1) 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
- (2) The residue, if any, shall be paid to the person entitled to the shares at the date of the sale (subject to a like lien for sums not payable as existed on the shares before the sale).

FORFEITURE OF SHARES

If money payable on shares not paid, notice to be given to member.

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

1. ~~For the purposes of the provisions of these presents relating to forfeiture of shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such share on the day of allotment.~~

If call or instalment not paid notice may be given. Form of notice.

2. ~~The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or instalment and such interest thereon at such rate and expenses as aforesaid are to be paid. The notice shall also state that, in the event of non-payment at or before the time and at the place appointed the share in respect of which the call was made or instalment is payable will be liable to be forfeited.~~

In default of payment shares to be forfeited.

3. ~~If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may 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 of Directors to that effect. Such forfeiture shall include all dividends declared or any other monies payable in respect of the forfeited shares not actually paid before the forfeiture.~~

Notice of forfeiture to a member.

4. ~~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.~~

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

5. ~~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 of Directors shall think fit.~~

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

6. ~~Any member whose share has been forfeited, shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding twelve per cent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such monies or any part thereof, if it thinks fit, but shall not be under any obligation so to do.~~

Effect of forfeiture.

7. ~~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 such of those rights as by these Articles are expressly saved.~~

Power to annul forfeiture.

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

- Validity of forfeiture.
56. (1) A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or Secretary of the Company, and that a share in the company has been duly forfeited in accordance with these Articles, on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
- (2) The Company may, receive the consideration if any, given for the share on any sale, re-allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.
- (3) The person to whom such share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the shares.
- (4) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay any calls, amounts, instalments, interest and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment.
- (5) Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be effected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share.
- Provisions of these Articles as to forfeiture to apply in case of non-payment of any sum.
57. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share becomes payable at a fixed time, whether on account of the nominal value of a share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
- Cancellation of share certificates in respect of forfeited shares.
58. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the 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 new certificate or certificates in respect of the said shares to the persons entitled thereto.
- Surrender of shares.
59. The Directors may, subject to the provisions of the Act, accept a surrender of any share from or for any member desirous of surrendering on such terms as they think fit.

TRANSFER AND TRANSMISSION OF SHARES

- Register of Transfers.
60. The Company shall keep a book, to be called the Register of Transfers, and therein shall be fairly and distinctly entered particulars to every transfer or transmission of any share.

- 10. ~~The instrument of transfer of any share shall be in the prescribed form~~
~~and the Company (Central Government's) (General) Rules & forms~~
~~shall be in accordance with the requirements of Section 108 of the Act.~~ Form of Transfer.
- 11. ~~An application for the registration of a transfer of the shares in the~~
~~Company may be made either by the transferor or the transferee.~~ Application for transfer.
 - 12. ~~Where the application is made by the transferor and relates to~~
~~partly paid shares the transfer shall not be registered unless the~~
~~Company gives notice of the application to the transferee and the~~
~~transferee makes no objection to the transfer within two weeks~~
~~from the receipt of the notice.~~
 - 13. ~~For the purpose of sub-clause (2) above, notice to the transferee~~
~~shall be deemed to have been duly given if it is despatched by pre-~~
~~paid registered post to the transferee at the address given in the~~
~~instrument of transfer and shall be deemed to have been duly~~
~~despatched at the time at which it would have been delivered in the~~
~~ordinary course of post.~~
- 14. ~~Every such instrument of transfer duly stamped shall be executed by or~~
~~on behalf of both the transferor and the transferee and attested and the~~
~~transferor shall be deemed to remain the holder of such share until the~~
~~name of the transferee shall have been entered in the Register of Members~~
~~thereof.~~ To be executed by transferor and transferee.
- 15. ~~A transfer of a share in the Company of a deceased member thereof made~~
~~by his legal representative shall, although the legal representative is not~~
~~himself a member, be as valid as if he had been a member at the time of~~
~~the execution of the instrument of transfer.~~ Transfer by legal representatives.
- 16. ~~The Board of Directors shall have power on giving not less than seven~~
~~days previous notice by advertisement in some news paper circulating in~~
~~the district in which the registered office of the Company is situated to~~
~~close the Transfer Books, the Register of Members, or the Register of~~
~~Shareholders at such time or times and for such period or periods not~~
~~exceeding thirty days at a time, and not exceeding in the aggregate forty~~
~~five days in each year as it may seem expedient to the Board.~~ Transfer books when closed.
- 17. ~~Subject to the provisions of Section 111 of the Act, or any statu-~~
~~ary modification thereof for the time being in force, the Directors~~
~~may at any time in their own absolute and uncontrolled discretion~~
~~and without assigning any reason or grounds, decline to register or~~
~~acknowledge any transfer of any share and in particular may so~~
~~decline in any case in which the Company has a lien upon the shares~~
~~desired to be transferred or any call or instalment regarding any of~~
~~them remains unpaid. The registration of a transfer shall be~~
~~conclusive evidence of the approval of the Directors of the~~
~~transferee.~~ Directors may refuse to register transfers.

PROVIDED THAT registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with

any other person or persons indebted to the Company on any account whatsoever except in a lien on shares.

(b) No share shall in any circumstances be transferred to any minor, insolvent or person of unsound mind.

- Notice of refusal to be given to Transferor and Transferee.
67. If the Company refuses to register the transfer of any shares or transmission of any right therein, the Company shall within two months from the date on which the instrument of transfer or intimation of transmission was lodged with the Company send notice of refusal to the transferee and the transferor or to the person giving intimation of the transmission as the case may be and thereupon the provisions of Section III of the Act or any statutory modification thereof for the time being in force shall apply.
- Death of one or more joint-holders of shares.
68. In case of the death of any one or more 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.
- Titles to shares of deceased member.
69. The executors or administrator of a deceased member or the holder of a succession certificate or the legal representatives in respect of the shares of a deceased member (not being one or two or more joint-holders) shall be the only persons recognised by the Company as having any title to the shares registered in the names of such members, 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 of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register under Article 71 the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.
- Compliance with the Estate Duty Act, 1953.
70. If any member of the Company dies, and the Company through any of its principal officers within the meaning of the Estate Duty Act, 1953, has knowledge of the death, it shall not be lawful for the Company to register the transfer of any shares standing in the name of the deceased member unless the Company is satisfied that the transferee has acquired such shares for valuable consideration or there is produced to it a certificate from the Controller, Deputy Controller, or Assistant Controller of Estate Duty that either the Estate Duty in respect thereof has been paid or will be paid or none is due as the case may be where the Company has come to know through any of its principal officers of the death of any member, the Company shall within three months of the receipt of such knowledge, furnish to the Assistant

Director or the Deputy Controller of the Estate Duty who is exercising the functions of the Income-tax Officer under the Income-Tax Act 1953, such particulars as may be prescribed by the Income Tax Rules, 1953.

Subject to the provisions of Articles 69 and 70 any person becoming entitled to a share 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 of Directors (which it shall not be under obligation to give) produce such evidence that he sustains the character in respect of the share as the Board may require to act under these Articles, or of his title, as the Board of Directors shall require, and upon giving such indemnity as the Board shall require, either be registered as a member in respect of such share or elect to have some person nominated by him and approved by the Board of Directors registered as a member in respect of such share PROVIDED NEVERTHELESS that if such person shall elect to have his nominee registered, he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained, and, until he does so, he shall not be freed from any liability in respect of such shares. This clause is herein referred to as "THE TRANSMISSION CLAUSE".

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 or his nominee as if he were the transferee named in any instrument of transfer presented for registration.

The Directors shall be entitled to decline to register more than four persons as the holders of any share.

Persons entitled to a share by transmission shall be subject to the right of the Directors to retain such dividends or money as hereinafter provided, he is entitled to receive and may give a discharge for any dividends or other monies payable in respect of the share.

Prior to the registration of a transfer, the certificate or certificates of the share or shares to be transferred; and if no such certificate is in existence, the Letter of Allotment of the shares, must be delivered to the Company along with (save as provided in Section 108 of the Act) a properly stamped and executed instrument of transfer, with the date of presentation of the instrument to the proper authorities, duly endorsed thereon.

No fee shall be charged for registration of transfer Probate, Succession Certificate and Letters of Administration, Certificates of Death or Marriage, Power of Attorney or similar other documents.

Registration of persons entitled to shares otherwise than by transfer (Transmission Clause)

Refusal to register nominee.

Directors entitled to refuse to register more than four jointholders.

Persons entitled may receive dividend without being registered as Member. Conditions of registration of transfer.

No fee on transfer or transmission.

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

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

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

78. The Company shall subject to the payment of the fee prescribed under Section 39 of the Act or its statutory modification for the time being in force, on being so required by a member, send to him within seven days of the requirement a copy of each of the following documents as in force for the time being.
- (a) The Memorandum.
 - (b) The Articles, and
 - (c) Every agreement and every resolution referred to in Section 192 of the Act and in so far as they have not been embodied in the Memorandum of the Company of these Articles.

BORROWING POWERS

Power to
Borrow.

79. Subject to the provision of Sections 292 and 293 of the Act and of these Articles, the Board of Directors 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 purpose of the Company from any source. PROVIDED HOWEVER, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such money without the sanction of the Company in general meeting. No debt incurred by the Company in excess of the limit imposed by this Article shall be valid or effectual unless the lender proves that he

...in good faith and without knowledge that the ... Article has been exceeded.

The payment or repayment of moneys borrowed as aforesaid may be ... upon such terms and conditions in all ... the Board of Directors may think fit, and in particular in ... a resolution passed at a meeting of the Board (and not by ...) by the issue of debentures or debenture stock of ... charged upon all or any part of the property of the ... (both present and future), including its uncalled capital ... and the debentures and the debenture stock and ... may be made assignable free from any equities bet- ... Company and the person to whom the same may be issued.

The payment or repayment of moneys borrowed.

... debenture stock or other securities may be issued at ... or otherwise and may be issued on condition ... convertible into shares of any denomination, and ... and conditions as to redemption, surrender, ... of shares, attending (but not voting) at general ... of Directors and otherwise, Debentures with ... into or allotment of shares shall be issued ... with the consent of the Company in general meeting.

Terms of issue of debentures.

... capital of the Company is included in or charged by ... mortgage or other security, the Directors may, subject to the ... of the Act and these Articles make calls on the members ... of such uncalled capital in trust for the person in whose ... such mortgage or security is executed.

Mortgage of uncalled capital.

The Board of Directors shall cause a proper Register to be kept in ... with the Provisions of Section 143 of the act of all Mort- ... debentures, & charges specifically affecting the property of the ... and shall cause the requirements of Sections 118, 125 & ... 127 to 144 (both inclusive) of the Act in that behalf to be ... complied with so far as they fall to be complied with by the ... The Company shall comply with the provisions of Section ... of the Act as regards modification of a charge and its registra- ... with the Registrar.

Register of charges etc., to be kept.

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

Register and Index of Debenture holders.

SHARE WARRANTS

The Company may issue share warrants subject to and in accord- ... with the provisions of Sections 114 and 115, and accordingly

Power to issue Share Warrants.

the Board may in its discretion, with respect to any share which if fully paid upon application in writing signed by the persons registered as holder of the share, and authenticated 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.

- Deposit of Share Warrant. 86. (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 for attending and voting and exercising the other privileges of the 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.
- Privileges and disabilities of the holders of Share Warrant. 87. (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.
- Issue of new share warrant, or coupon. 88. The Board may, from time to time, make bye-laws as to the terms on which (if it shall think fit) 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

- Share may be converted into stock. 89. The Company may, by Ordinary Resolution;
- (a) convert any paid up shares into stock, and
- (b) Reconvert any stock into paid-up shares of any denomination.
- Transfer of Stock. 90. The several holders of such stock may transfer their respective interest therein or any part thereof in the same manner and subject to the same

...which the shares from which the stock arose might have been transferred, or as near thereto as may be practicable.

PROVIDED THAT the Board may, from time to time, fix the minimum amount of stock transferable, so however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

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

Rights of stock holders.

2. Stock of the regulations of the Company as are applicable to Paid up shares shall apply to stock and the words 'Share' and 'Share-holder in these regulations shall include 'stock' and 'Stock holder' respectively.

