



**MEMORANDUM OF ASSOCIATION  
AND  
ARTICLES OF ASSOCIATION  
OF  
MEGHMANI ORGANICS LIMITED**

**CIN: L24299GJ2019PLC110321**



सत्यमेव जयते  
GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS

Office of the Registrar of Companies

**Certificate of Incorporation pursuant to change of name**  
*[Pursuant to rule 29 of the Companies (Incorporation) Rules, 2014]*

Corporate Identification Number (CIN):



Registrar of Companies

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Mailing Address as per record available in Registrar of Companies office:





GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS

Central Registration Centre

## Certificate of Incorporation

[Pursuant to sub-section (2) of section 7 and sub-section (1) of section 8 of the Companies Act, 2013 (18 of 2013) and rule 18 of the Companies (Incorporation) Rules, 2014]

I hereby certify that MEGHMANI ORGANOCEM LIMITED is incorporated on this Fifteenth day of October Two thousand nineteen under the Companies Act, 2013 (18 of 2013) and that the company is limited by shares.

The Corporate Identity Number of the company is U24299GJ2019PLC110321.

The Permanent Account Number (PAN) of the company is **AANCM0056E** \*

The Tax Deduction and Collection Account Number (TAN) of the company is **AHMM18889D** \*

Given under my hand at Manesar this Fifteenth day of October Two thousand nineteen .



Digital Signature Certificate  
Mr MANGAL RAM MEENA  
Deputy Registrar Of Companies  
For and on behalf of the Jurisdictional Registrar of Companies  
Registrar of Companies  
Central Registration Centre

Disclaimer: This certificate only evidences incorporation of the company on the basis of documents and declarations of the applicant(s). This certificate is neither a license nor permission to conduct business or solicit deposits or funds from public. Permission of sector regulator is necessary wherever required. Registration status and other details of the company can be verified on [www.mca.gov.in](http://www.mca.gov.in)

Mailing Address as per record available in Registrar of Companies office:

MEGHMANI ORGANOCEM LIMITED

1st+2nd+3rd FL,Nr. Raj Bunglow,Nr.safal, Profitaire, Prahlad Nagar,  
Satellite, AHMEDABAD, Ahmedabad, Gujarat, India, 380015



\* as issued by the Income Tax Department

Table applicable to company as notified under schedule I of the companies Act, 2013

**Table A**  
**MEMORANDUM OF ASSOCIATION**  
**OF**  
**\*MEGHMANI ORGANICS LIMITED**  
**A COMPANY LIMITED BY SHARES**

1. The name of the company is **\*MEGHMANI ORGANICS LIMITED**.
2. The Registered office of the company will be situated in the state of **Gujarat-GJ**
- 3.(a) **The objects to be pursued by the company on its incorporation are :**
  1. To carry on India or elsewhere the business as manufacturers, processors, importers, exporters, buyers, sellers, dealers, Consignors, consignees, agent, stockist, suppliers, of all kinds, types and nature of Pigments, Dyes, Chemicals, Auxiliaries, Agro Chemicals its Intermediates, basic chemicals, including but without limiting the generality of foregoing, heavy chemicals, fine chemicals, organic and inorganic chemicals, flouro chemicals, specialty chemicals, acids, alkalizes, industrial chemicals, laboratory chemicals, fatty acids, and other allied chemicals used in manufacturing pesticides, insecticides, herbicides, fungicides, germicides, weedicides and implementation of the Turnkey Project of Pigment, Dyes, Agrochemicals and its intermediates.
  2. To carry on business as producers, importers, exporters, buyers, sellers, manufacturers, stockists, agents and brokers of coal, coke, charcoal, petroleum-coke, copper, iron, ore bauxite, kyanite, fire clay, chine-clay, salt, sodium chlorides, calcium phosphate, nickel beryllium, uranium, zinc, lead, asbestos, tin alumina, mercury, silicon, sulphur, graphite, brass aluminium, silica and betonies, quartz, dextrin, magnetite, dolomite, Ferro-alloys, corundum, manganese, mica, gypsum, garnet, emerald and other minerals and to act as metal founders, manufacturers, agent and dealers of metal sheets, wires, squares, plates, metal foils, pipes, tubes, ingots, billets, circles bars, beams, circle angles, structures, coils, ferrous, non-ferrous metals, utensils, decorative and art materials.
  3. To work mines or quarries and to find, win, get, work, crush, smelt, manufacture or otherwise deal with chalk, clay, ores and generally to carry on the business of mining of all branches.

**\*Vide NCLT Order dated 3rd May, 2021 followed by members' meeting On 7<sup>th</sup> May, 2021, the Name of the Company has been changed from "Meghmani Organochem Limited to Meghmani Organics Limited".**

**3.(b) Matters which are necessary for furtherance of the objects specified in clause 3(a) are**

:

1. To acquire real or leasehold estate and to purchase, or otherwise acquire or provide in any place in which any part of the business of the Company may from time to time be carried on, all such offices, warehouses, workshops, buildings, houses for employees and directors, machineries, engines, plants and appliances as may be considered requisite for the purpose of carrying on the business of the Company or any part thereof.
2. To form, constitute, float, lend money to assist and control similar associations or undertakings whatsoever.
3. To promote subsidies and assist companies, syndicates and partnerships of all kind in any manner as may be thought fit in connection with any of the above objects of the Company.
4. To hold use, work, manage, improve, carry on, develop the undertaking, lands and movable estate or property and assets of any kind of the company or any part thereof.
5. To dispose of any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as may be thought fit and to accept payment or satisfaction for the same in cash or otherwise.
6. To subscribe for, take or otherwise acquire and hold shares, stocks debentures or other securities of any other company having objects altogether or in part similar to those of the company or carrying on any business capable of being conducted so as directly to benefit the company.
7. (a) To subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public, or any other useful institutions in their objects or purposes or for any exhibitions but not for political objects.  
(b) To undertake, carry out, promote sponsor, contribute or assist in any activity, project for rural development including any programme for promoting the social and economic welfare of or the upliftment of the people in rural area irrespective whether the company has any business dealings in such areas or not and to incur any expenditure or use any of the assets and facilities of the company on any programme or project or activity of rural development and to assist execution and promotion thereof either directly or in association with any other company or person or organisation or through an independent agency or in any manner as the company may deem fit in order to implement any of the projects or programmes or activities of rural development, to transfer without consideration or at such fair or concessional value and divert the ownership of the properties of the Company to or in favour of any public or local body, authority, Central or State Government or any public institution or trust or fund.
8. To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of and give or procure the giving of donation, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of company or of any company which is a subsidiary of the company or is allied to or associated with the company or with any subsidiary company or who are/were at any time Director or officers of the company or of any such other company as aforesaid and the wives, widows, families and dependants of any such persons and also to establish and subsidies and subscribe to any institutions, associations, club or funds calculated to be for the benefit of or to advance the interest and well-being of the company or of any such other company as aforesaid and make payment to or towards the insurance of any such persons as aforesaid and to any matters aforesaid either alone or in conjunction with any such other company as aforesaid.
9. To provide for the welfare of Directors, employees, or ex-employees of the company and the wives, widows and families of the dependents or connections of such persons by building or contributing for the building, houses, dwelling or quarters, or by grants of money, pensions, gratuities, allowance, bonus, profit sharing bonus or benefits or other payments or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds profit sharing or other scheme or trust and by providing or subscribing, or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendants, and other assistance as the Company shall think fit.

10. To establish, provide, maintain and conduct or otherwise subsidise research, laboratories and experimental workshop for scientific and technical research and experiments and undertake and carry on with all scientific and technical research experiments and tests undertake and to promote studies and research both scientific and technical investigation and invention by providing subsidy or assisting laboratories workshops, libraries, lectures, meetings and conferences and by providing the remunerations of scientific or technical professor or teachers and by providing for the awards or exhibition, scholarship prizes and grants to students or otherwise and generally to encourage promote and reward studies, researches, investigation, experiment, tests and invention of any kind that may be considered likely to assist any of the business which the Company is authorised to carry on.
11. To appoint any Directors or Managers of any subsidiary company or of any other company in which this company is or may be interested.
12. To aid pecuniary or otherwise, any association, body or movement having similar object, the solution, settlement or labour problems or the promotion of industry or trade.
13. To acquire and undertake all or any of the business property and liabilities of any person, company carrying on or proposing to carry on any business which the company is authorised to carry on or possessed of property suitable for the purpose of the company which can be capable of being conducted so as directly to benefit the Company and to subsidise or assist any such persons or company financially or otherwise.
14. To vest any movable or immovable property rights or interests acquired by or belonging to the company in any person or company on behalf of or for the benefit of the company and with or without any declared trust in favour of the company.
15. To let on lease or licence or on hire purchase or to lend any properties belonging to the company and to finance for the purpose of any article or articles whether made by the company or not, by way of loans or by hire purchase system properties movable and/or any interest therein.
16. To lend and advance money or give credit to such persons or companies and on such terms as may seem expedient and in particular to customers and others having dealing with company and to guarantee the performance of any contract or obligation and the payment of money to any such person or companies and generally to give guarantee and indemnities.
17. To guarantee the payment of money secured or unsecured by or payable under in respect of promissory notes, bonds, debentures, debenture-stock, contracts, mortgages charges, obligations, instruments, of any person whatsoever, whether incorporated or not and generally to guarantee or become securities for the performance of any contracts or obligations.
18. To undertake and execute any trust, the undertaking of which may seem to the company desirable either gratuitously or otherwise.
19. To carry on business or branch of a business which this company is authorised to carry on by means or through the agency of any subsidiary or other companies and to enter into any arrangement with such subsidiary company for taking the profits and bearing the loss at any business or branch so carried on, or for financing any such business or branch so guaranteeing its liabilities or to make any other arrangements which may seem desirable with reference to any business or branch so carried on including power at any time and either temporarily to close any such branch or business.
20. To pay all preliminary expenses of any company promoted by the company or any company in which this company is or may contemplate being interested including in such preliminary expenses all or any part of the cost and expenses of owners of any business or property acquired by the Company.
21. To procure the incorporation, registration or other recognition of the company in any country, state or place outside India and to establish and maintain local registers and branch places of business in any part of the world subject to law in force.
22. To create any depreciation fund, reserve fund, sinking fund, insurance fund, educational fund or any other special fund or reserves whether for depreciation or for repairing improving, extending or maintaining any of the properties of the company or for redemption of debentures or redeemable preference shares or for any other purposes conducive to the interest of the company.

23. Subject to the provisions of the Companies Act, 2013, to place to reserve or to distribute as dividends or bonus share among the members or otherwise to apply any money received by way of premium on shares or debentures issued at a premium by the company and any money received in respect of dividends accrued on or arising from the sale of forfeited share.
24. To establish, promote or concur in establishing or promoting any company or companies for the purpose of acquiring all or any of the properties, rights and liabilities of the Company or for any other purpose which may seem directly or indirectly, calculated to benefit the company and to place or guarantee the placing of subscribed for or otherwise acquired all or any part of the shares, business capable of being conducted so as directly or indirectly to benefit the Company.
25. To pay out of the funds of the company all costs, charges and expenses of and incidental to the promotion, formation, registration and establishment of the Company and the issue of its capital including any undertaking or other commissions, broker's fees and charges in connection therewith and to remunerate (by cash or other assets or by the allotment of fully or partly paid shares) or by a call or option on shares, debentures, debenture-stocks, or securities of this or any other company or in any other manner whether out of the company's capital or profits or otherwise to any person or persons for services rendered in introducing any property or business to the company, in placing or assisting to place or guaranteeing the subscription of any shares, debentures, debenture-stocks or other securities of the Company as the directors may think proper.
26. To draw, make, accept, endorse, discount, execute, issue, negotiate, assign and otherwise deal with cheques, drafts, bills of exchange, promissory notes, hundies, debenture, bonds, bills of lading, railway, receipts, warrants and all other negotiable or transferable instruments.
27. To insure with any other company or person against losses, damages, risks and liabilities of all kinds this may affect this company.
28. To open account or accounts with any firm or Company or with any bank or banks or bankers or shroffs to pay into, withdraw money from such account or accounts.
29. To apply for, tender, purchase or otherwise acquire any contracts, sub-contracts, licences and concessions for or in relation to the objects or business herein mentioned or any of them and to undertake execute, carry out dispose of or otherwise turn to account the same.
30. To employ experts to investigate and examine into the conditions, prospects, value, character and circumstances of any business concerns and undertakings having similar objects and generally of any assets, property or rights.
31. To take part in the management, supervision and control of the business or operation of any company or undertaking having similar objects and for that purpose to appoint and remunerate any directors, trustees, accountants or other experts.
32. Subject to the provisions of the Act, to pay for any properties, rights or privileges acquired by the company either in shares of the Company or partly in shares and partly in cash or otherwise.
33. To amalgamate, enter into partnership or into any arrangement for sharing or pooling of profits, amalgamation, union of interest, cooperation, joint venture, reciprocal concession or otherwise with any person, firm or company carrying on or engaged in or about to carry on any business or transaction which may seem capable of being carried on or conducted so as, directly or indirectly to benefit the Company.
34. To lend, invest or otherwise employ or deal with money belonging to or entrusted to the company in securities and shares or other movable or immovable property or without security upon such terms and in such manner as may be thought proper from time to time, to vary such transactions and investments in such manner as the Directors may think fit subject to the provisions of the Companies Act, 2013.
35. (a) To purchase or otherwise acquire, protect, prolong and renew any patents, rights, inventions, licences, protections and concessions which may appear likely to be advantageous or useful to the company and to use and turn to account the same and to grant licence or privileges in respect of the same.
- (b) To use trademarks, trade names or brand names for the business activities products and goods and adopt such means of making known the business and products in which the company is dealing as may seem expedient and in particular by advertising on radio, television, newspapers, magazines, periodicals, by circulars, by opening stalls and exhibition,

by publication of books and periodicals, by distributing samples and by ranting prizes, rewards and awards.