Regulations applicable to stock and share warrants.

MEETINGS OF MEMBERS

1. The Company shall in each year hold, in addition to any other meetings, a general meeting, as its Annual General Meeting in accordance with the provisions of Sections 166 and 210 of the Act and shall specify the meeting as such in the notice calling it, except in the case where the Registrar has given an extension of time for holding any annual general meeting and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next.

Annual General Meeting

PROVIDED THAT if the Registrar shall have for special reason, extended the time within which any annual general meeting shall be held, such annual general meeting may be held within the additional time.

2. Every annual general meeting shall be called for any time during business hours on a day that is not a public holiday and shall be held either at the registered office of the Company or at some other place within the city or town or village in which the registered office of the Company is situated for the time being.

3. 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

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he attends on any part of the business which concerns him as auditor.

- Report statement and Registers to be laid before the annual general meeting.** 94. At every annual general meeting of the Company there shall be laid on the table Director's Report and Audited Statements of Accounts, Auditors' Report (if not already incorporated in the Audited Statement of Accounts), the proxy Register with proxies, and the Register of Directors' Shareholdings.
- Extraordi- General Meeting.** 95. All general meetings other than annual general meeting shall called Extraordinary General meetings.
- Annual Return** 96. (1) The Company shall comply with the provisions of Section 159 of the Act regarding the filing of Annual Return and the provisions of Section 161 of the Act as regards the annual return & certificates to be annexed thereto.
- Place of keeping and inspection of registers and returns:** (2) The Register of Members, Index of Members, the Registers and Index of Debenture holders and copies of all annual returns prepared under Section 159 and 160 of the Act together with the copies of certificates and documents required to be annexed thereto under Sections 160 and 161 of the Act shall be kept at the registered office of the Company.
- PROVIDED THAT such registers, indexes, returns and copies of certificates and documents of any one or more of them may instead of being kept at the registered office of the Company, be kept at any other place within the city or town in which the registered office of the Company is situated for the time being if ;
- (i) such other place has been approved for this purpose by a Special Resolution passed by the Company in general meeting; and
- (ii) The Registrar has been given in advance a copy of the proposed Special Resolution.
- Inspection.** (3) (a) The Registers, indexes, return and copies of certificates and other documents referred to in sub-clause (2), hereof shall, except when the register of Members and debenture holders are closed under the provisions of the Act, be open during the business hours (subject to such reasonable restriction as the Company may impose so that not less than two hours in each day are allowed for inspection) for inspection (i) to any member or debenture holder without fee; and (ii) to any other person on payment of fee of one rupee for each inspection.
- (b) Any such member, debenture holder or other person may take abstract from the said document or require copy thereof in accordance with Section 161 of the Act.

~~The Company shall~~ cause any copy required by any person under ~~clause (3)~~ clause (3) to be sent to that person within a period ~~of ten days~~ of non-working days, commencing on the day ~~after the day~~ on which the requirement is received by the ~~Company.~~

Copy to be sent.

~~Under~~ the provisions of Section 188 of the Act, the Directors ~~shall~~ in writing of such number of members as is ~~specified~~ specified and (unless the annual general meeting has ~~been~~ resolved) at the expenses of the requisitionists :

Circulation of Members' Resolution,

~~shall~~ give to the members of the Company entitled to receive a ~~notice~~ notice of the next annual general meeting, notice of any resolution ~~which may properly be moved and is intended to be moved at that meeting ;~~

~~shall~~ ~~send~~ to members entitled to have notice of any general ~~meeting~~ meeting sent to them, any statement of not more than one ~~hundred~~ hundred words with respect to the matter referred to in any ~~proposed~~ proposed resolution or the business to be dealt with at that ~~meeting.~~

~~The~~ number of members necessary for a requisition under clause ~~(3) hereof~~ shall be :

~~(a)~~ such member or members as represent not less than one-twentieth of the total voting power of all the members having at ~~the date~~ the date of the requisition a right to vote on the resolution or ~~business~~ business to which the requisition relates ; or

~~(b)~~ not less than one hundred members having the right aforesaid ~~and~~ and holding shares in the Company on which there has been ~~paid up~~ paid up an aggregate sum of not less than rupees one lakh in all.

~~(c)~~ Notice of any such resolution shall be given and any such statement shall be circulated to members of the Company entitled to ~~have~~ notice of the meeting sent to them by serving a copy of the ~~requisition or statement~~ requisition or statement on each member in any manner permitted by the Act for service of notice of the meeting and notice of any ~~such~~ such resolution shall be given to any other member of the Company ~~by giving~~ by giving notice of the general effect of the resolution in any ~~manner~~ manner permitted by the Act for giving him notice of meeting of ~~the Company.~~ The copy of the resolution shall be given as the case ~~may~~ may be in the same manner and so far as practicable at the same ~~time~~ time as notice of the meeting and where it is not practicable for it ~~to be~~ to be served or given at that time, it shall be served or given as ~~soon~~ soon as practicable thereafter.

(4) The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless :

(a) a copy of the requisition signed by the requisitionists (or two or more copies which between them contain the signature of all the requisitionists) is deposited at the registered office of the Company.

(i) in the case of a requisition requiring notice of the resolution, not less than six weeks before the meeting ; and

(ii) in the case of any other requisition not less than two weeks before the meeting ; and

(b) there is deposited or tendered with the requisition a sum reasonably sufficient to meet the Company's expenses in giving effect thereto.

PROVIDED THAT if after a copy of the requisition requiring notice of a resolution has been deposited at the registered office of the Company, and an annual general meeting is called for a date six weeks or less after such copy has been deposited, the copy although not deposited within the time required by this clause, shall be deemed to have been properly deposited for the purpose thereof.

(5) The Company shall not also be bound under this Article to circulate any statement, if on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this clause are being abused to secure needless publicity for defamatory matter.

(6) Notwithstanding anything in these Articles contained, the business which may be dealt with at an annual general meeting shall include a resolution of which notice is given in accordance with this Article and for the purpose of this clause notice shall be deemed to have been so given notwithstanding the accidental commission in giving it to one or more members.

Extraordinary general meeting by Board and by requisition.

98. The Directors may, whenever they think fit convene an extraordinary general meeting and they shall on requisition by the members as hereinafter provided, forthwith proceed to convene an extra-ordinary general meeting of the Company.

Contents of requisition and number of requisitionists required and the conduct of meeting.

99. In case of requisition the following provisions shall have effect :

(1) The requisition shall set out the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the registered office of the Company.

- (2) The requisition may consist of several documents in like form, each signed by one or more requisitionists.
- (3) The number of members entitled to requisition a meeting in regard to any matter shall be such number as hold at the date of the deposit of the requisition, not less than one-tenth of such of the paid-up capital of the Company as at that date carries the right of voting in regard to that matter.
- (4) Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (3) shall apply separately in regard to such matters, and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that clause is fulfilled.
- (5) If the Board does not, within twenty-one days from the date of the deposit of a valid requisition in regard to any matters proceed duly to call a meeting for the consideration of those matters on a day not later than forty-five days from the date of the deposit of the requisition, the meeting may be called:
 - (a) by the requisitionists themselves, or
 - (b) by such of the requisitionists as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of the paid-up share capital of the Company as is referred to in sub-clause (3) whichever is less. PROVIDED THAT for the purpose of this clause the Board shall, in the case of a meeting at which resolution is to be proposed as a special resolution be deemed not to have duly convened the meeting if they do not give such notice thereof as is required by sub-section (2) of Section 189 of the Act.
- (6) A meeting called under clause (5) by requisitionists or any of them:
 - (a) shall be called in the same manner, as nearly possible, as that in which meetings are to be called by the Board, but
 - (b) shall not be held after the expiration of three months from the date of deposit of the requisition,

PROVIDED THAT nothing in sub-clause (b) shall prevent a meeting duly commenced before the expiry of the period of three months aforesaid, from adjourning to some day after the expiry of that period.
- (7) Where two or more persons hold any shares in the Company jointly, a requisition or a notice calling a meeting by one or some only of

them shall for the purposes for this Article have the same force and effect as if it had been signed by all of them.

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

Length of notice of meeting.

100. (1) A general meeting of the Company may be called by giving not less than twenty-one day's notice in writing.
- (2) A general meeting may be called after giving shorter notice than that specified in clause (1) hereof if consent is accorded thereto:
- (i) in the case of an annual general meeting by all the members entitled to vote thereat; and
- (ii) in the case of any other meeting, by members of the Company holding not less than ninety-five per cent of such part of the paid-up share capital of the Company as gives a right to vote at the meeting.

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

Contents and manner of service of notice.

101. (1) Every notice of a meeting of the Company shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat.
- (2) Subject to the provisions of the Act, notice of every general meeting shall be given:
- (a) to every member of the Company in the manner authorised by sub-sections (1) to (4) of Section 53 of the Act;
- (b) to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or the assignee of the insolvent, or by like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred; and

~~the Auditor~~ or Auditor for the time being of the Company.
~~any person~~ authorised by Section 53 of the Act in the case
~~of any member~~ of the Company.

~~PROVIDED~~ THAT where the notice of a meeting is given by
~~publishing the same~~ in a newspaper circulating in the neighbour-
~~hood of the Registered Office~~ of the Company under sub-section
~~of Section 53 of the Act~~, the statement of material facts referred
~~to in Section 173 of the Act~~ need not be annexed to the notice as
~~required by the Section~~, but it shall be mentioned in the advertise-
~~ment~~ that the statement has been forwarded to the members of the
~~Company.~~

~~Any person~~ convening a meeting of the Company shall state that
~~any person~~ entitled to attend and vote at the meeting is entitled to
~~appoint a proxy~~ to vote and attend instead of himself and that a
~~proxy~~ shall not be a member of the Company.

~~In the case of an annual general meeting~~, all business to be transacted
~~at the meeting~~, shall be deemed special with the exception of
~~business relating to :~~

- ~~(a) The consideration of the accounts, balance sheet and reports of the Board of Directors and Auditors;~~
- ~~(b) The declaration of dividend ;~~
- ~~(c) The appointment of Directors in the place of those retiring ;~~
- ~~(d) The appointment of, and the fixing of the remuneration of the auditors.~~

~~In the case of any other meeting~~, all business shall be deemed
~~special.~~

~~Where any items of business to be transacted at the meeting of the Company are deemed to be special as aforesaid~~, there shall be annexed
~~to the notice of the meeting a statement setting out all material facts concerning each such item of business including in particular the nature of the concerns or interest, if any, therein of every Director.~~

~~PROVIDED THAT~~ where any item of special business at the meeting
~~of the Company relates to or affects any other Company~~, the extent
~~of shareholding interest in that other company of every Director shall be set out in the statement, if the extent of such shareholding interest is not less than 20 percent of the paid-up share capital of that other Company.~~

Special &
Ordinary
business and
explanatory
statement.

(3) 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.

- Omission to give notice not to invalidate a resolution passed. 103. The accidental omission to give any such notice as aforesaid to or the non-receipt thereof by any member or other person to whom it should be given shall not invalidate the proceedings of any such meeting.
- Notice of business to be given. 104. 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 convening the meeting.
- Quorum. 105. Five members entitled to vote and present in person shall be quorum for general meeting and no business shall be transacted at the general meeting unless the quorum requisite be present at the commencement of the meeting. 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. President of India or the Governor of a State being a member of the Company shall be deemed to be personally present if he is represented in accordance with Section 187A of the Act.
- Presence of Quorum. 106. If within half an hour from the time appointed for holding a meeting of the Company a quorum is not present the meeting if called by or upon the requisition of members shall stand dissolved and 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 the next succeeding day which is not a public holiday at the same time and place or to such other day and at such other time and place as the Board may determine. If at the adjourned meeting also a quorum is not present within 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.
- Resolution passed at adjourned meeting. 107. Where a resolution is passed at an adjourned meeting of the Company, the resolution shall for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have passed on any earlier date.
- Chairman of general meeting. 108. The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting, or if there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting, or shall decline to take the chair the Vice-Chairman if any, shall be entitled to take the Chair. If the Vice-Chairman is also not present or is unwilling to take the Chair, the Directors present shall elect one of them as Chairman and if no Director be present or if the Directors present decline to take the chair, then the members present shall elect one of them to be a Chairman. If a poll is demanded on the election of the Chairman it shall

...in accordance with the provisions of the Act and ... shall exercise all the powers ... If some other person is ... of the poll he shall be the Chairman for the rest of ...