36. To pay or satisfy the consideration for any property, rights, shares, securities or assets whatsoever which the company is authorised to purchase, or otherwise acquire either by payment in cash or by the issue of shares, or other securities of the company, or in such other manner as the company may agree to partly in one mode and partly in another.
37. To search for and to purchase, protect, prolong, renew or otherwise acquire from any Government, state or authority any patents, protections, licences, concessions, grants, decrees, rights, powers and privileges whatsoever which may seem to the Company capable of being turned to account, to work develop, carry out, exercise and turn to account the same.
38. To furtherance of the aforesaid objects of the Company.
  - [a] to enter into negotiations with and enter into arrangements and contracts and conclude the same with foreign and/or Indian parties and other persons for obtaining by grant, licence, and/or on other terms, formulate and other rights and benefits, and to obtain technical and engineering information assistance and service know-how and expert advice for installation of plant and machinery, production and manufacture of any products, and
  - [b] to pay for technical know-how, technical and engineering assistance and information and/ or service rights or privileges acquired by the company either in shares of the company or partly in cash or otherwise.
  - [c] to pay to promoters such remuneration and fees and otherwise recompense them for their time and for the service rendered by them.
  - [d] to refer or agree to refer any claims, demands, disputes or any other questions by or against the company or in which the company is interested or concerned and whether between the company and the member or members or his or their representatives or between the company and third parties to arbitration in India or any places outside India and to observe and perform awards made thereon and to do all acts, deeds, matters and things to carry out or enforce the awards, in accordance with the provisions of Indian Arbitration and Reconciliation Act.
39. To do above things as may be incidental or conducive to the attainment of above objects, as principals and as through agents, brokers, trustees, contractors, either alone or in partnership or in conjunction with others.
40. Subject to the provisions of the Companies Act, 2013 and the rules made there under and the directives of the Reserve Bank of India, to borrow or raise or secure the payments of money or to receive money on deposit at interest for any of the purposes of the company and at such time and from time to time and in such manner as may be thought fit and in particular by the issue of debenture or debenture-stocks convertible into shares of this or any other company or perpetual annuities and as security for any such money so borrowed, raised or received or for any such debentures or debenture-stocks so issued to mortgage, pledge or charge the whole or any part of the property, assets, or revenue and profits of the company present or future including its uncalled capital by special assignments or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may seem expedient and to purchase, redeem or pay off any such securities and also by a similar mortgage, charge or lien to secure and guarantee the performance by the company or any other person or company as the case may be provided that the company shall not carry on banking business as defined in the Banking Regulation Act, 1949.
41. To enter into any arrangements and to take all necessary or proper steps with Governments or with other authorities imperial, supreme, national, local, municipal or otherwise of any place in which the Company may have interests and to carry on any negotiations or operations for the purpose of carrying out the objects of the company directly or indirectly or effecting any modifications in the constitution of the company or furthering interests of its members and to oppose any such steps taken by any other company, firm or person which may be considered likely directly or indirectly to prejudice the interest of the company or its members and to promote or assist the promotion, whether directly or indirectly of any legislation which may appear to be in the interests of the company and to oppose and resist, whether directly or indirectly, any legislation which may seem disadvantageous to the company.



42. To apply for, promote and obtain any Act of Parliament or legislature, charter, privilege, concession, license or authorization of Government State or Municipality provisional order or license of the Board of Trade or other authority for enabling the company to carry out any of the objects into effect or for extending any of the powers of the company for effecting any modification of the constitution of the company for any other purpose which may seem calculated, directly or indirectly to prejudice the interests of the company.
43. To make and/or receive donations, gifts or income to or from such persons, institution or trusts and in such cases and whether of cash or any other assets as may be thought directly or indirectly to benefit the company or any of the objects of the company and also to remunerate any person or corporation introducing or assisting in any manner the business of the company.
44. To undertake, carry out, promote and sponsor rural or semi urban or urban development including any programme for promoting the social and economic welfare or uplift of the public in any such area and to incur any expenditure on any programme of rural, semi-urban and urban development and to assist execution and promotion thereof either directly or through an independent agency or in any other manner
45. To establish and support or aid in the establishment of and support associations, institutions, companies, societies, funds, trusts and conveniences for the benefit of the employees or ex-employees or of persons having dealing with the Company or the dependents, relatives or connections of such persons and in particular friendly or other benefit societies and to grant pensions, allowances and bonuses either by way of annual payments or by way of lump sum and to make payments towards insurance and to form and contribute to provident and benefit funds, or to such persons.
46. To indemnify members, officers, directors, agents and employees of the Company against proceedings, cost, damages, claims and demands in respect of anything done or ordered to be done by them for and in the interest of the Company or any loss, damage or misfortune whatsoever which shall happen in the execution of the duties of their offices or in relation thereto.
47. To establish agencies in India and elsewhere for sale and purchase to regulate and discontinue the same subject to law in force.
48. Subject to the provisions of the Act, the company shall have power to borrow any sum or sums of money either by way of short/long term loans for the purpose of the company and whether with or without any security or by such other terms and conditions and from such person or persons, firms, bank or any financial, industrial, institutions or any government or semi-government corporation as the company may deem fit.
49. To engage, employ, train, either in India or elsewhere, suspend and dismiss any agents, managers, superintendents, assistants, clerks, coolies other employees and to remunerate any such persons at such rate as shall be thought fit and to grant pensions or gratuities to any such person or to his widow or children and generally to provide for the welfare of employees.
50. To manage, sell, dispose off, let, mortgage, exchange, redeem, underlet, grant leases, licences, easements or turn to account or otherwise dispose off in any manner the whole of the undertaking or any properties (movable or immovable), assets, rights, and effects of the company or any part thereof, on such terms and for such purposes and for such consideration as the company may think fit and in particular for shares, debentures, or securities of any other company having objects altogether or in part similar to those of this company and in the event of winding up of the company to distribute among the members in specie or kind any properties or assets of the company or any proceeds of sale or disposal of any properties of the company, subject to the provisions of the Companies Act, 2013.
51. To establish, continue and support or aid in the establishment of cooperative societies, association and other institutions, funds, trusts, amenities and conveniences calculated to benefit or indemnify or insure employees or ex-employees of the Company or Directors or ex-Directors of the Company or the dependants or connections of such persons and at its discretion to construct, maintain, buildings, houses, dwelling or chawls or to grant bonus, pensions and allowance and to make payments towards insurance and to pay for charitable or benevolent objects, also to remunerate or make donations by cash or other assets or to remunerate by the allotment of shares credited as fully or partly paid for services rendered or to be rendered in placing or

assisting to place any shares in the company's capital or any debentures, debenture-stock or other securities of the company in or about the formation or promotion of the Company or for the conduct of its business.

52. To pay a share in the profit of the company or commission to brokers sub-agents, agents or any other company, firm or person including the employees of the Company as may be thought fit for services rendered to the company.
53. To undertake the payment of all rent and the performance of all covenants, contracts, conditions and agreements contained in and reserved by any lease that may be granted or assigned to or acquired by the company.
54. To acquire by purchase, lease, assignment or otherwise, lands, tenements, buildings, basements, rights and advantages of any kind whatsoever and to resell, mortgage and let on lease the same.
55. To sublet all or any of the works, contracts from time to time and upon such terms and conditions as may be thought expedient.
56. To promote, assist or take part and appear or lead evidences before any commission, investigation, inquiry, trial or hearing whether public or private relating to matters connected with any trade, business or industry
4. The liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.
5. The Authorised Share Capital of the Company is Rs. 370000000/- [Rupees Thirty-Seven Crores only] divided into 370000000 [Thirty-Seven Crores] Equity Shares of Rs.1/- [Rupees One only] each.

*\*Authorised capital of Rs. 115000000 [Rupees Eleven Crore Fifty Lakhs Only] divided into equity shares of 115000000 [Eleven Crore Fifty Lakhs] of Rs. 1 each increased vide NCLT order dated 3<sup>rd</sup> May, 2021*

*\*\* Further additional Authorised capital of Rs. 254500000 [Rupees Twenty Five Crore Forty Five Lakhs only] divided into equity shares of 254500000 [Twenty Five Crore Forty Five Lakhs] of Rs. 1 each increased vide EOGM resolution dated 7<sup>th</sup> May, 2021*

**\*“MEGHMANI ORGANICS LIMITED”**

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**\*Vide NCLT Order dated 3rd May, 2021 the Name of the Company has been changed from “Meghmani Organochem Limited to Meghmani Organics Limited”.**

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**ARTICLES OF ASSOCIATION**  
**OF**  
**\*MEGHMANI ORGANICS LIMITED**

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed at the extra-ordinary general meeting of the Company held on 7<sup>th</sup> May, 2021 in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company.

1. The regulations contained in Table "F" in the First Schedule to the Companies Act, 2013 shall apply to the Company so far as they are not inconsistent with or repugnant to any of the regulations contained in these Articles of Association of the Company.
2. Wherever in the Act or other laws, it has been provided that the company shall have any right, privilege or authority or that the company could carry out any transaction only if the company is authorized by its articles, then and in that case this Article authorizes and empowers the Company and its board of directors to have such rights, privileges or authorities to carry such transaction as have been permitted by the Act, without there being any specific article in that behalf and it shall be deemed that the said rights, privileges or authorities are existing in these Articles.
3. Notwithstanding anything contained in these Articles, if any provision of these Articles is inconsistent with the provisions of the Act or any other laws or become inconsistent or repugnant with the provisions of the Act or any other laws on account of any amendment or modification or statutory re-enactment thereof, the Company shall be governed and bound by, and the Board shall be deemed to be authorized by these Articles to comply with, the provisions of the Act or any other laws to the extent of inconsistency or repugnancy.

**INTERPRETATION**

**Interpretation Clause**

4. In the interpretation of these Articles, the following words and expressions shall have following meanings, unless repugnant to the subject or context:

**(1) The Act**

The "Act" means the "Companies Act, 2013" and includes any statutory modification or re-enactment thereof for the time being in force.

**\*Vide NCLT Order dated 3rd May, 2021 followed by members' meeting On 7<sup>th</sup> May, 2021, the Name of the Company has been changed from "Meghmani Organochem Limited to Meghmani Organics Limited".**

**(2) These Articles or These Presents or Regulations**

These “Articles” or These “Presents” or “Regulation” means these Articles of Association for the time being or as altered from time to time by Special Resolution and includes the memorandum where the context so requires and also includes regulations made by SEBI as may be applicable.