... be discussed at any general meeting except the ... whilst the chair is vacant.

Business con-
fined to election
of Chairman
whilst Chair
vacant

... The Chairman may, with the consent of any meeting at which ... present and shall, if so directed by the meeting, ... from time to time and from place to place.

Chairman may
adjourn meeting.

... shall be transacted at any adjourned meeting other ... business left unfinished at the meeting from which the ... took place.

... When a meeting is adjourned for thirty days or more, notice of ... meeting shall be given as in the case of an original ...

... it shall not be necessary to give any notice of ... of the business to be transacted at any ... meeting.

... general meeting, a resolution put to the vote of the meeting ... a poll is demanded under Article 113 be decided on a ...

Voting to be by
show of hands in
the first instance.

... by the Chairman that in pursuance of Article 111, on a ... a resolution has or has not been carried either unani- ... or by a particular majority, and an entry to that effect in ... containing the minutes of the proceedings of the Company ... be conclusive evidence of the fact, without proof of the number ... of votes in favour or against such resolution.

Chairman's
declaration of
result of voting
on show of
hands.

... Before or on the declaration of the result of the voting on any ... resolution on show of hands a poll may be ordered to be taken ... by the Chairman of the meeting of his own motion and shall be ... to be taken by him on demand made in that behalf by ... person or persons specified below, that is to say :

Demand for Poll.

(a) by at least five members having the right to vote on the ... resolution and present in person or by proxy; or

(b) by any member or members present in person or by proxy ... and having not less than one-tenth of the total voting power ... in respect of the resolution; or

(c) by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote on the resolution being share on which aggregate sum has been paid up which is not less than one-tenth of the total sum paid-up on all the shares conferring that right.

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

- Time of taking poll 114. A poll demanded on any question of adjournment shall be taken forthwith. A poll demanded on any other question (not being relating to the election of a Chairman which is provided for in Article 109) shall be taken at such time not being later than forty-eight hours from the time when the demand was made and in such manner and place as the Chairman of the meeting may direct.
- Chairman's casting vote. 115. In the case of an equality of votes the Chairman shall both on a show of hands and a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a member.
- Scrutineers at poll. 116. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the vote given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove a scrutineers from office and fill vacancies in the office of the scrutineer arising from such removal or from any other cause.
- Demand for poll not to prevent transaction of other business. 117. The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
- Special notice. 118. Where by any provision contained in the Act or in these Articles special notice is required for any resolution, notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the meeting at which it is to be moved exclusive of the day on which the notice is served or deemed to be served and the day of the meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its members notice of the resolution in the same manner as it gives notice of the meeting, or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the meeting.
- Resolution requiring special notice. 119. The following resolution shall require special notice :

- (b) Resolution under Section 225 of the Act at an annual general meeting appointing as Auditor a person other than a retiring Auditor or providing expressly that a retiring Auditor shall not be re-appointed.
- (c) Resolution under Section 284 of the Act removing a Director before the expiry of his period of office.
- (d) Resolution under Section 284 of the Act appointing a Director in place of the Director so removed.

A copy of each of the following resolution (together with copy of the minutes of material facts annexed under Section 173 of the Act within a month of the meeting in which such resolution has been passed) or otherwise shall within thirty days after the passing or making thereof be submitted to the Registrar and duly certified under the signature of officer of the Company and filed with the Registrar.

Registration of documents with the Registrar.

- (a) Every special resolution.
 - (b) Every resolution which has been agreed to by all members of the Company but which, if not so agreed to would not have been effective for the purpose unless it had been passed as a special resolution.
 - (c) Every resolution of the Board of Directors or agreement executed by the Company relating to the appointment, re-appointment or renewal of appointment or variation in the terms of appointment of a Managing Director.
 - (d) Every resolution or agreement which has been agreed to by all the members of any class of shareholders but which if not so agreed to, would not have been effective for the purpose unless it had been passed by such particular majority required by the Act or by these Articles and every resolution or agreement which effectively binds all the members or any class of shareholders though not agreed to by all of them.
 - (e) Every resolution passed by the Company.
 - (i) According consent to the exercise by the Board of Directors of any of the power under clauses (a), (d) and (e) of sub-section (1) of the Section 293 of the Act;
 - (ii) Approving the appointment of sole selling agents under Section 294 of the Act; and,
 - (f) A resolution for voluntary winding up of the Company.
- A copy of every such resolution or agreement for the time being in force shall also be embodied in, or annexed to, every copy of these Articles issued after the passing of the resolution or the making of the agreement.

VOTES OF MEMBERS.

Members paying money in advance not be entitled to vote in respect thereof.

121. A member paying the whole or a part of the amount remaining unpaid on any shares held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

Restriction on exercise of voting rights of members who have not paid calls.

122. No member shall exercise any voting rights in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.

Number of votes to which member entitled.

123. Subject to the provisions of Articles 121 and 122 every member of the Company holding any equity share capital and otherwise entitled to vote shall, on a show of hands when present in person (or being a body corporate present by a representative duly authorised) have one vote and on a poll, when present in person (including a body corporate by a duly authorised representative) or by an agent duly authorised under a Power of Attorney or by proxy, his voting right 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 before the meeting which directly affect the rights attached to his preference shares. A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceeding the date on which the vote is taken.

Votes of members of unsound mind.

124. A member of unsound mind or in respect of whom order has been made by any Court having jurisdiction in lunacy, may vote whether on a show of hands or on a poll by his committee or other legal guardian and any such committee or guardian may on a poll vote by proxy.

Votes of joint members.

125. If there be joint registered holders of any shares, any one of such persons may vote at any meeting personally or by an agent duly authorised under a power of attorney, or by proxy in respect of such shares, as 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 either personally or by agent or by proxy, 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; PROVIDED ALWAYS that a person present at any meeting personally shall be entitled to vote in preference to a person present by an agent duly authorised under a power of attorney or by proxy although the name of such person present by agent or proxy stands first or higher in the Register in respect of such shares. 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.

20. ~~Any~~ ~~person~~ ~~or~~ ~~company~~ (whether a company within the meaning of ~~the Companies Act, 1956~~) may, if it is a member or a creditor of the ~~Company~~ (including a holder of debentures), authorise such ~~person~~ ~~as~~ ~~it~~ ~~thinks~~ ~~fit~~ by a resolution of its Board of Directors ~~or~~ ~~the~~ ~~Governing~~ ~~Body~~ to act as its representative at any ~~meeting~~ ~~of~~ ~~the~~ ~~creditors~~ ~~of~~ ~~the~~ ~~Company~~ ~~or~~ ~~debenture~~ ~~holders~~ ~~of~~ ~~the~~ ~~Company~~. A person authorised by resolution as afore- ~~said~~ ~~shall~~ ~~be~~ ~~entitled~~ ~~to~~ ~~exercise~~ ~~the~~ ~~same~~ ~~rights~~ ~~and~~ ~~power~~ ~~including~~ ~~the~~ ~~right~~ ~~to~~ ~~vote~~ ~~by~~ ~~proxy~~) on behalf of the body ~~represented~~ ~~which~~ ~~he~~ ~~represents~~ ~~as~~ ~~that~~ ~~body~~ ~~could~~ ~~exercise~~ ~~if~~ ~~it~~ ~~were~~ ~~an~~ ~~individual~~ ~~member~~, ~~creditor~~ ~~or~~ ~~holder~~ ~~of~~ ~~debentures~~ ~~of~~ ~~the~~ ~~Company~~.

Representation of body corporate.

21. ~~When~~ ~~the~~ ~~President~~ ~~of~~ ~~India~~ ~~or~~ ~~the~~ ~~Governor~~ ~~of~~ ~~a~~ ~~State~~ ~~is~~ ~~a~~ ~~member~~ ~~of~~ ~~the~~ ~~Company~~, the President or, as the case may be, the Governor may appoint such person as he thinks fit to act ~~as~~ ~~his~~ ~~representative~~ ~~at~~ ~~any~~ ~~meeting~~ ~~of~~ ~~the~~ ~~Company~~ ~~or~~ ~~at~~ ~~any~~ ~~meeting~~ ~~of~~ ~~any~~ ~~class~~ ~~of~~ ~~members~~ ~~of~~ ~~the~~ ~~Company~~ and such a ~~person~~ ~~shall~~ ~~be~~ ~~deemed~~ ~~to~~ ~~be~~ ~~a~~ ~~member~~ ~~of~~ ~~the~~ ~~Company~~ and ~~shall~~ ~~be~~ ~~entitled~~ ~~to~~ ~~exercise~~ ~~the~~ ~~same~~ ~~rights~~ ~~and~~ ~~powers~~, including the right to vote by proxy, as the President, or as the case ~~may~~ ~~be~~ the Governor could exercise as a member of the ~~Company~~.

22. ~~Any~~ ~~person~~ ~~entitled~~ ~~under~~ ~~the~~ ~~Transmission~~ ~~Clause~~ ~~to~~ ~~transfer~~ ~~any~~ ~~shares~~ ~~may~~ ~~vote~~ ~~at~~ ~~any~~ ~~general~~ ~~meeting~~ ~~in~~ ~~respect~~ ~~thereof~~ ~~in~~ ~~the~~ ~~same~~ ~~manner~~ ~~as~~ ~~if~~ ~~he~~ ~~was~~ ~~the~~ ~~registered~~ ~~holder~~ ~~of~~ ~~such~~ ~~shares~~, provided that at least forty-eight hours before the time of holding ~~the~~ ~~meeting~~ ~~or~~ ~~adjourned~~ ~~meeting~~, as the case may be, at which he ~~proposes~~ ~~to~~ ~~vote~~ he shall satisfy the Directors of his rights to transfer such shares and give such indemnity (if any) as the Directors may require unless the Directors shall have previously admitted his right ~~to~~ ~~vote~~ ~~at~~ ~~such~~ ~~meeting~~ ~~in~~ ~~respect~~ ~~thereof~~.

Votes in respect of deceased or insolvent members.

23. Subject to the provisions of these Articles a vote may be given ~~either~~ ~~personally~~ ~~or~~ ~~by~~ ~~proxy~~.

Voting in person or by proxy.

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

Right of member to use his votes differently.

25. ~~Any~~ ~~member~~ ~~of~~ ~~the~~ ~~Company~~ entitled to attend and vote at a ~~meeting~~ ~~of~~ ~~the~~ ~~Company~~ shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself PROVIDED ALWAYS that a proxy so appointed shall ~~not~~ ~~have~~ ~~any~~ ~~right~~ ~~whatever~~ ~~to~~ ~~speak~~ ~~at~~ ~~the~~ ~~meeting~~. Every notice ~~concerning~~ ~~a~~ ~~meeting~~ ~~of~~ ~~the~~ ~~Company~~ shall state that a member ~~entitled~~ ~~to~~ ~~attend~~ ~~and~~ ~~vote~~ is entitled to appoint one or more ~~proxies~~.

Proxies.

- Proxy either for specified meeting or for a period. 131. An instrument of proxy may appoint a proxy either for the purposes of a particular meeting specified in the instrument and ~~any~~ adjournment thereof or it may appoint for the purposes of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.
- No Proxy except for a Corporation to vote on a show of hands. 132. No member present only by proxy shall be entitled to vote on a show of hands.
- Deposit of instrument of appointment. 133. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or notarially certified copy of that Power of attorney or authority, shall be deposited at the office fortyeight 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. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.
- Form of proxy. 134. Every instrument of proxy whether for specified meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX to the Act, and signed by the appointer or his attorney duly authorised in writing, or, if the appointer is a body corporate be under its seal or be signed by any officer or attorney duly authorised by it.
- Inspection of proxies 135. Every member entitled to vote at a meeting of the Company according to the provisions of these articles on any resolution to be moved thereat shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect proxies lodged, at any time during the business hours of the Company provided not less than three days, notice in writing of the intention so to inspect is given to the company.
- Validity of votes given by proxy notwithstanding revocation of authority. 136. 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 or authority 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, insanity, revocation or transfer shall have been received at the Officer before the commencement of the meeting, or adjourned meeting at which the proxy is used.
- Time for objections to Vote. 137. No objection shall be made to the qualification of any voter or to the validity of a vote except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote, whether given personally or by proxy, not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting.

138 the chairman of nay meeting shall be the sole judge of every vote tendered at such meeting the chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll . Chairman of meeting to be the judge of validity of any vote

139. If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meeting of the company it shall remain permanently or for such time as the director may determine in the custody of the company if embracing other objects copy thereof examined with the original shall be delivered to the company to remain in the custody of the company. Custody of instruments

DIRECTORS

140 Until otherwise determined by a general meeting of the company and subject to the provisions of section 253 of the Act and number of director (excluding debenture director permanent directors special directors and corporation directors (if any) shall be less than 3 and not more than 12. Number of the directors

141. The First directors of the company are : Directors
 1. SHRI HIRA LAL SOMANI
 2. SHRI BADRE DAS DAGA
 3 . SHRI BHAGWATI PRASAD MENDELIA

141A. The present Directors of the company are:

Sl no.	Name of Directors	Date of appointment
1.	MR. INDERSAIN KAPOOR	20/12/1995
2	MRS. NAMITA KAPOOR	02/12/2002
3	MRS. PUSHPA KAPOOR	15/03/2015
4	MR. NAMAY KAPOOR	20/08/2018
5	MR. SAKSHAM KAPOOR	27/11/2018

142. any trust deed for securing debentures or debenture stock may if so arranged provide for the appointments from time to time by the trustees thereof or by the holders of debenture or debenture stock of some person to be a director of the company and may empower such trustees or holder of debenture or debenture stock form time to time remove and re –appoint any directors so appointed the directors appointed under this Article is hereinafter referred to as debenture director and the term debenture director means the directors for the time being in office under this Article the debenture director shall not be liable to retire by rotation or be removed by the company the trust deed may contain such ancillary provision as may be arranged between the company and the trustees and all such provision shall have effect notwithstanding any of the other provision herein contained Debenture directors

143. notwithstanding anything to the contrary contained in these Articles but subject to the provisions of Article 140so long moneys remain Corporation directors

owing by the Company to the Industrial Development Bank of India (IDBI), Life Insurance Corporation of India (LIC), The Industrial Credit and Investment Corporation of India Ltd. (ICICI), Industrial Finance Corporation of India (IFCI) and Unit Trust of India (UTI), or to any other Finance Corporation or credit corporation or to any other Financing Company or Body out of any loans granted by them to the Company or so long as IDBI, LIC, ICICI, IFCI and UTI or any other Finance Corporation or Credit Corporation or any other Financing Company or Body (which ICICI, LIC, IDBI, IFCI and UTI or any other Finance Corporation or Credit Corporation or any other Financing Company or Body is hereinafter in this Article referred to as "the Corporation") continue to hold debentures in the Company by direct subscription or private placement, or so long as the Corporation holds shares in the Company as a result of conversion of the said loans/debentures, the Corporation shall have a right to appoint from time to time, any person or persons as a Director/or Directors (which Director or Directors is/are hereinafter referred to as "Corporation Director/s") on the Board of the Company and to remove from such office any person or persons so appointed any person or persons in his or their place/s.

The Board of Directors of the Company shall have no power to remove from office the Corporation Director/s.

The Corporation Director/s shall not be required to hold any share qualification in the Company nor shall be liable to retirement by rotation of Directors. Subject as aforesaid, the Corporation Director/s shall be entitled to the same rights and privileges and be subject to the same obligation as any other Director of the Company.

The Corporation Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Debentures in the Company as a result of direct subscription or private placement or so long as the corporation holds shares in the Company as a result of conversion of the loans/debentures and the Corporation Director/s so appointed in exercise of the said power shall *ipso facto* vacate his office immediately the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold debentures shares in the Company.

It is clarified that each corporation entitled to appoint a Director under this Article may appoint one or more such person or persons as Director/s and so that not more than two Directors the aggregate shall be appointed or continue as Directors pursuant to his power of any point of time.

The Corporation Director/s appointed under this Article as well as IDBI, LIC, ICICI, IFCI and UTI or any other Finance Corporation or Credit Corporation or any other financing company or body shall be entitled to receive all notices of Board meetings and of the meeting of the Committee of which the Corporation Director/s is a member, as also the minutes of such meetings. The Company shall pay to the Corporation Director/s normal allowances.

other remuneration, travelling and boarding expenses as applicable to other non-Wholesale Directors of the Company: PROVIDED THAT if such Corporation Director is an Officer of the Reserve Bank of India (RBI) or IDBI, no sitting fees shall be payable to him but that the Company shall reimburse RBI or IDBI, as the case may be, the amounts paid or payable under the rules of the RBI or IDBI to such Corporation Director on account of travelling and halting allowances and any other expenses for attending any meeting of the Board or Committee of the Company.

144. In connection with any collaboration arrangement with any company or corporation or any firm or person for supply of technical knowhow and/or machinery or technical advice, the Directors may authorise such Company, Corporation, firm or person hereinafter in this clause referred to as "Collaborator" to appoint from time to time any person as a Director of the Company (hereinafter referred to as "Special Director") and may agree that such Special Director shall not be liable to retire by rotation so however that such Special Director shall hold office so long as such collaboration arrangement remains in force, unless otherwise agreed between the Company and such collaborator under the collaboration arrangement or at any time thereafter.

Special
Directors.

The Collaborator may at any time and from time to time remove such Special Director appointed by it and may at any time after such removal and also in the case of death or resignation of the person so appointed at any time appoint any other person as a Special Director in his place & such appointment or removal shall be made in writing signed by such Company or any partner or such person and shall be delivered to the Company at its registered office. It is clarified that every collaborator entitled to appoint a Director under this Article may appoint one such person as a Director and that if more than one collaborator is so entitled there may be at any time as many Special Directors as the Collaborators eligible to make the appointment.

145. The provisions of Articles 141, 142, 143 and 144 are subject to the provisions of Section 256 of the Act and the number of such Directors appointed under Articles 142, 143 and 144 shall not exceed in the aggregate one-third of the total number of Directors for the time being in office.

Limit on
number of
retiring
Directors.

146. The board may appoint an Alternate Director to act for a period of not less than three months. Every such alternate Director shall subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meeting of Directors and to attend and vote as a Director and be counted for the purposes of a quorum and generally at such meetings to have and exercise all the powers and duties and authorities of the original Director. The Alternate Director appointed under this Article shall vacate office as and when original Director returns. If the term of office of the original Director is determined before he returns any provision in the Act in these Articles

Appoint-
ment of
Alternate
Director.

for the automatic re-appointment of retiring Director in default of another appointment shall apply to the original Director and not the Alternate Director.

- Directors may fill vacancies.
147. The Directors shall have power at any time and from time to time to appoint any qualified person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall retain his office only upto the date upto which the Director in whose place he is appointed would have held the office, if it had not been vacated as aforesaid but shall then be eligible for re-election.
- Additional Directors.
148. The Directors shall also have power at any time and from time to time to appoint any other qualified person to be a Director as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum fixed. Any person so appointed as an addition to the Board shall retain his office only upto the date of the next annual general meeting but shall be eligible for election at such meeting.
- Qualification of Directors.
149. A Director shall not be required to hold any qualification shares.
- Remuneration of Directors.
150. The remuneration of a Director for his services shall be such sum as may be fixed by the Board of Directors not exceeding Rupees Two Hundred and Fifty for each meeting of the Board or a Committee thereof attended by him. The Directors, subject to the sanction of the Central Government (if any required), may be paid such further remuneration as the Company in general meeting shall from time to time determine and such further remuneration shall be divided among the Directors in such proportion and manner as the Board may from time to time determine; and in default of such determination shall be divided among the Directors equally.
- Extra Remuneration to Directors for special work.
151. 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 Directors or in relation to signing share certificates) or to make special exertions 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 determined by Directors, and such remuneration may be, either in addition to or in substitution for his share in the remuneration above provided.
- Travelling expenses incurred by Director on Company's business.
152. The Board of Directors may subject to the limitations provided by the Act allow and pay to any Director who attend a meeting at a place other than his usual place of residence for the purposes of attending a meeting, such sum as the Board may consider fair compensation for

meeting, hotel, and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.

The continuing Directors may act notwithstanding any vacancy in their body, but if and as long as their number is reduced below the quorum fixed by these Articles for a meeting of the Board of Directors, the continuing Directors may act for the purpose of increasing the number of Directors to that fixed for the quorum or for summoning a general meeting of the Company, but for no other purpose.

Directors may act notwithstanding vacancy.

A person shall not be capable of being appointed Director of the Company, if :

Disqualification of Directors.

- (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 of the Company held by him whether alone or jointly with others and six months have elapsed from the last day fixed for the payment of the call; 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 that section.

(1) The office of a Director shall become vacant if;

When Office of Directors to become vacant.

- (a) he is found to be of unsound mind by a Court of Competent jurisdiction, or
- (b) he applies to be adjudged an insolvent, or
- (c) he is adjudged an insolvent, or
- (d) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months; or
- (e) he fails to pay call respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date for the payment of the call unless the Central Government by a Notification removed the disqualification incurred by such failure; or

- (f) he absent himself from the consecutive meetings of the Board of Directors or from all meetings of the Board for a continuous period of three months, whichever is longer; without obtaining leave of absence from the Board; or
- (g) he (whether by himself or by any person for his benefit or on his account) or any firm in which he is a partner or any private company of which he is a Director, accept a loan, or any guarantee or security for loan from the Company in contravention of Section 295 of the Act; or
- (h) he being in any way whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement, entered into or to be entered into by or on behalf of the Company fails to disclose the nature of his concern or interest at a meeting of the Board of Directors as required by Section 299 of the Act; or
- (i) he becomes disqualified by an order of the Court under Section 203 of the Act; or
- (j) he is removed by an ordinary resolution of the Company before the expiry of his period of office; or
- (k) if by notice in writing to the Company, he resigns his office; or
- (l) 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.

Disqualification
not to take
effect,

(2) Notwithstanding anything contained in sub-clauses (c), (d) and (i) of clause (1) hereof, the disqualification referred to in these clauses shall not take effect—

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

Removal of
Directors.

(3) (a) The Company may (subject to the provisions of Section 284 and other applicable provisions of the Act and these Articles) by ordi-

nary resolution remove any Director before the expiry of his period of office.

- (b) Special notice as provided by Article 118 or Section 190 of the Act shall be required of any resolution to remove a Director under the Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.
- (c) On receipt of notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.
- (d) Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding a reasonable length) and requests their notification to members of the Company, the Company shall, unless the representations are received by it too late for it to do so (a) to the notice of the resolution given to members of the Company state the fact of the representations having been made, and (b) send a copy of the representations to every member of the Company to whom notice of the meeting is sent (before or after the representations by the Company) and if a copy of the representations is not sent as aforesaid because they were received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representations shall be read out at the meeting; PROVIDED THAT copies of the representations need not be sent or read out at the meeting if on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter.
- (e) A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board in pursuance of Article 147 or Section 262 of the Act be filled by the appointment of another Director in his stead by the meeting at which he is removed; PROVIDED Special notice of the intended appointment has been given under sub-clause (3) hereof. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.
- (f) If the vacancy is not filled under sub-clause (e), it may be filled as a casual vacancy in accordance with the provisions, in so far as they are applicable, of Article 147 or Section 262 of the Act, and

all the provisions of that Article and section shall apply ~~and~~ accordingly.

(g) A Director who is removed from office under this Article shall ~~not~~ be re-appointed as a Director by the Board of Directors.

(h) Nothing contained in this Article shall be taken :

(i) as depriving a person removed hereunder of any compensation or damages payable to him in respect of the termination of his appointment as director; or

(ii) as derogating from any power to remove a Director which exist apart from this Article.

Directors
may contract
with Company.