**(3) Associate company**

“Associate company”, in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

Explanation.—for the purposes of this sub-article, “significant influence” means control of at least 20% of total share capital, or of business decisions under an agreement;

**(4) “Alter” and “Alteration”**

“Alter” and “Alteration” shall include the making of additions, omissions, insertions, deletions and substitutions.

**(5) Annual General Meeting**

“Annual General Meeting” means a General Meeting of the Members held in accordance with the provisions of Section 96 of the Act and any adjourned holding thereof.

**(6) Auditors**

“Auditors” means and includes those persons appointed as such for the time being by Company.

**(7) Board or Board of Directors**

“Board” or “Board of Directors” in relation to the Company, means the collective body of the Directors of the Company.

**(8) Beneficial Owner**

“Beneficial Owner” shall have the meaning assigned thereto by Section 2 (1)(a) of the Depositories Act, 1996.

**(9) Bye-Laws**

“Bye-laws” means bye-laws made by a Depository under Section 26 of the Depositories Act.

**(10) Capital**

“Capital” means the share capital for the time being raised or authorised to be raised, for the purposes of the Company.

**(11) Chairman**

“The Chairman” means the Chairman of the Board of Directors for the time being of the Company.

**(12) Charge**

“Charge” means an interest or lien created on the property or assets of the Company or any of its undertakings or both as security and includes a mortgage.

**(13) The Company or This Company**

The “Company” or this “Company” means “\*MEGHMANI ORGANICS LIMITED”.

**(14) Company Secretary**

“Company secretary” or “secretary” means a company secretary as defined in clause (c) of sub-section (1) of Section 2 of the Company Secretaries Act, 1980 who is appointed by a company to perform the functions of a company secretary under the Act.

**(15) CORE PROMOTERS OR PROMOTERS**

CORE PROMOTERS OR PROMOTERS means the following:

- (1) Mr. Jayanti Meghjibhai Patel
- (2) Mr. Ashish Natwarlal Soparkar
- (3) Mr. Natwarlal Meghjibhai Patel
- (4) Mr. Ramesh Meghjibhai Patel
- (5) Mr. Anand Ishwarbhai Patel
- (6) Mr. Ankit Natwarlal Patel
- (7) Mr. Karana Rameshbhai Patel
- (8) Mr. Darshan Anandbhai Patel

**(16) Debenture**

“Debenture” includes debenture stock, bonds and any other instrument of the Company, evidencing a debt whether constituting a charge on the assets of the Company or not.

**(17) Directors**

“Directors” means a director appointed to the Board of 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 these Articles.

**\*Vide NCLT Order dated 3rd May, 2021 the Name of the Company has been changed from “Meghmani Organochem Limited to Meghmani Organics Limited”.**

**(18) Depository**

“Depository” shall have the meaning assigned thereto by Section 2(1)(e) of the Depositories Act, 1996.

“Depositories Act” means the Depositories Act, 1996 including any statutory modifications or re-enactment thereof including all the rules, notifications, circulars issued thereof and for time being in force.

**(19) Dividend**

“Dividend” includes any interim dividend.

**(20) Documents**

“Documents” includes summons, notice, requisition, order, declaration, form and register, whether issued, sent or kept in pursuance of this Act or under any other law for the time being in force or otherwise, maintained on paper or in electronic form.

**(21) Employees Stock option**

“Employees’ Stock Option” means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.

**(22) Extraordinary General Meeting**

“Extraordinary General Meeting” means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.

**(23) Financial Year**

“Financial year”, in relation to the Company means the period ending on the 31st day of March every year.

**(24) Free Reserves”**

“Free reserves” means such reserves which, as per the latest audited balance sheet of the Company, are available for distribution as dividend:

Provided that—

- (i) Any amount representing unrealized gains, notional gains or revaluation of assets, whether shown as a reserve or otherwise, or

(ii) Any change in carrying amount of an asset or of a liability recognized in equity, including surplus in profit and loss account on measurement of the asset or the liability at fair value, shall not be treated as free reserves.

**(25) Global Depository Receipts**

“Global Depository Receipt” means any instrument in the form of a depository receipt, by whatever name called, created by a foreign depository outside India and authorized by a company making an issue of such depository receipts.

**(26) Indian Depository Receipts**

Indian Depository Receipt” means any instrument in the form of a depository receipt created by a domestic depository in India and authorised by a company incorporated outside India making an issue of such depository receipts.

**(27) ‘In writing’ and ‘Written’**

‘In writing’ and ‘Written’ include printing, lithography and any or all other modes of representing or reproducing words in visible form duly authenticated.

**(28) Key managerial Personnel** means an individual as defined under Section 2 (51) of the Act;

**(29) Manager** means an individual as defined under Section 2 (53) of the Act.

**(30) Managing Director** means an individual as defined under Section 2 (54) of the Act.

**(31) Meeting or General Meeting**

“Meeting” or “General Meeting” means a meeting of the Directors or Members or creditors as the case may be.

**(32) Members**

“Member”, in relation to a company, means—

- (i) The subscriber to the memorandum of the company, who shall be deemed to have agreed to become member of the company, and on its registration, shall be entered as member in its Register of Members;
- (ii) Every other person who agrees in writing to become a member of the company and whose name is entered in the Register of Members of the company;
- (iii) Every person holding shares of the company and whose name is entered as a beneficial owner in the records of a depository.

**(33) Month**

“Month” means a period of thirty (30) days and a calendar month means English calendar months.

**(34) Office**

“Office” means the Registered Office for the time being of the Company.

**(35) Ordinary or Special Resolution**

“Ordinary or Special Resolution” means an Ordinary Resolution or as the case may be, Special Resolution shall have the meaning assigned to it by Section 114 of the Act.

**(36) Paid up**

“Paid up” share capital or share capital paid up means such aggregate amount of money credited as paid up as is equivalent to the amount received as paid-up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called.

**(37) Persons**

“Persons” means any natural person, firm, company, governmental authority, joint venture, partnership, association of persons or any other entity (whether or not having a separate legal personality).

**(38) Proxy**

“Proxy” means an instrument whereby any person is authorised to attend a meeting and vote for a member at the General Meeting or a poll.

**(39) Register of Companies**

Register of Companies means the register of companies maintained by the Registrar on paper or in any electronic mode under this Act.

**(40) Register of Members**

“The Register of Members” means the Register of Members to be kept pursuant to the provisions of Section 88 of this Act.

**(41) Registrar**

“The Registrar” means a Registrar, an Additional Registrar, a Joint Registrar, a Deputy Registrar or an Assistant Registrar, having the duty of registering companies and discharging various functions under this Act.

**(42) Related Party and Relatives**

“Related Party” and “Relatives” as defined under Section 2 (76) and (77) of the ACT.

**(43) ‘Retiring Director’** means a director subject to retirement by rotation in accordance with the provisions of Section 152 of the Act but does not include an independent director appointed pursuant to the provisions of Section 149 (4) of the Act.

**(43) Seal**

“Seal” means the Common Seal for the time being of the Company.

**(44) Security/Securities**

“Securities” means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 and as may be defined from time to time

**(45) SEBI**

SEBI means the Securities and Exchange Board of India established under Section 3 of the Securities & Exchange Board of India, Act, 1992.

**(46) Share**

"Share" means a share in the share capital of the Company and includes stock except where a distinction between stocks and shares is expressed or implied.

**(47) Singular number**

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

**(48) Expression in the act to bear the same meaning in Articles**

Save as aforesaid, any words and expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modifications thereof for the time being in force.

**CAPITAL**

5. The Authorized Share Capital of the Company shall be as per Paragraph V of the Memorandum of Association of the Company with rights to alter the same in whatever way as deemed fit by the Company. The Company may increase the Authorised Share Capital which may consist of Equity and/or Preference Shares as the Company in General Meeting may determine in accordance with the, Regulations of the Company and the legislative provisions for the time being in force in this behalf. The Company reserves the power to divide the shares in the Authorized Share Capital for the time being into Equity Share Capital or Preference Share Capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions and to vary, modify and abrogate the same in such manner as may be determined by or in accordance with these Presents.



**Preference share capital not to exceed total nominal value**

6. In the event of the Preference shares being issued, total nominal value of the issued Preference shares shall not at any time exceed the total nominal value of the issued Ordinary shares. The Preference shares to be issued shall rank equally with or in priority to Preference shares already issued.

**Rights of Preference Shareholders**

7. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending General Meetings of the Company.

**Preference shareholders shall have the right to vote on:-**

- 8.
- (a) resolutions placed before the Company which directly affect their rights attached to his preference shares or
  - (b) any resolution for the winding up of the Company or
  - (c) for the repayment or reduction of its equity or preference share capital and their voting rights on a poll shall be in proportion to their share in the paid-up preference share capital of the Company:

Provided further that where the dividend in respect of a class of preference shares has not been paid for a period of two (2) years or more, such class of preference shareholders shall have a right to vote on all the resolutions placed before the Company.

Provided that the proportion of the voting rights of equity shareholders to the voting rights of the preference shareholders shall be in the same proportion as the paid-up capital in respect of the equity shares bears to the paid-up capital in respect of the preference shares.

**Increase of Capital by the Company; how carried into effect**

9. The Company may in General Meeting, from time to time, by Ordinary Resolution, increase its capital by creation of new shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new shares shall be issued upon such terms and conditions with such rights and privileges annexed thereto 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 Section 47 and of Act. Whenever the capital of the Company has been increased under the provisions of these Articles, the Directors shall comply with the provisions of Section 64 of the Act.

Subject to the applicable provisions of the Act and/ or any other applicable Rules, Guidelines or any other statutory provisions, the Company acting through its Board of Directors shall have power to issue equity share capital with differential rights as to dividend, voting and/ otherwise in such manner and on such terms and conditions as may be prescribed by the resolution authorizing such issue.

**New Capital same as existing capital**

10. 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 installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

**Redeemable Preference Shares**

11. Subject to the provisions of Section 55 of the Act, the Company shall have the power to issue preference shares which are, or at the option of the Company, liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption.

**Provisions to apply on issue of Redeemable Preference Shares**

12. On the issue of redeemable preference shares under the provisions of Article 11 hereof, the following provisions shall take effect.
- (a) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of such redemption;
  - (b) no such shares shall be redeemed unless they are fully paid;
  - (c) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of such profits which would otherwise have been available for dividend, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the Capital Redemption Reserve Account, and the provisions of the Act relating to reduction of share capital of a company shall, except as provided in Section 55 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company;
  - (d) subject to the provisions of Section 55 of this 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 determine;
  - (e) the premium, if any, payable on redemption shall be provided for out of the profits of the Company or out of the Company's Securities Premium Account before such shares are redeemed;
  - (f) upon redemption of any redeemable preference shares, the Company shall, within one month thereafter, give notice thereof to the Registrar of Companies as required by Section 64 of the Act.

### **Reduction of Capital**

13. Subject to the provisions of Section 66 of the Act, as may be applicable from time to time, the Company may, from time to time by Special Resolution, reduce its share capital and any capital redemption reserve account or any share premium account in any manner for the time being authorised by law and in particular capital may be paid off on the footing that it may be called upon again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted.

### **Consolidation, Sub-division and Cancellation of Shares**

14. Subject to the provisions of Section 61 of the Act, the Company, in General Meeting, may, from time to time, increase its authorized share capital, sub-divide or consolidate its shares, or any of them or any part of them, convert or reconvert shares in to Stock and the resolution whereby any share is sub-divided, may determine that as between the holder of the shares resulting from such sub-division, one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others or other. Subject to the aforesaid, the Company, in General Meeting, may also cancel shares, which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

### **Modification of rights**

15. Whenever the share capital of the Company 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 Section 48 of the Act, be modified, commuted, affected, abrogated, dealt with or varied in terms of an Agreement between the Company and any person purporting to contract on behalf of that class provided such agreement is ratified in writing by the holders of at least three-fourths of the issued shares of that class or is confirmed by a Special Resolution passed at a General Meeting of the holders of shares of that class. This Article is not to derogate from any power the Company would have if this Article were omitted.

The rights conferred upon the holders of the shares of any class issued with preferential or other rights shall not, unless the terms of issue of shares otherwise provide, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

## **SHARES AND CERTIFICATES**

### **Restriction on allotment and return of allotment**

16. The Board of Directors shall observe the restrictions to allotment of shares to the public contained in Section 39 of the Act.