156. Subject to compliance with the provision of Sections 297, 299 300 ~~and~~ 314 of the Act and save as therein provided no Director shall be disqualified to hold 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 anywise interested be avoided, nor shall any Director be liable to account to the Company for profit arising from any contract or arrangement by reason only of such Director holding that office or of the fiduciary relation established.

Disclosure
of Directors
interest.

157. (1) Every Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement, entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board of Directors, in the manner provided in Section 299, (2) of the Act.

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

(b) In case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.

(3) (a) For the purpose of clauses (1) and (2) a general notice given to the Board by a Director to the effect that he is a Director

is a member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notices, be entered into with that body corporate or firm, shall be deemed to be sufficient disclosure of concern or interest in relation to any contract or arrangement so made.

(2) Any such general notice shall expire at the end of the financial year in which it is given, but may be renewed for further period of one financial year at a time by a fresh notice given in the last month of financial year in which it would otherwise expire.

(3) No such general notice, and no renewal thereof, shall be of effect unless either it is given at a meeting of the Board, or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

(4) Nothing in this Article shall apply to any contract or arrangement entered into or to be entered into between the Company and any other company where any one or more of the Directors of the Company together holds or held not more than two per cent of the paid-up share capital in the other company.

(5) Except with the consent of the Board of Directors of the Company, a Director of the Company, or his relative, a firm in which such a Director or relative is partner; any other partner in such a firm, or a private company of which the Director is a member or director; shall not enter into any contract with the Company

Board resolution necessary for certain contracts.

- (a) for the sale, purchase or supply of goods, materials or services; or
- (b) for underwriting the subscription of any share in or debentures of the Company.

(6) Nothing contained in clause (a) of sub-clause (1) shall affect :

- (a) the purchase of goods and materials for the Company or the sale of goods materials to the Company by any 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 com-

pany on the other for sale, purchase or supply of goods, materials and services in which either the Company or the Director, relative, firm, partner or private company as the case may be, regularly trades or does business, PROVIDED THAT no contract or contracts do not relate to goods and materials the value of which or services the cost of which exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts; or

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

Disclosure to 159. If the Company—

the members of
Director's interest
in contract in
appointing manager
of Managing
Director.

- (a) enters into a contract for the appointment of a manager or a managing director of the Company in which contract any Director of the Company is in any way directly or indirectly concerned or interested; or
- (b) varies any such contract already in existence and in which a Director is concerned or interested as aforesaid, the provisions of Section 302 of the Act shall be complied with.

Holding of
office of profit
by Directors
etc.

160. (1) Except with the consent of the Company accorded by a special resolution.
 - (a) No Director of the Company shall hold any office or place of profit; and

- (b) no partner or relative of such a Director, no firm in which such a Director or relative is a partner, no private company of which such a Director is a Director or member, and no director or manager of such a private company shall hold any office or place of profit, carrying a total monthly remuneration of rupees five hundred or more;

except of a managing director, manager, legal or technical adviser, banker, or trustee for the holders of debentures of the Company—

- (i) under the Company; or
- (ii) under any subsidiary of the Company unless the remuneration received from such subsidiary in respect of such office or place of profit is paid over to the Company or its holding Company; PROVIDED THAT it shall be sufficient if the special resolution according the consent of the Company is passed at the general meeting of the Company held for the first time after the holding of such office or place of profit;

PROVIDED FURTHER that where a relative of a Director or a firm in which such relative is a partner, is appointed to an office or place of profit under the Company or a subsidiary thereof without the knowledge of the Director, the consent of the Company may be obtained either in the general meeting aforesaid or within three months from the date of the appointment whichever is later.

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

- (2) Nothing in clause (1) hereof shall apply where a relative of a Director or a firm in which such relative is a partner holds any office or place of profit under the Company or a subsidiary thereof having been appointed to such office or place before such Director becomes a Director of the Company.
- (3) If any office or place of profit is held in contravention of the provisions of clause (1) above or except as provided by clause (2)

above, the Director, partner, relative, firm, private company or the manager concerned shall be deemed to have vacated his or its office as such on and from the date next following the date of the general meeting of the Company referred to in the first proviso to clause (1) above, or as the case may be, the date of the expiry of the period of three months referred to in the second proviso to clause (1) above, and shall also be liable to refund to the Company remuneration received or the monetary equivalent of any perquisite or advantage enjoyed by him or it for the period immediately preceding the date aforesaid in respect of such office or place of profit.

- (4) Every individual, firm, private company, or other body corporate proposed to be appointed to any office or place of profit to which this Article applies shall, before or at the time of such appointment, declare in writing whether he or it is or is not connected with the Director of the Company in any of the ways referred to in clause (1).
- (5) Any office or place shall be deemed to be an office or place of Profit under the Company within the meaning of clause (1)—
 - (a) in case the office or place is held by a Director holding it obtains from the Company anything by way of remuneration over and above the remuneration to which he is entitled as such Director whether as salary, fees, commission, perquisites, the right to occupy free of rent any premises as a place of residence or otherwise;
 - (b) in case the office or place is held by an individual other than a Director or by any firm, private company or other body corporate if the individual, firm, private company or body corporate holding it obtains from the Company anything by way of remuneration whether as salary, fees, commission, perquisites, the right to occupy free of rent any premises as a place of residence or otherwise.

Loans to
Directors, etc.

161. The Company shall not without obtaining the previous approval of the Central Government in that behalf, directly or indirectly make any loan to or give any guarantee or provide any security in connection with a loan made by any other person to or any other person by—
- (a) any Director of the Company or any partner or relative of any such Director;
 - (b) Any firm in which any such Director or relative is a partner;
 - (c) any Private company of which any such Director is a Director or member;
 - (d) any body corporate at a general meeting of which not less than twenty-five per cent of the total voting power may be

exercised or controlled by any such Director or by two or more such Directors together; or

any body corporate the Board of Directors; Managing Director or Manager whereof, is accustomed to act in accordance with the Directions or instructions of the Board, or of any Director or Directors of the Company.

The Company shall observe the restrictions imposed on the Company in regard to making any loans, giving any guarantee or providing any security to the companies or bodies corporate under the same management as provided in Section 370 of the Act.

Loans etc. to companies.

No Director of the Company 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, it shall be void; PROVIDED THAT the Board of Directors or any of its number may vote on any contract of indemnity against any loss which it or any one or more of its number may suffer by reason of becoming or being sureties or surety for the Company. Nothing in this Article shall apply to any contract or arrangement entered into or to be entered into with a public company or a private company which is subsidiary of a public company in which the interest of the Director aforesaid consists solely :

Interested Director not to participate or to vote in Boards proceedings.

(1) in his being Director of such company and the holder of not more than shares of such number and value therein as is requisite to qualify him for the appointment as a Director thereof, he having been nominated as such Director by the Company;

(2) in his being a member holding not more than two percent of its paid up share capital.

This Article is subject to the provisions of sub-section (2) of Section 300 of the Act.

16- (1) The Company shall keep one or more registers in which shall be entered separately particulars of all contracts and arrangements to which Section 297 or Section 299 of the Act applies including the following particulars to the extent they are applicable in each case, namely :

Register of contracts in which Directors are interested

(a) the date of the contract or arrangement;

(b) the names of the parties thereto;

- (c) the principal terms and conditions thereof;
 - (d) in the case of contract to which Section 297 of the Act ~~applies~~ or in the case of a contract or arrangement to which sub-section (2) of Section 299 of the Act applies the date on which it was placed before the Board;
 - (e) the names of the Directors voting for and against the contract or arrangement and the names of those remaining neutral.
- (2) Particulars of every such contract or arrangement to which Section 297 of the Act or as the case may be, sub-section (2) of section 299 applies shall be entered in the relevant register aforesaid—
- (a) in the case of a contract or arrangement requiring the Board's approval within seven days (exclusive of public holidays) of the meeting of the Board at which the contract or arrangement is approved;
 - (b) in the case of any other contract or arrangement within seven days of the receipt at the registered office of the Company of the particulars of such other contract or arrangement or within thirty days of the date of such other contract or arrangement whichever is later, and the register shall be placed before the next meeting of the Board and shall be signed by all the Directors present at the meeting.
 - (c) The register shall be kept at the registered Office of the Company, and it 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 Provision of Section 163 of the Act shall apply accordingly.
- (3) The register aforesaid shall also specify, in relation to each Director of the Company the names of the firms and bodies corporate of which notice has been given by him under sub-section (3) of Section 299 of the Act.
- (4) Nothing in clauses (1), (2) and (3) shall apply to any contract or arrangement for the sale, purchase or supply of any goods and materials or services if the value of such goods and materials or the cost of such services does not exceed Rupees One Thousand in the aggregate in any year.

ROTATION AND APPOINTMENT OF DIRECTORS

Directors may
be Directors

165. A Director may be or become a Director of any 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.
166. Not less than two-thirds of the total number of Directors shall (a) be persons whose period of the office is liable to determination by retirement of Directors by rotation, and (b) save as otherwise expressly provided in the Articles be appointed by the Company in General Meeting.
167. Subject to the provisions of Section 256 of the Act and Articles 140, 141 to 147 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. The Debenture Directors, Corporation Directors, Special Directors, subject to Article 147, Managing Directors or wholtime Director, if any, shall not be subject to retirement under this Article and shall not be taken into account in determining the number of Directors to retire by rotation. In these Articles a "Retiring Director" means a Director retiring by rotation.
168. Subject to Section 284 (5) of the Act, the Directors to retire by rotation under Article 167 at every annual general meeting shall be those who have been longest in office since their last appointment, but as between those 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.
169. A retiring Director shall be eligible for re-election.
170. Subject to Sections 258, 259, 261 and 284 of the Act, the Company at the general meeting at which a Director retires in manner aforesaid may fill up the vacancy by appointing the retiring Director or some other person thereto.
171. (a) If the place of a 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 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 expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless—
- (i) at that meeting or the previous meeting a resolution for the re-appointment of such Director has been put to the meeting and lost;
- of Companys promoted by the Company
- Rotation of Directors
- Retirement of Directors.
- Ascertainment of Directors retiring by rotation and filling of vacancies.
- Eligibility for re-election.
- Company to fill vacancies.
- Provisions in default of appointment.

- (ii) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors expressed his unwillingness to be so re-appointed;
- (iii) he is not qualified or is disqualified for appointment;
- (iv) a resolution, whether special or ordinary is required for the appointment or re-appointment in virtue of any provision of the Act; or
- (v) the proviso to sub-section (2) of Section 263 of the Act is applicable to the case.

Company may increase or reduce the number of Directors.

172. Subject to the provisions of Sections 252, 255 and 259 of the Act, the Company may, by ordinary resolution, from time to time, increase or reduce the number of Directors and may alter qualifications.

Appointment of Directors to be voted individually.

173. (1) No motion at any general meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made, has been first agreed to by the meeting without any vote being given against it.

(2) A resolution moved in contravention of clause (1) hereof shall be void, whether or not objection was taken at the time of its being so moved, PROVIDED where a resolution so moved is passed, no provision for the automatic re-appointment of retiring Director in default of another appointment as herein before provided shall apply.

(3) For the purpose of this Article, a motion for approving a person's appointment or for nominating a person for appointment, shall be treated as a motion for his appointment.

Notice of candidate for office of Director except in certain cases.

174. (1) No person, not being a retiring Director shall be eligible for election to the office of Director at any general meeting unless he or some other member intending to propose him as director, at least 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 a Director or the intention of such member to propose him as a Director for office as the case may be.

(2) The Company shall inform its members of the candidature of the person for the office of Director or the intention of a member to propose such person as a candidate for that office by serving individual notices on the members not less than seven days before the meeting. PROVIDED THAT it shall not be necessary for the Company to serve individual notices on the members not less than seven days before the meeting. PROVIDED FURTHER THAT it

shall not be necessary for the Company to serve individual notices upon the members as aforesaid if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the place where the registered office of the Company is located, of which one is published in the English language and the other in the regional language of that place.

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

(4) A person, other than —

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

(b) an additional or alternate Director or a person filling a casual vacancy in the office 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 his appointment signed and filed with the Registrar his consent in writing to act as such Director.