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

17. (1) Subject to the provisions of the Section 62 of the Act, where at any time after the formation of the Company, it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unissued share capital or out of increased share capital, then such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on these shares at the date. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen (15) days or such lesser number of days as may be prescribed under the Act, from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. Such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to above hereof shall contain this 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. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as it thinks most advantageous to the shareholders and the Company.
- (2) Notwithstanding anything contained in the preceding sub-article, the Company may by a Special Resolution offer further shares to any person whether or not include the persons who at the date of the offer, are the holders of the equity shares of the Company.
- (3) The Company may provide share based benefits including but not limited to Stock Option, Stock Appreciation Rights or any other co – investment share plan and other forms of share based compensations to Employees including its Directors other than independent directors and such other persons as the rules may allow, under any scheme, subject to the provisions of the Act, the Rules made thereunder and any other law for the time being in force, by whatever name called.
- (4) Notwithstanding anything contained in sub-article (1) above, but subject, however, to Section 62(3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures issued or loans raised by the Company to convert such debenture or loans into shares, or to subscribe for shares in the Company, provided however that the terms of the debentures or loans include a term providing for such option is in conformity with the rules, if any made by the Central Government in this behalf and has also been approved by a Special Resolution in the General Meeting.

### **Shares under control - Allotment of Shares at a premium or discount**

18. Subject to the provisions of these Articles and of the Act, the shares (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors who may allot or otherwise dispose off the same to such person on such terms and conditions and at such time as they think fit 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 52 and 53 of the Act, and such option being exercisable for such time and for such consideration as the Directors think fit.

**Application of Share premium received on shares**

19. (1) Where the Company issue shares at a premium whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on these 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 Article, apply as if the share premium account were paid up share capital of the Company.
- (2) The Share Premium Account may, notwithstanding anything in sub-article (1) hereof be applied by the Company:
- (a) towards the issue of 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 in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.

**Prohibition on issue of Shares at a discount**

20. Except for the purpose of issuance of sweat equity shares as provided in Section 54 of the Act, the Company shall not issue shares at a discount.

**Issue of Bonus shares**

21. (1) The Company reserves the right to issue fully paid-up bonus shares to its Members out of:
- (i) its free reserves;
  - (ii) the securities premium account; or
  - (iii) the capital redemption reserve account.
- (2) Subject to the provisions of Section 63, the Company in General Meeting may also, from time to time, by Ordinary Resolution capitalize the undistributed profits standing to the credit of the Company's Free Reserves or Securities Premium Account and apply the same in paying up new equity shares in the share capital of the Company and appropriate the same as capital and not as income and allot and distribute as fully paid-up bonus shares to and amongst the persons registered in the Register of Members as the holders of equity shares of the Company on such date and in such proportion as may be decided by the Board of Directors.

**Installment of shares to be duly paid**

22. 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 installments, every such installment shall when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the shares or his legal representatives and shall for the purposes of these Articles, be deemed to be payable on the date fixed for payment and in the case of non-payment, the provisions of these Articles as to payment of interest and expenses of forfeiture and the like and all the other relevant provisions of the Articles shall apply as if such installments were a call duly made notified as hereby provided.

**The Board may issue shares as fully paid-up in consideration of cash or share warrants**

23. Subject to the provisions of the Act and these Articles, the Board may allot and issue shares in the Capital of the Company for consideration other than in cash as payment of any property sold or transferred or for services rendered to the Company in the conduct of its business or in satisfaction of any shares, which so issued shall be deemed to be fully paid-up or partly paid-up shares. The Board may, in its discretion, issue share warrants subject to and in accordance with the provisions of the Act and the provisions of this Article shall apply mutatis mutandis to such issue.

**Acceptance of shares**

24. Any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is therefore placed on the register shall, for the purpose of this Article, be a Member.

**Deposit and Call to be a debt payable**

25. 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 insertion of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof and shall be paid by him accordingly.

**Liability of Members**

26. Every Member or his heirs, executors or administrators to the extent of his assets which come to their hands shall be liable to pay of the Company the portion of the capital represented by his shares or shares which may, for the time being remain unpaid thereon in such amount 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 requisitions, require or fix for the payment thereof.

**Share Certificate or Certificate of shares (where shares are not in demat form).-**

27.

(1) Every Member or allottee of shares shall be entitled, with or without payment, within two (2) months after the allotment of shares and within one month after the application for the registration of transfer of any shares, the certificate in respect of such shares, unless the conditions of issue of shares otherwise provide. Every Member or allottee of shares shall be entitled, with or without payment, to receive one share certificate specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid-up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in case of issues against letters of acceptance or of renunciation or in case of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose, and two Directors or their Attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating the date of issue, provided however that no share certificate(s) shall be issued for shares held by a Depository.

(2) Any two or more joint allottees of a share shall, for the purpose of this Article, be treated as a single Member, and the certificate of any share, which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupee 50. The Company shall comply with the provisions of Section 56 of the Act.

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

(3) The Company shall not be bound to register more than 3 persons as the joint holders of any share except in the case of executors or trustees of a deceased Member and in respect of a share held jointly by several persons, the Company shall not issue more than one certificate and the delivery of a certificate for a share to any one of several joint holders shall be sufficient delivery to all such holders.

(4) Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued indicating the date of issue.

(5) The provisions stated above shall not be applicable to dematerialised Shares and shares held in fungible form with a Depository.

**Nomination****28.**

1. Every holder of securities of a company may, at any time, nominate, in the prescribed manner, any person to whom his securities shall vest in the event of his death. A Member may revoke or vary his or her nomination, at any time, by notifying the Company to that effect.
2. Where the securities of a company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, any person to whom all the rights in the securities shall vest in the event of death of all the joint holders.
3. Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the securities of a company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the securities of the company, the nominee shall, on the death of the holder of securities or, as the case may be, on the death of the joint holders, become entitled to all the rights in the securities, of the holder or, as the case may be, of all the joint holders, in relation to such securities, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.
4. Where the nominee is a minor, it shall be lawful for the holder of the securities, making the nomination to appoint, in the prescribed manner, any person to become entitled to the securities of the company, in the event of the death of the nominee during his minority.

**Option of nominee****29.**

A nominee upon production of such evidence as may be required by the Board and subject as hereinafter provided elect, either :

- (a) to register himself as holder of the share or debenture, as the case may be; or
- (b) to make such transfer of the shares and /or debentures, as the deceased shareholder or debenture holder, as the case may be, could have made.
- (c) If the nominee elects to be registered as holder of the shares or debentures, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with death certificate of the deceased shareholder or debenture holder, as the case may be.
- (d) a nominee shall be entitled to the share, dividend/interest and other advantages to which he would be entitled, if he were the registered holder of the shares or debentures, provided that he shall not, before being registered as a Member, be entitled to exercise any right conferred by membership in relation to meeting of the Company.



Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares or debentures and if the notice is not complied within ninety (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the shares or debentures, until the requirements of the notice have been complied with.

### **Renewal of Shares Certificate**

#### **30.**

- (a) No Certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out or where the pages on the reverse for recording transfer have been duly utilized unless the certificate in lieu of which it is issued is surrendered to the Company.
- (b) When a new share certificate has been issued in pursuance of sub-article (a) of this Article, it shall state on the face of it and the stub or counterfoil to the effect that it is "issued in lieu of share certificate No. And sub-divided/ replaced/on consolidation of shares".
- (c) If a share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board or its duly constituted Committee and on such terms, if any, as to evidence and indemnity as to the payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit.
- (d) When a new share certificate has been issued in pursuance of sub-article (c) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "duplicate issued in lieu of share certificate No." The word "Duplicate" shall be stamped or punched in bold letters across the face of the share certificate.
- (e) Where a new share certificate has been issued in pursuance of sub-article (a) or sub-article (c) of this Article, particulars of every such share certificate shall be entered in a Register of Renewal and Duplicate Certificates indicating against the name of the persons to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross reference in the "Remarks" Column.
- (f) All blank forms to be issued for issue of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may appoint for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.

- (g) The Managing Director of the Company for the time being or, if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates except the blank forms of shares certificates referred to in Sub-Article (f).
- (h) Every Certificate under this Article shall be issued without payment of fees if the Directors so decide or on payment of such fees (not exceeding Rs. 50/- for each certificate) as the Directors shall prescribe.

#### **Joint holder**

##### **New certificates to be granted on delivery of the old certificates**

- 31. New certificates shall not be granted under the provisions of the last preceding Article except upon delivery of the worn out or defaced or used up certificate for the purpose of cancellation and upon proof of destruction or loss and upon such terms, if any, as to evidence and indemnity and the payment of out of pocket expenses incurred by the Company in investigating evidence as the Board of Directors may think fit in the case of any certificate having been destroyed, lost or defaced beyond identification.

##### **The first named of joint holders deemed to be sole holder**

- 32. If any share stands in the name of two or more persons, the person first named in the Register shall, as regards receipt of dividends or bonus or service of notice 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 incidents thereof according to the Company's regulations.

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

- 33. Except as ordered by a Court of Competent jurisdiction or save as herein otherwise provided, 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 if by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, of the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons (but not exceeding 3 persons) except in the case of requests received from executors or trustees of a deceased shareholder.

##### **Funds of Company not to be applied in purchase of shares of the Company**

- 34. None of the funds of the Company shall be applied in the purchase of any shares of the Company, and it shall not give any financial assistance for or in connection with the purchase or subscription of any shares in the Company or in its holding Company save as provided by Section 67 of the Act.

### **Buy Back of Equity Shares**

35. Subject to and in full compliance of the requirements of Sections 68, 69 and 70 of the Act and any Rules and regulations that may be prescribed by the Central Government, the Securities and Exchange Board of India {SEBI} or any other appropriate authority in this regard, the Company may purchase its own shares or other specified securities (hereinafter referred to as buy-back) out of—
- (a) its free reserves;
  - (b) the securities premium account; or
  - (c) the proceeds of the issue of any shares or other specified securities:

Provided that no buy-back of any kind of shares or other specified securities shall be made out of the proceeds of an earlier issue of the same kind of shares or same kind of other specified securities.

## **UNDERWRITING AND BROKERAGE**

### **Commission may be paid**

36. Subject to the provisions of Section 40 of the Act, the Company may at any time, pay a commission to any person in connection with the subscription or procurement of subscription to its securities, whether absolute or conditional for any securities in the Company, or procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any securities in the Company, but so that the commission shall not exceed, in the case of shares, five per cent of the price at which the shares are issued and in the case of debentures and other securities, two and a half per cent of the price at which the debentures are issued, or such higher rate or rates as may be permissible under any statutory provision for the time being in force. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid securities or partly in one way and partly in the other.

### **Brokerage**

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

## **DEBENTURES**

### **Debentures with voting rights not to be issued**

38. The Company may issue debentures with an option to convert such debentures into shares, either wholly or partly at the time of redemption. Any issue of debentures by the Company shall be in terms of the provisions of Section 71 of the Act and the Rules framed thereunder.

**CALLS****Directors may make call**

39. Subject to the provisions of Section 49 of the Act, the Board of Directors may, from time to time, by a Resolution passed at a meeting of a Board (and not by resolution by circulation) make such calls as it think 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 being conditions of allotment thereof made payable at fixed time provided that no calls shall exceed one fourth of the nominal value of the shares or be payable at less than one month from the date of payment of the last preceding call. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine.

Whenever any calls for further share capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class. A company may accept from any member the whole or a part of the amount remaining unpaid on any shares held by him even if no part has been called.

**Notice of calls**

40. Not less than fourteen (14) days notice in writing of any calls shall be given by the Company specifying the time and place of payment and the person or persons to whom such calls shall be paid.

**When call deemed to have been made**

41. A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board of Directors and may be made payable by the Members on such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Board of Directors.

**Directors may extend time**

42. 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 to call on any of Members 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 installments to be treated as calls**

43. If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.

**When interest on call or installment payable**

44. If the sum payable in respect of any call or installment 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 installment shall be due, shall pay interest on the same at such rate not exceeding ten (10%) percent per annum as Directors shall fix from the day appointed for the payment thereof upto the time of actual payment but the Director may waive payment of such interest wholly or in part.

**Evidence in action by Company against share holders**

45. On the trial or hearing of any action or suit brought by the Company against any Member or his legal representative 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 Members in respect of whose shares the money is sought to be recovered and entered on the Register of Members as the holder or as one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares in respect of which the money is sought to be recovered that the resolution making the call is duly recorded in the minute book and the 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, not that a quorum of Directors was present at the Board at which any call was made not that the meeting at which any call was made was duly convened or constituted or any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

**LIEN**

**Company to have lien on shares**

46. 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 or called upon by law to pay in respect of such shares of the Members or deceased Member and no equitable interests in any 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 and interest rights from time to time declared in respect of such shares. Unless otherwise agreed, the registration of transfer of shares shall operate as a waiver of Company's lien, if any, on such shares.

The Directors may at any time declare any share wholly or in part exempt from the provisions of this Article. Notwithstanding anything contained hereinabove, the Company shall have lien on fully paid shares and such lien shall extend only in respect of payment of excess dividend or interest or any sums owing to the Company by a Member.

**As to enforcing lien by sale of shares**

47. For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as it shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such share and may authorise one of their Member or appoint any officer or Agent to execute a transfer thereof on behalf of and in the name of such Member. No sale shall be made until such period, as may be stipulated by the Board from time to time, and until notice in writing of the intention to sell shall have been served on such

Member or his legal representatives and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen (14) days after such notice.

**Application of proceeds of sale**

48. The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable; and the residue, if any, after adjusting for costs, expenses, unpaid calls and accrued interest, if any, incurred at that date of the sale, shall be paid to the person whose shares have been forfeited or to his executors, administrators or assignees or as he directs, subject to a like lien for sums not presently payable existed on the shares before the sale.

**Outsiders lien not to Affect Company's lien**

49. The Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or by statute required) be bound to recognize equitable or other claim to, or interest in, such shares on the part of any other person. The Company's lien shall prevail notwithstanding that it has received notice of any such claims.

**FORFEITURE OF SHARES**

**If money payable on share not paid notice to be given**

50. If any Member fails to pay the whole or any part of any call or any installment of a call on or before the day appointed for the payment of the same or any such extension thereof, the Board of Directors may, at any time thereafter, during such time as the call for installment remains unpaid, give notice requiring him to pay so much of call or installment as is unpaid together with any interest that may have accrued and all expenses (legal or otherwise) that may have been incurred by the Company by reason of such non-payment.

**Sum payable on allotment to be deemed a call**

51. 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.

**Form of Notice**

52. The notice shall name a day (not being less than fourteen (14) days from the date of the notice) and a place or places on and at which such call or installment and such interest thereon at such rate as the Directors shall determine from the day on which such call or installment ought to have been paid.

The notice shall also state that in the event of the non-payment at or before the time and at the place appointed, shares in respect of which the call was made or installment is payable will be liable to be forfeited.

**In default of payment shares to be forfeited**

53. If the requirements of any such notice as aforesaid are not 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 installments, interests 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 moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.

**Notice of forfeiture to a Member**

54. 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.**

55. Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed off, either to the original holder 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**

56. Any Member whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, 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 eighteen per cent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such moneys or any part thereof, if it thinks fit, but shall not be under any obligation to do so.

**Effect of forfeiture**

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

**Power to annul forfeiture**

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

**Declaration of forfeiture**

59. A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or the Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the

declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.

**Provisions of these Articles as to forfeiture to apply in case of non payment of any sum**

60. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any such 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.

**Validity of sale under Article 46 and Article 54**

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

**Cancellation of share certificate in respect of forfeited shares**

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

**Surrender of Shares**

63. The Directors may, subject to the provisions of the Act, accept a surrender of any share from any Member desirous of surrendering on such terms and conditions as they think fit.

**TRANSFER AND TRANSMISSION OF SHARES**

**No transfer of shares to minor etc.**

64. The Board shall not issue or register a transfer of any shares for a minor (except in case when they are fully paid) or insolvent or person of unsound mind.

**Form of transfer of Shares**

65. The instrument of transfer of any share shall be in such form as may be prescribed under the Act and Rules made thereunder and in writing and all the applicable provisions of the Act and Rules for the time being in force shall be duly complied with in respect of all transfers of shares and the registrations thereof.



- (a) In the case of transfer and transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.
- (b) Every holder of securities of the Company who intends to transfer such securities shall get such securities dematerialised before the transfer; Provided that, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed by the Company unless the securities are held in the dematerialized form with a depository.

#### **Application for transfer of shares**

**66.**

- (a) An application for registration of a transfer of the shares in the Company may be made either by the transferor or the transferee.
- (b) 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.
- (c) For the purpose of sub-article (b) above, notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

#### **Execution of transfer of shares**

- 67.** The Instrument of transfer duly stamped and executed by the Transferor and the Transferee shall be delivered to the Company in accordance with the provisions of the Act. The Instrument of Transfer shall be accompanied by such evidence as the Board may require to prove the title of Transferor and his right to transfer the shares and every registered Instrument of Transfer shall remain in the custody of the Company until destroyed by order of the Board. The Transferor shall be deemed to be the holder of such shares until the name of the Transferee shall have been entered in the Register of Members in respect thereof. Before the registration of a transfer, the certificate or certificates of the shares must be delivered to the Company.

#### **Transfer by legal representatives**

- 68.** A transfer of 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.

**Register of Members etc. when closed**

69. The Board of Directors shall have power on notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated to close the Register of Members and/or the Register of Debenture Holders at such time or times and for such period or periods, not exceeding thirty (30) days at a time and not exceeding in the aggregate forty five (45) days in each year as it may seem expedient to the Board.

**Directors may refuse to register transfer of shares**

70. (1) Subject to the provisions of Section 58 of the Act, the Board may, at its own absolute and uncontrolled discretion and without assigning any reason, decline to register or acknowledge any transfer of shares (whether fully paid or not and notwithstanding that the proposed Transferee be already a Member), but in such case it shall, within one month from the date on which the instrument of transfer was lodged with the Company, send to the Transferee and the Transferor notice of the refusal to register such transfer provided that the registration of a transfer shall not be refused on the ground that the Transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on shares.
- (2) The Board may, subject to the right of appeal conferred by Section 58 decline to register—
- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (b) any transfer of shares on which the company has a lien.

The Board may decline to recognize any instrument of transfer unless—

- (a) the instrument of transfer is in the form as prescribed in Rules framed under sub-section (1) of Section 56;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of shares.

**Directors may refuse any application for split or consolidation of share Certificate(s)**

71. Subject to the power of the Directors stated in last preceding Article and the provisions of this Article, transfer of Shares/Debentures, in whatever lot should not be refused, however, the Company may refuse to split a Share Certificate/Debenture Certificate into several scrip of very small denominations or to consider a proposal for transfer of Shares/Debentures comprised in a Share Certificate/Debenture Certificate to several parties, involving such splitting if on the face of its such splitting/transfer appears to be unreasonable or without a genuine need or a marketable lot.

**Notice of refusal to be given to transferor and transferee**

72. (1) If the Company refused to register the transfer of any shares of debentures or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was delivered with the Company send notice of refusal to the transferee and the transferor or to the person given the intimation of the transmission as the case may be giving reasons for such refusal and thereupon, the provisions of Section 56 of the Act shall apply.
- (2) The Company shall not register the shares in more than three names (Persons) as joint holders except in case of requests received from executors or trustees of a deceased shareholder.

**Death of one or more joint holders of shares**

73. In case of the death of any one or more of the persons named in the Register of Members as the joint holders of any share, the survivor or survivors shall be the only persons recognized by the Company as having any title 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**

74. The executors or administrators of a deceased Member or holders of a Succession Certificate or the legal representatives in respect of the shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the shares registered in the name of such Members and the Company shall not be bound to recognize such executors or administrators or holders of a succession certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be, from a duly constituted Court in the Union of India; provided that in any case where the Board 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, upon such terms as to indemnify or otherwise as the Board in its absolute discretion may think necessary and under Article 74 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased Member, as a Member.

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

75. Subject to the provisions of the Act and any restrictions contained in these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any Member or by any lawful means other than by the transfer in accordance with these Articles, may with the consent of the Board of Directors (which it shall not be under obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under these Articles or of his title, as the Board of Directors shall require and upon giving such indemnity as the Directors shall require either

be registered as Member in respect of such shares or elect to have some person nominated by him had approved by the Board of Directors registered as Members in respect of such shares.

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 provisions herein contained and until he does so, he shall not be free from any liability in respect of such shares, this clause is herein referred to as "THE TRANSMISSION CLAUSE".

**Refusal to register nominee**

76. Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse on legal grounds to register any such transmission until the same is so verified or until and unless indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity. Persons entitled may receive dividend without being registered as Member.

A person entitled to a share transmission shall subject to the right of the Directors to retain such dividends or money as is herein after provided be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the shares.

**No fees on transfer or transmission**

77. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other documents.

**Transfer to be presented with evidence of title**

78. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the shares and generally under the subject to such conditions and regulations as the Board may, from time to time, prescribe and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

**The Company not be liable for discharge of a notice prohibiting registration of a transfer**

79. 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 . The Company shall not be bound or required to regard or attend to 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 to do so, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless, be at liberty to regard and attend to any such notice and give effect thereto if the Board of Directors shall so think fit.

The Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as if they were the transferee named in the case of a transfer of shares prescribed for registration.

## **DEMATERIALIZED AND REMATERIALIZED**

### **Power of Company to dematerialize and rematerialise**

- 80.** Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing shares, debentures and other securities and rematerialize its such shares, debentures and other securities held by it with the Depository and/or offer its fresh shares and debentures and other securities in a dematerialized form pursuant to the Depositories Act, 1996 and the Rules framed there under, if any.

#### **1) Intimation to Depository**

Notwithstanding anything contained in this Article, where securities are dealt with a Depository, the Company shall intimate the details of allotment of securities to Depository immediately on allotment of such securities.

#### **2) Option for Investors**

Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. A beneficial owner of any security can at any time opt out of a Depository. If permitted by law, in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed issue to the beneficial owner the required certificates of securities.

#### **3) The Company recognize under Depositories Act, Interest in the Securities other than that of Registered Holder**

The Company or the investor may exercise an option to issue, dealing, hold the securities (including shares) with Depository in electronic form and the certificates in respect thereof shall be, dematerialized in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996.

#### **4) Securities in Depositories and Beneficial Owner**

All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Section 89 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

## 5) Rights of depositories and Beneficial Owners

- (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.
- (b) Save as otherwise provided in sub- article (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (c) Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or where the name appears as the Beneficial Owner of shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise any benami trust or 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, on the part of any other person whether or not it has express or implied notice thereof, but the Board shall be entitled at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

## CONVERSION OF SHARES INTO STOCK AND RECONVERSION

### Share may be converted into stock

81. The Company may, by Ordinary Resolution in General Meeting may :
- (a) convert any paid up share into stock; and
  - (b) reconvert any stock into paid-up shares of any denomination.

### Transfer of Stock

82. 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 regulations under which the stock arose might, before the conversion, have been transferred or as near thereto as circumstances admit.

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

### Right of stock holders

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

**Regulations applicable to stock.**

84. Such 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.

**BORROWING POWERS****Borrowing powers**

85. Subject to the provisions of Section 180(1)(c) of the Act and of these Articles and without prejudice to the other powers conferred by these Articles, the Board of Directors may, from time to time, at its discretion by a resolution passed at a meeting of the Board, borrow money,

PROVIDED THAT, 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) exceeds the aggregate of the paid up capital, free reserves (not being reserves set apart for any specific purpose) and securities premium of the Company, the Board of Directors shall not borrow such money without the sanction of the Company in General Meeting. Subject to the provisions of the Act and of this Article, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money either in India or abroad by way of loans, overdrafts, cash credit or by issue of bonds denominated in various currencies, debentures or debenture stock with or without any option attached to it (perpetual or otherwise), commercial paper or in any other manner, from any bank, financial institution, company, Government or any other body for the purpose of the Company and may secure the payment of any sums of money so raised or borrowed. 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 advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.