175 (1) The Company shall keep at its registered office a Register containing the particulars of its Directors and other persons mentioned in Section 303 of the Act, and shall send to the Registrar a Return containing the particulars specified in such Register, and shall otherwise comply with the provisions of the said section in all respects.

(2) The Company shall keep at the registered office a Register showing as respects each Director of the Company the number, description and amount of any shares in or debentures of the Company or any other body corporate being the Company's subsidiary or holding company or a subsidiary of the Company's holding company which are held by him or in trust for him or of which he has any right to become the holder whether on payment or not, as required by Section 307 of the Act. Such Register shall be kept open for inspection by any member or debenture holder of the Company as required by Section 307 (5) of the Act.

176. Every Director (including a person deemed to be a Director of the Company by virtue of the explanation to sub-section (1) of Section 303 of the Act), Managing Director, Manager or Secretary of the Company who is appointed to or relinquishes the office of Director, Managing

Register of Directors etc. and notification of change to Registrar.

Disclosure by Director of appointment to any other body corporate.

Director, Manager or Secretary of any other body corporate shall within thirty days of his appointment to, or as the case may be, ~~resignation~~ of such office, disclose to the Company the particulars relating to the office in the other body corporate which are required to be specified under sub-section (1) of the section 303 of the Act.

Disclosure by Directors of their holdings of shares and debentures of the Company.

177. Every Director and every person deemed to be Director of the Company by virtue of sub-section (10) of Section 307 of the Act shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that section. Any such notice shall be given in writing and if it is given at a meeting of the Board, the person giving the notice shall take all reasonable steps to secure that it is brought up and read at the first meeting of the Board next after it is given.

MANAGING DIRECTOR—WHOLETIME DIRECTOR

Board may appoint Managing Director (s) or Whole-time Director (s)

178. Subject to the provisions of the Act and these Articles, the Directors shall have power to appoint from time to time one or more of their body to be Managing Director or Managing Directors or whole time Director or Wholtime Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

What provisions they will be subject to

179. Subject to the provisions of the Act and these Articles, the Managing Director or the Wholtime Director shall not, while he continues to hold that office, be subject to retirement by rotation under Article 167, but subject to the provisions of any contract between him and the Company, be subject to the same provisions as the resignation and removal as the other Directors of the Company and he shall *ipso facto* and immediately cease to be a Managing Director or Wholtime Director if he ceases to hold the office of the Director from any cause PROVIDED THAT if at any time the number of Directors (including Managing Director or Wholtime Director) as are not subject to retirement by rotation shall exceed one-third of the total number of the Directors for the time being, then such of the Managing Director or Wholtime Director 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 Article 167 to the intent that the number of Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being.

Remuneration of Managing or Wholtime Director (s)

180. The remuneration of the Managing Director or Wholtime Director shall (subject to Section 309 and other applicable provisions of the Act and of these Articles and of any contract between him and the Company) be

fixed by the Directors, from time to time and may be by way of fixed salary and/or perquisites or commission on profits of the Company or by participation in such profits, or by fee for each meeting of the Board or by and/or all these modes or any other mode not expressly prohibited by the Act.

181. Subject to the superintendence, control and direction of the Board the day-to-day management of the Company shall be in the hands of the Managing Director (s) or Wholetime Director (s) appointed under Article 178 with power to the Board to distribute such day-to-day management functions among such Director (s) in any manner as deemed fit by the Board and subject to the provisions of the Act and these Articles the Board may by resolution vest any such Managing Director or Managing Directors or Wholetime Director or Wholetime Directors such of the power hereby vested in 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 and they may subject to the provisions of the Act and these Articles, confer such powers either collaterally with or to the exclusion of or in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

Powers and duties of Managing and or Wholetime Director (s)

PROCEEDINGS OF THE BOARD OF DIRECTORS

182. The Directors may meet together as a Board for the despatch of business from time to time, and unless the Central Government by virtue of the proviso to Section 285 of the Act otherwise directs, shall so 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.
183. (1) Notice of every meeting of the Board of Directors 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.
- (2) A Director may at any time and the Secretary upon the request of a Director made at any time shall convene a meeting of the Board of Directors by giving a notice in writing to every Director for the time being in India and at his usual address in India to every other Director. Notice may be given by telegram to any Director who is not in the State of Madhya Pradesh.
184. (a) Subject to Section 287 of the Act the quorum for a meeting of the Board of Directors 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 at any meeting exceeds or

Meetings of Directors.

Notice of meetings.

When meeting to be convened.

Quorum.

is equal to two-third of the total strength, the number of the remaining Directors (that is to say, the number of Directors who are not Interested) present at the meeting being not less than two shall be the quorum during such time.

(b) For the purpose of clause (a)—

(i) "Total Strength of the Board of Directors of the Company" shall be determined in pursuance of the Act, deducting therefrom number of the Directors, whose places may be vacant at the time; and

(ii) "Interested Directors" means any Director whose presence cannot by reason of Article 163 hereof or any other provisions in the Act count be for the purpose of forming a quorum at a meeting of the Board, at the time of the discussion or vote on any matter.

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| Procedure when meeting adjourned for want of quorum. | 185. If a meeting of the Board could not be held for want of quorum then the meeting shall automatically 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. |
| Chairman. | 186. The Directors from among their number may elect a Chairman and a Vice-Chairman of the Board of Directors. The Chairman and in the absence the Vice-Chairman, if any, shall preside at all meetings. If no such Chairman or Vice-Chairman is elected, or if at any meeting the Chairman as well as the Vice-Chairman are not present at the time appointed for holding the same, the directors present shall choose one of their number to be Chairman of such meeting. |
| Questions at Board meeting how decided. | 187. Subject to provisions of Section 316, 372(5) and 386 of the Act, questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of an equality of votes, the Chairman shall have second or casting vote. |
| Powers of Board meeting. | 188. A meeting of the Board of Directors 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 these Articles or the regulations for the time being of the Company are vested in or exercisable by the Board of Directors generally. |
| Directors may appoint committees. | 189. The Board of Directors may subject to the provisions of Section 292 and other relevant provisions of Act and of these Articles appoint committee of the Board, and delegate any of the powers other than the powers to make calls and to issue debentures to such |

committee or committees and may from time to time revoke and discharge any such committees of the Board so formed shall in exercise of the powers so delegated conform to any regulation that may from time to time be imposed on it by the Board of Directors. All acts done by any such committee of the Board in conformity with such regulations and in fulfilment of the purpose of their appointment, but not otherwise, shall have the like force and effect, as if done by the Board.

190. 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.

Meeting of the Committee how to be governed

191. (1) A resolution passed by circular without meeting of the Board or a committee of the Board appointed under Article 189 shall subject to the provisions of sub clause (2) hereof and the Act be as valid and effectual as the resolution duly passed at meeting of the Directors or of a committee duly called and held.

Circular Resolution.

(2) A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, if the resolution has been circulated in draft together with 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 is 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 addresses in India and has been approved by such of the directors or members of the committee as are in India or by a majority of such of them as are entitled to vote on the resolution.

192. 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 one or more of such directors or any person acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them is deemed to be terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a director; PROVIDED nothing in this Article shall be deemed to give validity to acts done by a director after his appointment has been shown to the Company to be invalid or to have terminated.

Acts of Board or Committee valid notwithstanding defect in appointment.

POWERS OF THE BOARD

193. The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and

Powers of Board

things are not by the Act, or any other Act or by the Memorandum or the Articles of the Company, required to be exercised by the Company in general meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act, to such regulation being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in general meeting, but no regulations made by the Company in general meeting shall invalidate any other 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 payment of any debt due by a Director;
 - (c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in clause (a), or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time.
 - (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 course 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 specific purposes; 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 twenty-five thousand rupees or five per cent of its average net profits as determined in accordance with the provisions of Sections 39 and 350 of the Act during the three financial years immediately preceding, whichever is greater, PROVIDED THAT the Company in general meeting or the Board shall not contribute any amount to any political party or for any political purpose to any individual or body ;
- (i) PROVIDED FURTHER THAT in respect of the matter referred to in clauses (d) and (e) such consent shall be obtained by a resolution which shall specify the total amount upto which money may be borrowed by the Board under clause (d) or as the case may be, total amount which may be contributed to a charitable or other fund in any financial year under clause (e);

(ii) PROVIDED FURTHER THAT "temporary loans" in clause (d) above shall mean loans repayable on demand or within six months from the date of the loan such as short term, cash credit arrangements the discounting of Bills and the issue of other short term loans not raised for the purpose of financing expenditure of capital nature.

194. (1) Without derogating from the powers vested in the Board of Directors under these Articles the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at the meetings of the Board—

Certain powers be exercised by the Board only at meeting.

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

PROVIDED THAT the Board may by resolution passed at a meeting delegate to any committee of directors the powers specified in (c), (d) and (e) of this clause to the extent specified below—

- (2) Every resolution delegating the power referred to in sub clause (1) (c) shall specify the total amount upto which moneys may be borrowed by the delegates.
- (3) Every resolution delegating the power referred to in sub-clause (1) (d) shall specify the total amount upto which the funds of the Company may be invested and the nature of the investments which may be made by the delegates.
- (4) Every resolution delegating the power referred to in sub-clause (1) (e) shall specify the total amount upto which loans may be made by the delegates, the purpose for which the loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.
- (5) Nothing in this Article contained shall be deemed to effect the right of the Company in general meeting to impose restrictions and conditions on exercise by the Board of any of the

powers referred to in sub-clauses (a), (b), (c), (d) and (e) of clause (1) above.

Certain
Powers of
the Board.

195. 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 last preceding Article it is hereby declared that the Directors shall have the following powers, that is to say power—
- (1) to pay the costs, charges and expenses preliminary and incidental to the formation, promotion, establishment, and registration of the Company;
 - (2) to pay and charge to the Company any commission or interest, lawfully payable thereout under the provisions of Sections 76 and 208 of the Act;
 - (3) subject to Sections 207 and 297 of the Act to purchase or otherwise acquire for the Company any 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 accept such title as the Director 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 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 specifically 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 contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit;
 - (6) to accept from any member, so 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 property belonging to the Company, or in which it is interested or for any other purposes and to execute and do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.

- (8) to institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its officer or otherwise concerning the affairs of the Company & also to compound and allow time for payment or satisfaction of any debts due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian Law or according to foreign law and either in India or abroad and observe and perform or challenge any award made therein;
- (9) to act on behalf of the Company in all matters relating to bankrupts and insolvents,
- (10) to make and give receipts, release and other discharge for moneys to the Company and for the claims and demands in the Company's own name;
- (11) subject to the provisions of Sections 292, 293 (1), 295, 369, 370, 372 and 373 of the Act to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such security (not being the 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 investments. 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 mortgage of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and 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 & 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 a part of 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 wives, widows, and families or the dependants or connections of such persons, by building or

contributing to the building of houses, dwellings or chawls or by grants of money, pensions, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds, or trusts and by providing or subscribing or contributing towards places of instructions and recreation hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit, and subject to the provisions of the Section 293 (1) (e) of the Act 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 the 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 or the depreciation fund, or to insurance fund or as a reserve fund or sinking fund or any special fund to meet contingencies or to repay debentures or debenture stock or for special dividend 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 to set aside or so much thereof as required to be invested, upon such investments (other than share of this Company) as they may think fit, and from time to time to deal with and very 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 powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another reserve fund and/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 purchase or repayment of debentures or 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 by 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, not exceeding nine percent per annum;

- (17) to appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisors, research workers, labourers, 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 to fix their salaries, or emoluments or remuneration, and to require security in such instances and to such amounts 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 provision contained in the next following sub-clauses shall be without prejudice to the general powers, conferred by this sub-clause;
- (18) to comply with requirement of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with;
- (19) subject to Section 292 of the Act, from time to time, and at any time to delegate to any persons 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 member for the time being of any such Local Board, or any of them to fill up any vacancies, and such appointment or delegation may be made on such terms, subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegation;
- (20) 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 & 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 appointments 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 of any company, or the shareholders. Directors nominees or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience of persons dealing with such

Attorneys as the Board may think fit & may contain powers enabling any such delegated attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them,

- (21) subject to Sections 287, 294 and 300 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.
- (22) from time to time to make, vary and repeal bye-laws for the regulation of the business of the Company, its officers and servants.