**The payment or repayment of money borrowed**

86. Subject to the provisions of these Articles, the payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit and, in particular, in pursuance of a resolution passed at a meeting of the Board (and not by circular Resolution) by the issue of bonds, perpetual or redeemable debentures or debenture-stock of the Company, charged upon all or any part of the property, undertaking of the of the Company, (both present and future), including its uncalled capital for the time being and the debentures and the debenture-stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

**Issue of debenture**

87. Subject to the provisions of the Section 71 Act, any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at General Meetings, appointment of Directors and otherwise.

Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting by a Special Resolution.

**Mortgage of uncalled capital**

- 88.** If any uncalled capital of the Company is included in or charged by mortgage or other security, the Directors may, subject to the provisions of the Act and these Articles, make calls on the Members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security executed.

The Board shall cause a proper Register to be kept in accordance with the provisions of the Act of all mortgages, debentures and charges specifically affecting the property of the Company including all floating charges on current assets of the Company and fixed charge on the undertaking or any property of the company, and shall cause the requirements of the Act in relation to charges be duly complied with.

The provision of Chapter VI the Act relating to registration of charges which expression shall include mortgage shall be complied with.

- a) In the case of a charge created out of India and comprising solely of property situated outside India the relevant provision of the Act shall be complied with. Where any charge on any property of the Company required to be registered under the Act has been so registered, any person acquiring such property or any part thereof or any share or interest therein, shall be deemed to have notice of the Charge as from the date of such registration.
- b) Where a charge is created in India but comprises property outside India, the instrument creating or proposing to create the charge or a copy thereof verified in the prescribed manner, may be filed for registration notwithstanding that further proceedings, may be necessary to make the charge valid or effectual according to the law of the country of which the property is situated.
- c) Where any charge on any property of the Company required to be registered under the Act has been so registered, any person acquiring such property or any part thereof or any share or interest therein, shall be deemed to have notice of the Charge as from the date of such registration.
- d) In respect of registration of charges on properties acquired subject to charge, the relevant provisions of the Act shall be complied with.
- e) The Company shall also comply with the provisions of the relevant Sections of the Act relating to security to be created in case of series of debenture entitling holders to any charge to the benefit of which the debenture holder of that series are entitled.



## **MEETING OF MEMBERS**

### **Annual General Meeting and the persons entitled to attend**

89. (1) Subject to the provisions of 96 of the Act the Company shall, in addition to any other meeting hold a General Meeting (hereinafter called "Annual General Meeting") at the intervals and in accordance with the requirement of the Act.

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 extended time.

- (2) Every Annual General Meeting shall be called for any time during business hours, that is between 9.00 a.m and 6.00 p.m on a day that is not a National Holiday and shall be held either at the Registered Office of the Company or at some other place within the city 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 the General Meeting which 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**

90. At every General Meeting of the Company there shall be laid on the table the Directors' Report and Audited Statement or Accounts, Auditors' Report (if not already incorporated in the Audited Statement of Accounts), the proxy register with proxies and the Register of Directors, Shareholdings which latter Register shall remain open and accessible during the continuance of the meeting.

### **Extra-ordinary General Meeting**

91. All General Meetings other than Annual General Meetings shall be called Extra-ordinary General Meetings. The Board of Directors may call an Extraordinary General Meetings whenever it thinks fit. They shall on requisition of the Members as hereinafter provided, forthwith proceed to convene Extra-ordinary General Meeting of the Company

### **CONDUCT OF THE MEETING. CONTENTS OF REQUISITION AND NUMBER OF REQUISITIONISTS REQUIRED (REQUISITION MEETINGS)**

92. (1) In case of requisition the following provisions shall have effect :
- (a) The requisition shall set out the matter for the consideration of which the meeting is to be called and shall be signed by the requisitionists and shall be deposited at the registered office of the Company.
- (b) The requisition may consist of several documents in like form, each signed by one or more requisitionists.

- (c) 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 share capital of the Company as at that date carries the right of voting in regard to that matter.
  - (d) Where two or more distinct matters are specified in the requisition, the provisions of sub-article (3) shall apply separately in regard to such matter and the requisition shall accordingly be valid only in respect of those matters in regard to which the conditions specified in that sub-article is fulfilled.
  - (e) If the Board does not, within twenty one (21) 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 (45) days from the date of the deposit of the requisition, the meeting may be called :
    - (i) by the requisitionists themselves; or
    - (ii) by such of 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-article (c) of sub-article (1) whichever is less. PROVIDED THAT for the purpose of this sub-article, the Board shall in the case of a meeting at which a 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 under Section 114 of the Act.
- (2) A meeting called under sub-article (c) of sub-article (1) by requisitionists or any of them:
- (a) shall be called in the same manner, as nearly as possible, as that in which meeting is to be called by the Board; but
  - (b) shall not be held after the expiration of three (3) months from the date of the deposit of the requisition, PROVIDED THAT nothing in sub-article (b) shall be deemed to prevent a meeting duly commenced before the expiry of the period of three (3) months aforesaid, from adjourning to some day after the expiry of that period.
- (3) Where two or more persons hold any shares in the Company jointly, a requisition or a notice calling a meeting signed by one or some only of them shall for the purpose of this Article, have the same force and effect as if it has been signed by all of them.
- (4) 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 sum 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**

93. (1) A General Meeting of the Company may be called by giving not less than clear twenty-one days (21) notice either in writing or through electronic mode in such manner as may be prescribed:

Provided that a General Meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode a) in case of Annual General Meeting, by not less than ninety five percent of the members entitled to vote at such meeting and b) in case of any other General Meeting, by majority in number of members entitled to vote and who represent 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.

- (2) Every notice of a meeting shall specify the place, date, day and the hour of the meeting and shall contain a statement of the business to be transacted at such meeting.
- (3) The notice of every meeting of the Company shall be given to—
- (a) every Member of the Company, legal representative of any deceased member or the assignee of an insolvent Member;
  - (b) the auditor or auditors of the Company; and
  - (c) every director of the Company.

**Contents of notice**

94. (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) In every notice, there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a Member of the Company.

**Special Business**

95. (1) (a) In case of an Annual General Meeting, all business to be transacted at the meeting shall be deemed special, with exception of business relating to :
- (i) the consideration of the Accounts, Balance Sheet and the Reports of the Board of Directors and Auditors ;
  - (ii) the declaration of dividend;
  - (iii) the appointment of Directors in the place of those retiring; and
  - (iv) the appointment of and the fixing of the remuneration of the Auditors; and
- (b) In the case of any other meeting, all business shall be deemed special.

- (2) Where any such item or special business relates to, or affects any other company, the extent of shareholding interest in the other company of every promoter, director, Manager, and every other key managerial personnel of the Company shall also be set out in the statement if the extent of such shareholding interest is not less than two percent of the paid-up share capital of that other company.

Where any item of business consists of the according of approval to any documents 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 proceedings**

96. The accidental omission to give such notice as aforesaid to or non-receipt thereof by any Member or other person to whom it should be given, shall not invalidate the proceedings of any such meeting.

**Business which may not be transacted at the meeting.**

97. No General Meeting, Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notice convening the meeting.

**Special notice**

98. Where, by any provision contained under Section 115 or these Articles, special notice is required of any resolution, notice of the intention to move such resolution shall be given to the company by such number of members holding not less than one per cent. of total voting power or holding shares on which such aggregate sum not exceeding five lakh rupees, as may be prescribed, has been paid-up and the company shall give its members notice of the resolution in such manner as may be prescribed.
99. 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 (7) days before the meeting

Upon requisition of such number of as may be required under the Act, the Directors shall duly comply with the obligation of the Company under the said Act relating to circulation of Members resolutions and statement.

A certificate in writing, signed by the Secretary or by a Director or some officer appointed by the Directors for the purpose, to the effect that according to the best of his belief the notice convening the meeting have been duly given shall be conclusive evidence thereof.

## **Quorum**

100. Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in Section 103 of the Act.

### **Proceedings when quorum not present**

101. 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 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 quorum and may transact the business for which the meeting was called.

### **Business of adjourned meetings**

102. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

Where a resolution is passed at an adjourned meeting of the Company, the resolution 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 been passed on any earlier date.

### **Chairman of General Meeting**

103. 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 the Members to be a Chairman thereof on a show of hands.

### **Business confined to election of Chairman whilst Chair vacant**

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

If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and the Chairman elected on show of hands shall exercise all the powers of the Chairman under the said provision. If some other person is elected Chairman as a result of the poll he shall be the Chairman for the rest of the meeting.

**Chairman may adjourn meeting**

105. (a) The Chairman may, with the consent of any meeting at which a quorum is present and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place, in the city or town or village where the registered office of the Company is situated:
- (b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (c) When a meeting is adjourned for thirty (30) days or more notice of the adjourned meeting shall be given as in the case of an original meeting.
- (d) Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned meeting.

**How question to be decided at meetings**

106. Every question submitted to a General Meeting shall be decided in the first instance by a show of hands unless the poll is demanded as provided in these Articles.

At any General Meeting, a resolution put to the vote at the meeting shall, unless a poll is (before or on the declaration of the result on a show of hands) demanded the voting be carried out electronically. A declaration by the Chairman that a resolution has been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of or against such resolution.

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

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

**Demand of poll**

108. Before or on declaration of the result of the voting on a show of hands, the Chairman may on his own motion, order a poll to be taken. Poll shall also be ordered by Chairman if it is demanded by one or more Members present at the meeting in person or by proxy and holding shares or being entitled to votes at least to the extent stipulated under the provisions of the Act. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

**Time of taking of poll**

109. A poll demanded on any question (other than the election of the Chairman or on question of adjournment, which shall be taken forthwith) shall be taken at such place in the city/town or village in which the Registered Office of the Company is situate and at such time not being later than forty eight hours from the time when the demand was made as the Chairman may direct.

Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken, including the power to take the poll by open voting or by secret ballot and either at once or after the interval or adjournment or otherwise.

The result of the poll shall be deemed to be the decision of the meeting on the resolution, on which the poll was taken.

**Chairman to regulate the poll**

110. Where a poll is to be taken, the Chairman of the meeting shall appoint such number of persons, as he deems necessary, to scrutinize the poll process and votes given on the poll and to report thereon to him in the manner as may be prescribed under the Act.

**Demand for poll not to prevent transaction of other business**

111. The demand for a poll shall not prevent transaction of other business except on the question of the Chairman and of an adjournment other than the question on which the poll has been demanded.

**Chairman's casting vote**

112. In the case of equality of votes, the Chairman shall both on a show of hands and a poll (if any) shall be entitled to second or cast a vote in addition to the vote or votes to which he may be entitled as a Member.

**Appointment of scrutinizers**

113. Where a poll is to be taken, the Chairman of the meeting shall appoint one scrutinizer to scrutinize the vote given on the poll and to report thereon to him. The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutinizer from office and fill vacancies in the office of the scrutinizer arising from such removal or from any other cause.

**114. Power to arrange security at meetings**

The Board, and also any person(s) authorized by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting shall be subject to such decision.

### **General Meetings through Video Conferencing**

115. Subject to provisions of the Act and other applicable laws, the General Meetings of the Company may be called and held through video conferencing or other permitted means either in substitution of or along with the physical General Meetings in such manner as may be permitted or prescribed under the Act and other applicable laws.

### **VOTES OF MEMBERS**

#### **Member paying money in advance not to be entitled to vote in respect thereof**

116. A Member paying the whole or a part of the amount remaining unpaid on any share 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**

117. Notwithstanding anything to the contrary contained in the Act but subject to any rights or restrictions for the time being contained in these Articles with respect to any class or classes of shares, 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.

- (1) Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
  - (a) on a show of hands, every Member present in person shall have one vote; and
  - (b) on a poll, the voting rights of Members shall be in proportion to his share in the paid-up equity share capital of the Company.
- (2) A Member may exercise his vote at a meeting by electronic means in accordance with the provisions of the Act
- (3) (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.  
 (ii) For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.
- (4) A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
- (5) Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
- (6) No Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.



- (7) (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

**Votes in respect of deceased or insolvent Members**

- 118.** Any person entitled under the transmission Article to transfer any share may vote 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 the 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.

**Number of votes to which Member entitled**

- 119.** Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every Member, not disqualified by the Article 116, shall be entitled to be present and to speak and vote at such Meeting and on a show of hands, every Member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company.

Provided, however, if any preference shareholder be present at any Meeting of the Company, save as provided in Section 47(2) of the Act, he shall have a right to vote only on resolutions placed before the Meeting which directly affect the rights attached to his preference shares.

**Appointment of Proxy**

- 120.** (1) Every proxy (whether a Member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the common seal of such corporation, or be signed by an officer or any attorney duly authorised by it, and any Committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the Meeting.
- (1) An instrument of proxy may appoint a proxy either for the purpose of a particular Meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every Meeting of the Company or of every Meeting to be held before a date specified in the instrument and every adjournment of any such Meeting.
- (2) A Member present by proxy shall be entitled to vote only on a poll. However where such Member is a body corporate present by a proxy who is not himself a Member in which case such proxy shall also be eligible to vote on show of hands as if he were a Member.

- (3) The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the office not later than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument or proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date of its execution.

Every instrument of proxy whether for a specified Meeting or otherwise shall as nearly as circumstances will admit, be in any of the forms set out in the Rules framed under Section 105 of the Act.

#### **Representation of body corporate**

121. A body corporate (whether a Company within the meaning of the Act or not) may, if it is a Member or creditor of the Company (including a holder of debentures) authorise such person as it thinks fit by a resolution of its Board of Directors or other Governing Body, to act as its representative at any meeting of the Company or any class of Members of the Company or at any meeting of the creditors of the Company or debenture holders of the Company.
- (a) A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual Member, creditor or holder of debentures of the Company. The production of a copy of the resolution referred above, certified by Director or the Secretary of such body corporate before the commencement of the meeting shall be accepted by the Company as sufficient evidence of the validity of the said representative's appointment and his right to vote thereat.
- (b) Where 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 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.

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

122. Subject to the provisions of these Articles, vote may be given either personally or by proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorised in accordance with Section 113 of the Act.

#### **Rights of members to use votes differently**

123. On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other persons 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.

**Proxy either for specified meeting or for a period**

124. An instrument of proxy may appoint a proxy either for the purpose of a particular meeting specified in the instrument and adjournment thereof or it may appoint a proxy for the purpose of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.

**Validity of votes given by proxy notwithstanding revocation of authority**

125. A vote given in accordance with the terms of instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of any Power of Attorney under which such proxy was signed or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received by the Company at the Registered Office before the commencement of the meeting or adjourned meeting at which the proxy is used, provided nevertheless that the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and of the same not having been revoked.

**Time for objection to vote**

126. No objection shall be made to the qualification of any vote 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 and such objection made in due time shall be referred to the Chairman of the meeting.

**Chairman of any meeting to be the judge of validity of any vote**

127. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. The decision of the Chairman shall be final and conclusive.

**Custody of instrument**

128. If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meetings of the Company, it shall remain permanently or for such time as the Directors 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.

**DIRECTORS**

**Number of Directors**

129. The Company shall have a Board of Directors consisting of individuals as directors and shall have a minimum number of three directors and a maximum of fifteen directors. A woman director shall form part of the Board of Directors of the Company.

The Company may appoint more than fifteen directors after passing a special resolution at a General Meeting.

**First Directors of the Company**

130. The First Directors of the Company :-

1. **Shri. Jayantibhai Meghajibhai Patel**
2. **Shri. Ashishbhai Natwarlal Soparkar**
3. **Shri. Natwarlal Meghajibhai Patel**
4. **Shri. Rameshbhai Meghajibhai Patel**
5. **Shri. Anandbhai Ishwarbhai Patel**

**Debenture Directors**

131. Any Trust Deed for securing debentures or debenture-stocks, may, if so arranged, provide for the appointment, from time to time by the Trustees thereof or by the holders of debentures or debenture-stocks, of some person to be a Director of the Company and may empower such Trustees or holder of debentures or debenture-stocks, from time to time, to remove and re-appoint any Director so appointed. The Director appointed under Article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director 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 provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

**Nominee Director**

132. The Company may agree with any Banks, Financial Corporation, Credit Corporation Financial Institution or any authority or person or State Government that in consideration of any Rupee Term loan/ Foreign Currency Loan, Non Convertible Debentures, External Commercial Borrowings, FCCB, or any financial assistance of any kind whatsoever, which may be rendered by it to the Company, it shall till such time as the loan or financial assistance is outstanding have power to nominate/appoint from time to time any person or persons as a Director or Directors, as "Nominee Director/s" on the Board of the Company and to remove and reappoint the directors to fill in any vacancy caused by Death or resignation of a Director otherwise ceasing to hold office the Company.

Nominee Director/s shall not be required to hold any share qualification in the Company nor such Nominee Director/s shall not be liable to retire by rotation, The Nominee 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 Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meeting, Board meetings or the Committee of which the Nominee Director/s is/are Member/s as also the minutes of such meetings.

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

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

#### **Limit on number of non-retiring Directors**

133. Subject to the provisions of Section 152 of the Act and the provisions contained in these Articles, number of non-retiring Directors shall not exceed in the aggregate one-third of the total number of Directors for the time being in office.

#### **Appointment of Alternate Directors**

134. The Board may appoint an Alternate Director recommended for such appointment by the Director (hereinafter in this Article called “the Original Director”) to act for him during his absence for a period of not less than three (3) months from India.

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 meetings 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 the Original Director returns to the State in which the meetings of the Board are ordinarily held, if the terms of office of the Original Director is determined before he returns to as aforesaid. Any provision in the Act or in these Articles for automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and the Alternate Director.

Any fee paid by the Company to the alternate director shall be deducted from that Director’s remuneration. No Director shall act as an alternate Director of the Company. A person shall not act as an alternate director for more than one director of the Company.

#### **Casual Vacancy**

135. The Directors shall have power at any time and from time to time to appoint any person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board and shall be subsequently approved by members in the immediate next general meeting. Any person so appointed shall hold office only upto the date which the Director in whose place he is appointed would have held office, if it had not

been vacated as aforesaid or if such date shall be later than the next Annual General Meeting upto the date of the next Annual General Meeting but he shall then be eligible for re-election.

#### **Additional Directors**

136. The Directors shall also have power at any time and from time to time to appoint any other 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 hold his office only upto the date of the next Annual General Meeting but shall be eligible for election at such meeting. Provided that the number of Directors and the Additional Director together, shall not exceed the maximum strength fixed by the Article.

#### **No Qualification of shares by Director**

137. A Director need not hold any qualification shares.

#### **Remuneration of Directors**

138. (1) Subject to the provisions of Section 196 and 197 of the Act and schedules there under, a Managing Director or Directors, who is in the whole-time employment of the Company may be paid remuneration either by way of monthly payment or at specified percentage of the net profits of the Company or partly by one way and partly by the other.
- (2) Subject to the provisions of the Act, a Director who is neither in the whole time employment nor a Managing Director may be paid remuneration either:
- (i) by way of monthly, quarterly or annual payment with the approval of the Central Government; or
  - (ii) by way of Commission if the Company by a special resolution authorised such payment.

#### **Fees payable to a Director for attending a meeting**

139. The fees payable to a Director for attending a meeting of the Board or a Committee of the Board or a General Meeting shall be decided by the Board of Directors from time to time, subject to such limit as may be prescribed in that behalf, from time to time, by the Central Government under or pursuant to the Act.

The Board of Directors may in addition allow and pay to any Director who is not a bonafide resident of the Place where a meeting of the Board or Committee or a General Meeting of the Company is held, and who shall come to that place for the purpose of attending the meeting, such sum as the Board may consider fair compensation for his travelling, hotel, boarding, lodging and other incidental expenses incurred in attending or returning from meetings of the Board of Directors, or any Committee thereof or General Meetings of the Company.

Subject to the limitations provided by the Act and this Article, if any Director shall be called upon to go or reside out of his usual place or residence on the Company's business or otherwise perform extra service outside the scope of his ordinary duties, the Board may arrange with such Director for such Director for such special remuneration for such service either by way of salary, commission or the payment of stated sum of money as they shall think fit, in addition to or in substitution of his remuneration above provided, and all the Directors shall be entitled to be paid or reimbursed or repaid any travelling, hotel and other expenses incurred or to be incurred in connection with the business of the Company and also to be reimbursed all fees for filling all documents which they may be required to file under the provisions of the Act.

Subject to the provisions of Section 197 and Schedule V to the Companies Act 2013, the Directors shall be paid such further remuneration if any, either on the basis of percentage on the net profits of the Company or otherwise, as the Company in General Meeting shall from time to time determine, and such additional remuneration and further remuneration shall be divided amongst 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 amongst the Directors equally. Provided that the total Managerial Remuneration shall not exceed the overall maximum remuneration as may be prescribed under the Act.

#### **Extra remuneration to Directors for special work**

140. Subject to the provisions of the Act and rules 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 the Directors and such remuneration may be either in addition to or in substitution for his share in the remuneration above provided.

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

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

#### **Disqualification of Director**

142. A person shall not be capable of being appointed Director of the Company if:
- (a) He has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force;
  - (b) He is an undischarged insolvent;

- (c) He has applied to be adjudged as 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 (6) months and a period of five (5) years has not been elapsed from the date of expiry of the sentence;

Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven (7) years or more, he shall not be eligible to be appointed as a director in any company.

- (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 (6) months have elapsed from the last day fixed for the payment of the call; or
- (d) An order disqualifying him for appointment as Director has been passed by a Court in pursuance of Section 188 of the Act and is in force; unless the leave of the Court has been obtained for his appointment in pursuance of such provision contained in the Act.
- (e) An order disqualifying him for appointment as a Director has been passed by a court or Tribunal and the order is in force:
- (f) He has been convicted of the offence dealing with related party transactions under Section 188 at any time during the last preceeding year.
- (g) He has not complied with sub-section (3) of Section 152.

#### **Vacation of office by Directors**

**143.** The office of a Director shall become vacant if he incurs any of the disqualifications specified in case :

- a) he absents himself from all the meetings of the Board of Directors held during a period of twelve (12) months with or without seeking leave of absence of the Board;
- b) he acts in contravention of the provisions of Section 184 on entering into contracts or arrangements in which he is directly or indirectly interested;
- c) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of Section 184;
- d) he becomes disqualified by an order of a court or the Tribunal;
- e) he is convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six (6) months. The office shall be vacated by the director even if he has filed an appeal against the order of such court;
- f) he is removed in pursuance of the provisions of this Act;
- g) he, having been appointed a director by virtue of his holding any office or other employment in the holding, subsidiary or associate company, ceases to hold such office or other employment in that company.



**144. Removal of Directors:**

The Company, may, by Ordinary Resolution and in terms of the provisions contained in Section 169 of the Act, remove a director, not being a director appointed by the Tribunal under Section 242, before the expiry of the period of his office after giving him reasonable opportunity of being heard, except where not less than two-thirds of the total number of directors have been appointed by the Company according to the principle of proportional representation.

**Disclosure of interest by Director**

- 145.** (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 184 of the Act.
- (2) (a) In the case of proposed contract or the arrangement, the disclosure required to be made by a Director under sub-article (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 sub-articles (1) and (2), a general notice given to the Board by a Director to the effect that he is a Director or a Member of a specified body corporate or is a Member of a specified firm and is to be regarded as interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be sufficient disclosure of concern or interest in relation to any contract or arrangement so made.
- (b) Any such general notice shall expire at the end of the financial year in which it is given, but may be renewed for further period of one financial year at a time by a fresh notice given in which it would otherwise expire.
- (c) No such general notice and no renewal thereof, shall be of effect unless either it is given at a meeting of the Board or the Directors concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.
- (d) Nothing in this Article shall apply to any contract or arrangement entered into or to be entered into between the Company and any other Company where any one or more of the Directors of the Company together holds or hold not more than two per cent of the paid-up share capital in the other company.

No Director shall, as a Director, take any part in the discussion of, or vote on any contract or arrangement 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 be counted for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void; provided however that nothing herein contained shall apply to:

- (a) any contract of indemnity against any loss which the directors, or anyone or more of them, may suffer by reason of becoming or being sureties or a surety for the Company.
- (b) Any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely
  - (i) in his being :
    - (1) a director of such company; and
    - (2) the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a director thereof, he having been nominated as such director by the Company; or
  - (ii) in his being a Member holding not more than two per cent of its paid up share capital.