MINUTES

Minutes to 196.
be considered
evidence

- (1) The Company shall cause minutes of all proceedings of general meetings and of all proceedings of every meeting of the Board of Directors or of every committee of the Board to be kept by making within 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 books shall be dated and signed.
- (a) in the case of minutes of proceedings of a meeting of Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of next succeeding meeting,
- (b) in case of minutes of proceedings of the general meeting by the Chairman of the said 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 thereof.
- (5) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
- (6) In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall contain :

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- (a) the names of the Directors present at the meeting;
 - (b) in the case of each resolution at the meeting the names of the Directors, if any, dissenting from or not concurring in the resolution.
- (7) Nothing contained in clause (1) to (6) hereof 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.

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

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| 197. | The minutes of meeting kept in accordance with the provisions of Section 193 of the Act shall be evidence of the proceedings recorded therein. | Minutes to be evidence of the proceedings. |
| 198. | Where the minutes of the proceedings of any general meeting of the Company or of any meeting of the Board or of a Committee of Directors have been kept in accordance with the provisions of Section 19 of the Act until the contrary is proved, the meeting shall be deemed to have been duly called and held, all proceedings thereat to have been duly taken place and in particular all appointments of Directors or liquidators made at the meeting shall be deemed to be valid. | Presumptions be drawn where minutes duly drawn and signed. |
| 199. | (1) The books containing the minutes of the proceedings of any general meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 196 of the Act be determined by the Company in general meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges. | Inspections of minutes Books of General Meetings. |
| | (2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in subclause (1) hereof on payment of thirty-seven paise for every hundred words or fractional part thereof required to be copied. | |

Publication report of proceedings of General Meeting. 200. No document supporting to be a report of the proceedings of any general meeting or the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 193 of the Act to be contained in the minutes of the proceedings of such meeting.

MANAGEMENT

Prohibition of simultaneous appointment of different categories of managerial personnel. 201. The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel, namely:
(a) Managing Director,
(b) Manager.

THE SECRETARY

Secretary. 202. The Directors may from time to time appoint, and at their discretion, remove any individual, firm or body corporate (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 SEAL

The Seal, its custody and use. 203. (1) The Board of Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same, substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the seal for the time being, under such regulations as the Board may prescribe.
(2) The seal shall not to be affixed to any instrument except by the authority of the Board of Directors or a Committee of the Board previously given and in the presence of at least one Director of the Company, who shall sign every instrument to which the Seal is affixed, PROVIDED NEVERTHELESS THAT any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the company notwithstanding any irregularity touching the authority of the Board to issue the same, PROVIDED FURTHER THAT the certificate of shares or debentures shall be sealed in the manner and in conformity with the provisions of the Companies (Issue of Share Certificates) Rules, 1960, and their statutory modifications for the time being in force.

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DIVIDEND WARRANTS

- (1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends, shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
- (2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.
205. The Company in general meeting may declare dividends to be paid to members according to their respective rights and interest in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 207 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller in general meeting.
206. (1) No dividend shall be declared or paid by the Company for any financial year except out of the profits of the Company for that year arrived at after providing for depreciation in accordance with the provisions of sub-clause (2) or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both or out of moneys provided by the Central Government or State Government for the payment of dividend in pursuance of a guarantee given by the Government.
- (2) The depreciation shall be provided either—
- (a) to the extent specified in Section 350 of the Act, or
- (b) in respect of each item of depreciable asset, for such an amount as is arrived at by dividing 95 per cent of the original cost thereof to the Company by the specified period in respect of such assets; or
- (c) on any other basis approved by the Central Government which has the effect of writing off by way of deprecia-
- Division of profits.
- The Company in General Meeting may declare dividends.
- Dividend out of profits only.

tion of 95 per cent of the original cost to the Company of its such depreciable asset on the expiry of the specified period, or

- (d) as regards any other depreciable assets for which no rate of depreciation has been laid down by the Indian Income-Tax Act, 1961 or the Rules made thereunder on such basis as may be approved by the Central Government by any general order published in the official Gazette or by special order in the case of the Company.

PROVIDED THAT where depreciation is provided for in the manner laid down in clause (b) or clause (c) then in the event of depreciated assets being sold, discarded, demolished or destroyed, the written down value thereof at the end of the financial year in which the asset is sold, discarded demolished or destroyed shall be written off in accordance with the proviso to Section 350 of the Act.

- (3) No dividend shall be payable except in cash, provided nothing in this Article shall be deemed to prohibit the capitalisation of the profits or reserves of the Company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on any shares held by members of the Company.

- (4) Nothing in this Article shall be deemed to affect in any manner the operation of Section 208 of the Act.

- (5) For the purposes of this Article 'Specified period' in respect of any depreciable asset shall mean the number of years at the end of which at least 95 per cent of the original cost of that asset to the Company will have been provided for by way of depreciation, if depreciation were to be calculated in accordance with the provisions of Section 350 of the Act.

- Interim dividend. 207. The Board of Directors may from time to time, pay to the members such interim dividends as in their judgement the position of the Company justifies.
- Debts may be reduced. 208. The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
- Capital paid up in advance at interest not to earn dividend: 209. Where the capital is paid in advance of the calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right, to dividend or to participate in profits.

210. 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.
211. The Board of Directors may retain the dividend payable upon shares in respect of which any person under Article 71 has become entitled to be a member or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.
212. No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend to any member of such sums of moneys so due from him to the Company.
213. A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.
214. Any one of several persons who are registered as jointholders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.
215. The dividend payable in cash may be paid by cheques or warrant sent through post direct to registered address of the shareholder entitled to the payment of the dividend or in case of joint-holders to the registered address of that one of the jointholders which is first named on the Register of Members or to such person and to such address as the holder or the joint-holder may in writing direct. The Company shall not be liable or responsible for any Cheque or Warrant or pay slip or receipt lost in transmission or for any dividend lost, to the member or person entitled thereto by forged endorsement of any Cheque or Warrant or forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means.
216. Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holder of share in the manner here in provided.
217. The Company shall pay the dividend or send the warrant in respect thereof to the shareholder entitled to the payment of dividend, within forty-two days from the date of the declaration unless :
- (a) where the dividend could not be paid by reason of the operation of any law;

Dividends in proportion to amount paid-up.

Retention of Dividends until completion of transfer under Article 71.

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

Effect of transfer of shares.

Dividend to jointholders

Dividend how remitted.

Notice of dividend.

Dividend to be paid within forty-two days.

- (b) where a shareholder has given direction regarding the payment of the dividend and those directions cannot be complied with;
 - (c) where there is a dispute regarding the right to receive the dividend;
 - (d) where the dividend has been lawfully adjusted by the Company against any sum due to it from the shareholder; or
 - (e) where for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.
- Unclaimed dividend 218. Dividend unclaimed for one year after having been declared may be invested or otherwise used by the Board of Directors for the benefit of the Company until claimed; PROVIDED THAT there shall be no forfeiture of unclaimed dividends till the claim thereto becomes barred by law. The Directors may annul the forfeiture and pay any such dividend.
- No interest on dividends 219. No unpaid dividend shall bear interest as against the Company.
- Dividend and call together. 220. Any general meeting declaring a dividend may on the recommendations of the Directors make a call on the members of such amount as a meeting fixes but so that the call on each member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend; and the dividend may, if so arranged between the Company and members, be set off against the calls.

CAPITALISATION

- Capitalisation 221. (1) The Company in General Meeting may, upon the recommendation of the Board, resolve:
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts, or to the credit of the Profit & Loss Account or otherwise available for distribution; and
 - (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (2) The sum aforesaid shall not be paid in cash but shall be

applied subject to the provision contained in clause (3), either in or towards;

- (i) paying up any amount for the time being unpaid on any shares held by such members respectively;
- (ii) paying up in full unissued shares of the Company to be allocated and distributed, credited as fully paid up to and amongst such members in the proportions aforesaid; or
- (iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).

- (3) A share premium account and a Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued share to be issued to members of the Company as fully paid bonus shares.
- (4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

222. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall;

Fractional
Certificates

- (a) make all appropriations and applications of the undivided profits resolved to be capitalised there by, and all allotments and issues of fully paid shares and
- (b) generally do all acts and things required to give effect thereto.

(2) The Board shall have full power :

- (a) to make such provision, 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
- (b) 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 or any part of the amounts remaining unpaid on their existing shares.

- (3) Any agreement made under such authority shall be effective and binding on all such members.
- (4) That for the purpose of giving effect to any resolution, under the preceding paragraph 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

- Books to be kept. 223. (1) The Company shall keep at its registered office proper books of accounts as would give a true and fair view of the state of affairs of the Company or its transaction with respect to ;
- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place ;
 - (b) all sales and purchases of goods by the Company, and
 - (c) the assets and liabilities of the Company.

PROVIDED THAT all or any of the books of accounts aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decide 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.

- (2) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of clause (1) if proper books of accounts relating to the transactions effected at the branch are kept at that office and proper summarised returns made up-to-date at intervals of not more than three months are sent by the branch office to the Company at its registered office or the other place referred to in sub.clause (1).

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

- Inspection by members. 224. (a) The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors.
- (b) No member (not being a Director) shall have any right of inspecting any account books or documents of the Company except

- (3) The Profit and Loss Account shall be annexed to Balance Sheet and Auditor's Report (including the Auditor's separate, special or supplementary report, if any) shall be attached thereto.

Directors Report 228. (1) There shall be attached to every Balance Sheet laid before the Company in general meeting a Report by its Directors with respect to:

- (i) the state of the Company's affairs;
- (ii) the amounts, if any, which they propose to carry to any reserves in such Balance Sheet;
- (iii) the amount, if any, which they recommend should be paid by way of dividend; and
- (iv) the material changes and commitments, if any affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the Report.

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

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

- (3) The Directors shall give the fullest information and explanation in the report aforesaid, or in cases falling under proviso to Section 222 of the Act in an addendum to the report on every reservation qualification or adverse remark contained in the Auditor's Report.

- (4) The Directors Report and any addendum thereto shall be signed by its Chairman if he is authorised in that behalf by the Directors and where he is not so authorised, shall be signed by such number of Directors as are required to sign

the Balance Sheet and the Profit and Loss Account of the Company by virtue of Clause (1) of the preceding Article.

229. (1) A Copy of every Balance Sheet (including the Profit and Loss Account, the Auditor's Report and every other document required by Law to be annexed or attached, as the case may be, to the Balance Sheet) which is to be laid before the Company in general meeting shall not less than twenty-one days before the date of the meeting be sent to every member of the Company, to every holder of debentures, if any, issued by the Company (not being debentures with ex facie are payable to the bearer thereof), to every trustee for the holders of any debentures issued by the Company (whether such member, holder or trustee is or is not entitled to have notice of general meetings of the Company sent to him), and to all person other than such members, holders or trustees, being persons so entitled provided that it shall not be necessary to send copies of the documents aforesaid—

Right of
Members to
copies of Balance
Sheet and
Auditors Report.

- (i) to a member or to a holder of debentures of the Company who is not entitled to have notices of general meetings of the Company sent to him and of whose address the Company unaware;
- (ii) to more than one of the joint holders of any shares or debentures none of whom is entitled to have such notices sent to him;
- (iii) in the case of joint-holders of any shares or debentures some of whom are not entitled to have such notices sent to them, to those who are not so entitled.

PROVIDED THAT if the copies of the documents aforesaid are sent less than twenty-one days before the date of the meeting they shall not withstanding that fact, be deemed to have been duly sent, if it is agreed by all the members entitled to vote at the meeting.

- (1) Any member or holder of debentures of the Company whether he is or is not entitled to have copies of the Company's Balance Sheet sent to him shall, on demand be entitled to be furnished without charge, and any person from whom the Company has accepted a sum of money by way of deposit, shall on demand accompanied by the payment of a fee of one rupee, be entitled to be furnished, with a copy of the Balance Sheet of the Company and of every document required by law

to be annexed to attached thereto, including the Profit and Loss Account and the Auditor's Report.

Three Copies of Balance Sheet, etc. to be filed with Registrar.

230. (1) The Company shall within thirty days from the date on which the Balance Sheet and Profit and Loss Account shall have been laid before the annual general meeting, file with the Registrar of Companies, three copies of the Balance Sheet and the Profit and Loss Account signed by the Managing Director, Manager or Secretary of the Company or if there be none of these by a Director of the Company together with three copies of all documents which are required by the Act to be annexed or attached to such Balance Sheet & Profit and Loss Account.
- (2) If any annual general meeting of the Company before which a Balance Sheet is laid as aforesaid does not adopt the Balance Sheet, a statement of that fact and of the reason therefor shall be annexed to the Balance Sheet and the copies thereof required to be filed with the Registrar of Companies.

AUDIT

Account to be audited.

231. Once at least in every year the accounts of the Company shall be balanced and audited and the correctness of the Profit and Loss Account and Balance Sheet ascertained by one or more Auditor or Auditors.

Appointment of Auditors.

232. (1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Sections 224 to 229 of the Act.
- (2) The Company shall at each annual general meeting appoint an Auditor or Auditors to hold office from conclusion of that meeting until the conclusion of the next annual general meeting and shall within seven days of the appointment give intimation thereof to the Auditor so appointed unless he is a retiring Auditor.
- (3) At any annual general meeting a retiring Auditor, by whatsoever authority appointed shall be re-appointed unless :
- (a) he is not qualified for re-appointment.
 - (b) he has given the Company notice in writing of his unwillingness to be re-appointed;
 - (c) a resolution has been passed at the meeting appointing somebody instead of him or providing expressly that he shall not be re-appointed; or

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- (d) where notice has been given of an intended resolution to appoint some person or persons in the place of a retiring Auditor, and by reason of the death, incapacity or disqualification of that person or of all those persons as the case may be, the Resolution cannot be proceeded with.
- (4) Where at annual general meeting no Auditor is appointed or re-appointed, the Central Government may appoint a person to fill the vacancy.
- (5) The Company shall, within seven days of the Central Government's power under the sub-clause (4) becoming exercisable give notice of that fact to that Government.
- (6) The Directors may fill any casual vacancy in the office of Auditor, but while any such vacancy continues, the surviving or continuing Auditor or Auditors (if any) may act but where such vacancy is caused by the resignation of Auditor, the vacancy shall only be filled by the Company in general meeting.
- (7) A person, other than a retiring Auditor, shall not be capable of being appointed at an annual general meeting unless special notice of a resolution for appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Section 190 of the Act and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with Section 190 of the Act and all the other provisions of Section 225 of the Act shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that a retiring Auditor shall not be re-appointed.
233. Every account when audited and approved by a general meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period the account shall be corrected and thereafter shall be conclusive.

Account when audited and approved to be conclusive except as to errors discovered within three months.

DOCUMENTS AND NOTICES

234. (1) A documents or notice may be served by the Company on any member thereof either personally or by sending it by post to him at his registered address or if he has no registered address in India, to the address, if any, within India

Service of documents or notices on members by the Company.

supplied by him to the Company for serving documents or notice on him.

- (2) Where a document or notice is sent by post—
 - (a) Service thereof shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or the notice provided that where a member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post with or without acknowledgement due has desposited service of the documents or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member; and
 - (b) such service shall be deemed to have been effected :
 - (i) in the case of a notice of meeting at the expiration of forty-eight hours after the letter containing the same is posted; and
 - (ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.
- (3) A document or notice advertised in a newspaper circulating in the neighbourhood of the registered office of the Company shall be deemed to be duly served on the day on which the advertisement appears on every member of Company who has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him.
- (4) A document or notice may be served by the Company on the joint holders of a share by serving it on the joint holder named first in the Register in respect of the share.
- (5) A document or notice may be served by the Company on the person entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter, addressed to them by name or title of representatives of the deceased, or assignees of the insolvent or by any like description, at the address, if any, in India supplied for the purpose by the person claiming to be so entitled, or until such an address has been so supplied by serving the document or notice in any manner in which it might have been served if the death or insolvency had not occurred.
- (6) The signature to any document or notice to be given by the Company may be written or printed or lithographed.

235. Document or notice of every general meeting shall be served or given in same manner hereinbefore authorised on or to (a) every member, (b) 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, PROVIDED THAT when the notice of the meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the office of the Company under Article 101 a statement of material facts referred to in Article 101 need not be annexed to the notice, as is required by that Article but it shall merely be mentioned in the advertisement that the statement has been forwarded to the members of the Company.
236. Every person, who by operation of law, transfer other means whatsoever, shall become entitled to any share be bound by every document or notice in respect of such share, which prior to him name and address being entered on the Register of Members, shall have been duly served on or given to the person from whom he derived his title to such share.
237. A document may be served on the Company or an Officer thereof by sending it to the Company or officer at the registered office of the Company by post under a certificate of posting or by registered post or by leaving it at its registered office.
238. A document may be served on the Registrar of Companies by sending it to him at his office by post under a certificate of posting or by registered post or by delivering it to or leaving it for him at his office.
239. Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the Company may be signed by a Director, the Manager or the Secretary or other authorised officer of the Company and need not be under the common seal of the Company.

To whom documents must be served or given.

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

Service of documents on Company.

Service of documents by Company the Registrar of Companies.

Authentication of documents and proceedings.

REGISTERS AND DOCUMENTS

240. The Company shall keep and maintain Registers, Books and Documents as required by the Act or these Articles, including the following :
- (1) Register of Investments made by the Company but not held in its own name, as required by Section 49 (7) of the Act and shall kept it open for inspection of any member or debenture holder of the Company without charge.
 - (2) Register of Mortgages as required by Section 143 of Act and instrument creating and shall keep open for inspection of any creditor or member of the Company without fee and to the inspection of any person on payment of a fee of rupee one for each inspection.

Registers and Documents to be maintained by the Company.

- (3) Register and Index of Members as required by Sections 150 and 151 of the Act and shall kept the same open for inspection of any member or debenture holder without fee and of other person on payment of a fee of rupee one for each inspection.
- (4) Register and Index of Debentures Holders under Section 152 of the Act and keep it open for inspection of any member or debenture holder without fee and of any other person on payment of rupee one for each inspection.
- (5) Foreign Register, if so thought fit, as required by Section 157 of the Act and it shall be open to inspection and may be closed and extracts may be taken therefrom and copies thereof may be required, in the manner *mutatis mutandis* as is applicable to the Principal Register.
- (6) Register of Contracts, and companies and firms in which Directors are interested as required, by Section 301 of the Act and shall keep it open for inspection of any member free of charge.
- (7) Register of Directors and Secretary etc as required by Section 303 of the Act and shall keep it open for inspection of any member of the Company without charge and of any other person on payment of a fee of rupee one for each inspection.
- (8) Register as to Holdings by Directors of shares and/or debentures in the Company as required by Section 307 of the Act and shall keep it open for inspection of any member or debenture holder of the Company on any working day during the period beginning fourteen days before the date of the Company's annual general meeting and ending three days after the date of its conclusion.
- (9) Register of Investments made by the Company in shares and debentures of the bodies corporate as required by Section 372 of the Act.
- (10) Books recording Minutes of all proceedings of general meeting and all proceedings at meetings of its Board of Directors or of Committees of the Board in accordance with the provisions of Section 193 of the Act.
- (11) Copies of Annual returns prepared under Section 159 of the Act together with the copies of certificates and docu-

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ments required to be annexed thereto under Section 161 of the Act.

(12) Register of Loans as required by Section 370 of the Act.

241. The Registers mentioned in clause 9 and 12 of the foregoing Article and the minutes of all proceedings of general meeting shall be open to inspection and extracts may be taken therefrom and copies thereof may be required by any member of the company in the same manner, to the same extent and on payment of the same fees as in case of the Register of Members of the Company, as provided for in Clause (3) hereof. Copies of entries in the Registers mentioned in the foregoing Article shall be furnished to the persons entitled to the same on payment of thirty-seven paise for every hundred words or fractional part thereof required to be copied. The Company shall give inspection of the above Register to the persons entitled to the same on such days and during such business hours as may consistently with the provisions of the Act in that behalf be determined by the Company in general meeting.

Inspection of Registers.

WINDING UP

242. 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 be, the losses shall be borne by the members in the proportion to the capital paid up or which ought to have been paid up at the commencement of winding up, on the shares held by them respectively, and if in a 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 in proportion to the capital at the commencement of the winding up, or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

Distribution of Assets.

243. (1) 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.
- (2) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given preferential or special rights or may be excluded altogether or in

Distribution in specie or kind

part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined upon, any contributory who would be prejudiced thereby shall have a right to dissent and ancillary rights as if such determination were a special resolution passed pursuant to Section 494 of the Act.

- (3) In case any shares 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.

Right of
share-holders
in case of
sales.

244. 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 otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent and conferred by the said section consequential rights.

INDEMNITY

Directors'
& others'
rights to
indemnity.

245. Subject to the provisions of Section 201 of the Act, every Director, or Officer, or servant of the Company or any person (whether an officer, of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors out of the funds of the Company to pay all costs, charges, losses and damages which any such person may incur or become liable to by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such, if any, as he shall incur or sustain through or by his own wrongful act, neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Officer or Auditor or other Officer of the Company in defending any proceedings whether civil or criminal in which judgement is given in his favour, or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.

Director,
Officer not
responsible
for acts of
others.

246. Subject to the provisions of Section 201 of the Act, no Director, Auditors 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

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person, firm or Company to or with whom any moneys, securities or effects shall be entrusted or deposited or any loss occasioned by any 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 in or relation thereto unless the same shall happen through his own dishonesty.

SECRECY CLAUSE

247. Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the Business of the Company shall if so required by the Director, before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the Accounts with individuals and in matter 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 to do so 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.

Secrecy Clause.

248. No member or other person (not being a Director) shall be entitled to visit or inspect any property or premises of the Company without the permission of the Directors or Managing Director or to require discovery of or any information respecting any detail of the Company's trading, or any matter which is or may be in the nature of a trade, secret, mystery of trade, secret process, or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Director, it would be inexpedient in the interest of the Company to disclose.

No member to enter the premises of the Company without permission.



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

Names and Addresses of Subscribers	Signature	Number of Equity Shares	Occupation	Names, Addresses & Description of Witnesses
1. Hiralal Somani S/o Narendra Kumar Somani 19, Colony 3-A, Birla Nagar, Gwalior-4.	Sd/- (H. L. Somani)	100 One Hundred only	Business	Sd/- Shivaji Rao Awatade S/o Narain Rao Awatade, C/o Vidyarthi and Sons, Taksal Road, Chhattri Bazar, Gwalior-1 Service.
2. Badri Das Daga, S/o Late Shiv Gopalji Daga 8-B Alipur Road, Calcutta 27.	Sd/- (B. D. Daga)	100 One Hundred only	Company Executive	
3. Raj Kumar Daga, S/o Badridas Daga, 8-B Alipur Road, Calcutta-27	Sd/- (R. K. Daga)	100 One Hundred only	Business	
4. Premlata Daga, W/o Badri Das Daga, 8-B Alipur Road, Calcutta-27.	Sd/- (P. L. Daga)	100 One Hundred only	Investor	
5. Prabha Somani W/o Hira Lal Somani, 19, Colony 3-A, Birlanagar, Gwalior-4	Sd/- (P. Somani)	100 One Hundred only	Investor	
6. Bhagwati Prasad Mandelia, S/o Durga Prasadji Mandelia Greater Kailash, New Delhi-110048	Sd/- (B. P. Mandelia)	100 One Hundred only	Business	
7. Radhe Shyam Gupta, Mahadji Park, Gwalior-1.	Sd/- (R. S. Gupta)	100 One Hundred only	Business	
8. Hari Prasad Agarwal, S/o Shri Ram Prahlad Agarwal, Gwalior Rolling Mills (P) Ltd., Gwalior-5.	Sd/- (H. P. Agarwal)	100 One Hundred only	Business	
	Total	800 Eight Hundred Shares only.		

Dated 18th January, 1974.

M/s Gwalior Tools Ltd.

Director