This Article is subject to the provisions of Section 184 (2) of the Act.

### **ROTATION AND APPOINTMENT OF DIRECTORS**

#### **Directors may be Directors of the Companies promoted by the Company**

**146.** If a Director of the Company is appointed a Director of any Company promoted by the Company or in which it may become interested as a vendor, shareholder or otherwise, such Director shall not be accountable for any benefits received as Director or shareholder of such Company except in so far as Section 188 or Section 197 of the Act may be applicable.

#### **147. Retirement and Rotation of Directors**

- (1) 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 of Directors. The Independent Directors, if any, shall not be subject to retirement under this Article and shall not be taken into account in determining the retirement by rotation or the number of Directors to retire. The Debenture Directors, Nominee Directors, and Managing Directors, 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.

#### **Ascertainment of Directors retiring by rotation and filling of vacancies**

**148.** Subject to the provisions of the Act and these Articles, the Directors to retire by rotation under the last preceding Article at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between

person 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. Subject to the provisions of the Act, a retiring Director shall remain in office until the conclusion of the meeting at which his reappointment is decided or his successor is appointed.

**Eligibility for re-election**

149. A retiring Director shall be eligible for re-election and shall act as a Director throughout and till the conclusion of the meeting at which he retires.

**Company to fill vacancies**

150. Subject to the Section 149 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.

**Provision in default of appointment**

151. (a) If the place of retiring Directors is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.
- (b) If at the adjourned meeting also, the place of the retiring Director is not filled up and the meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless:
- (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.
  - (ii) The retiring Director has by a notice in writing addressed to the Company or its Board of Directors expressed his unwillingness to be so re-appointed.
  - (iii) He is not qualified or is disqualified for appointment.
  - (iv) A resolution whether special or ordinary is required for his appointment or re-appointment by virtue of any provisions of the Act; or
  - (v) Section 164 of the Act is applicable to the case.

**152. Company may increase or reduce the number of Directors or remove any Director**

Subject to the provisions of Section 149 and 152 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**

153. (a) At a General Meeting of the Company, a motion shall not 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 first been agreed to by the meeting without any vote being given against it. A resolution moved

in contravention of this Article shall be void whether or not objection so moved is passed. No provision for the automatic reappointment of retiring Directors by virtue of these Articles or the Act in default of another appointment shall apply.

- (b) 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 candidature for office of Director except in certain cases**

- 154.** (1) A person who is not a retiring director in terms of section 152 shall, subject to the provisions of this Act, be eligible for appointment to the office of a director at any general meeting, if he, or some member intending to propose him as a director, has, not less than fourteen days before the meeting, left at the registered office of the company, a notice in writing under his hand signifying his candidature as a director or, as the case may be, the intention of such member to propose him as a candidate for that office, along with the deposit of one lakh rupees or such higher amount as may be prescribed which shall be refunded to such person or, as the case may be, to the member, if the person proposed gets elected as a director or gets more than twenty-five per cent. of total valid votes cast either on show of hands or on poll on such resolution.
- (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 (7) days before the meeting provided that it shall not be necessary for the Company to serve individual notices upon the Members as aforesaid if the Company advertises such candidature or intention not less than seven (7) 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 person who has left at the office of the Company a notice under Section 160 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
- a. An Additional or Alternate Director or a person filling a casual vacancy in the office of a Director under Sections 149 and 151 of the Act appointed as a Director, re-appointed as an Additional or Alternate Director immediately on the expiry of his term of office or
- b. a person named as Director of the company under these Articles as first Registered.

shall not act as a Director of the Company unless he has within the prescribed days of appointment signed and filed with the Registrar his consent in writing to act as such Director.

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

- 155.** A Director or Manager shall give notice in writing to the Company of his holding of shares and debentures of the Company, or its holding or its subsidiary or its associates, together with such particulars as may be prescribed under the Act. If such notice be not given at a meeting of the Board, the Director or Manager shall take all reasonable steps to secure that it is brought up and read at the meeting of the Board next after it is given. The Company shall enter the aforesaid particulars in a Register kept for their purpose in conformity with provisions of the Act.

**Board resolution necessary for certain contracts**

- 156.** Except with the consent of the Board of Directors given by a resolution at a meeting of the Board and subject to such conditions as may be prescribed, no company shall enter into any contract or arrangement with a related party with respect to
- (a) sale, purchase or supply of any goods or materials;
  - (b) selling or otherwise disposing of, or buying, property of any kind;
  - (c) leasing of property of any kind;
  - (d) availing or rendering of any services;
  - (e) appointment of any agent for purchase or sale of goods, materials, services or property;
  - (f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
  - (g) underwriting the subscription of any securities or derivatives thereof, of the company:

Provided that no contract or arrangement or transaction exceeding such sums, as may be prescribed, shall be entered into without the prior approval of the company by a special resolution:

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

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

Every consent of the Board required under this Article, shall be accorded by a resolution passed at a meeting of the Board and the same shall not be deemed to have been given unless the consent is accorded before the contract is entered into or within three (3) months of the date on which it was entered into.

If 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 the Members of Director's interest in contract in appointing Manager, Managing Director or Whole-time Director**

157. When the Company:

- (a) Enters into a contract for the appointment of a Managing Director or Whole-time Director in which contract any Director of the Company is, whether 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 190 of the Act shall be complied with.

**MANAGING DIRECTOR, WHOLE-TIME DIRECTOR**

**Board may appoint Managing Director or Managing Directors or Whole-time Directors**

158. The Company shall not appoint or employ at the same time a managing director and a manager. The Company shall not appoint or re-appoint any person as its managing director, whole-time director or manager for a term exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of his term.

Subject to the provisions of Section 197 and Schedule V, a managing director, whole-time director or manager shall be appointed and the terms and conditions of such appointment and remuneration payable be approved by the Board of Directors at a meeting which shall be subject to approval by a resolution at the next General Meeting of the company and by the Central Government in case such appointment is at variance to the conditions specified in Part I of that Schedule:

Provided that a notice convening Board or General Meeting for considering such appointment shall include the terms and conditions of such appointment, remuneration payable and such other matters including interest, of a director or directors in such appointments, if any:

Provided further that a return in the prescribed form shall be filed within sixty (60) days of such appointment with the Registrar.

**What provisions they will be subject to**

159. Subject to the provisions of the Act and these Articles, the Managing Director or Whole-time Director shall not while he continues to hold that office, be subject to retirement by rotation under Article 144 but he shall be subject to the same provisions as to the resignation and removal as the other Directors of the Company and he shall ipso facto and immediately cease to be Managing Director or Whole-time Director if he chooses to hold office of Director for any cause provided that if at any time the number of Directors (including Managing Director or Whole-time 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 Whole-time 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 the Article 144 to the extent 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 Whole-time Director(s)**

160. The remuneration of the Managing Director or Whole-time Director shall (subject to Section 197 and 198 and other applicable provisions of the Act, including Schedule V 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.

**Powers and duties of Managing and/or Whole-time Director(s)**

161. 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 Whole-time Director(s) appointed under Article 155 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 Whole-time Director or Whole-time Directors with such of the powers as may be made exercisable for such periods and upon such conditions and subject to the such restrictions as it may determine and they may subject to the provisions of the Act and these Articles confer such power either collaterally with or to the exclusion of or in substitution for all or any of the powers of the Director in that behalf and may from time to time revoke withdraw, alter or vary all or any of such powers.

**PROCEEDINGS OF THE MEETING OF BOARD OF DIRECTORS**

**Meeting of the Directors**

162. The Directors may meet together as a Board from time to time and shall hold a minimum number of four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty (120) days shall intervene between two consecutive meetings of the Board. The Directors may adjourn and otherwise regulate their meetings as they think fit. The provision of this Article shall not be deemed to have been contravened merely by reason of the fact that the meeting of the Board which had been called in compliance with the terms of this Article could not be held for want of a quorum.

### **Notice of Meeting**

- 163.** 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. At least seven (7) days notice in writing shall be given to Directors specifying the time and place of the meeting by hand delivery or by post including courier or by electronic means or by any other permitted mode of delivery.

### **When meeting to be convened**

- 164.** A meeting of the Board shall be called upon the request of a Director by the Secretary by giving not less than seven (7) days notice in writing to every director at his address registered with the company and such notice shall be sent by hand delivery or by post or by electronic means:

Provided that a meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting:

Provided further that in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, if any.

### **Meetings by Electronic Mode**

- 165.** Notwithstanding anything contrary contained in the Articles of Association, the Company may, in pursuance of and subject to compliance of provisions of applicable rules, regulations, circulars, guidelines, notifications etc. as may be specified by the Ministry of Corporate Affairs (MCA), Securities & Exchange Board of India (SEBI), Stock Exchanges or any competent authority and the provisions, if any, which may be laid down in this regard by any amendment in or re-enactment of the Companies Act, or by the rules, regulations made thereunder or the Listing Agreement with Stock Exchange, from time to time, allow the Member(s) of the Company to participate in the General Meeting (s) of the Members through any type of electronic and the Members so participating shall be deemed to be present in such General Meeting (s) for the purpose of the quorum, voting, recording and all other relevant provisions in this regard

### **Quorum for meeting of Board**

- 166.** Subject to Section 174 of the Act the quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that one third being rounded off as one) or two directors, present in person or attending through video-conferencing, whichever is higher, provided that where at any time the number of interested directors exceeds or is equal to two thirds of the total strength of the remaining director that is to say, the number



of directors who are not interested shall be the quorum during such time provided such number is not less than two.

Provided that any Director participating through video conferencing shall attend in person at least one Board Meeting in twelve (12) months period.

**Adjournment for meeting for want of quorum**

167. If a meeting of the Board could not be held for want of quorum then the meeting shall automatically stand adjourned till the day in the next week, at the same time and place or if that day is a National holiday, till the next succeeding day which is not a National holiday at the same time and place, unless otherwise adjourned to a specific date, time and place.

**Chairman of the Board Meeting**

168. The Directors from among their number may elect a Chairman of the Board of Directors. If at any meeting the Chairman is not present at the time appointed for holding the same, the Directors present shall choose one of their numbers to be the Chairman of such meeting.

**Questions at Board Meeting how decided**

169. Subject to the provisions of the Act, questions arising at any meeting of the Board shall be decided by a majority of votes and in case of any equality of votes, the Chairman shall have a second or casting vote.

**Chairman's Casting Vote - where two directors form a quorum**

170. Where two directors form a quorum the chairman of a meeting at which only such a quorum is present or at which only two directors are competent to vote on the matter at issue shall not have a casting vote.

**Powers at Board Meeting**

171. The Board of Directors of the Company shall be entitled to exercise all such powers, and to do all such acts and things, as the Company is authorized to exercise and do:

Provided that in exercising such power or doing such act or thing, the Board shall be subject to the provisions contained in that behalf in this Act, or in the memorandum or articles, or in any regulations not inconsistent therewith and duly made there under, including regulations made by the company in General Meeting:

Provided further that the Board shall not exercise any power or do any act or thing which is directed or required, whether under this Act or by the memorandum or articles of the company or otherwise, to be exercised or done by the company in General Meeting.

### **Directors may appoint committee**

- 172.** The Board of Directors may subject to the relevant provisions of the Act and of these Articles, delegate any of its 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 committee of the Board either wholly or in part and either as to the persons or purposes, but every committee 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 fulfillment of the purpose of their appointments, but not otherwise, shall have the like force and effect, as if done by the Board. Subject to the provisions of the Act the Board may from time to time fix the remuneration to be paid to any Member or Members of their body constituting a committee appointed by the Board in terms of these Article and may pay the same.

The Company shall constitute the following Committees as and when required under provisions of the Act:

- a) Corporate Social Responsibility Committee as may be required under Section 135 of the Act.
- b) Audit Committee as may be required under Section 177 of the Act.
- c) Nomination and Remuneration Committee and Stakeholders Relationships required under Section 178 of the Act.

The composition and duties of the aforesaid committees shall be as may be prescribed under the Act and Rules framed there under.

### **Meeting of the Committee to be Convened**

- 173.** 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 proceeding Article.

### **Circular resolution**

- 174.** (a) Subject to provisions of Section 175 of the Act, a resolution passed by circulation without a meeting of the Board or a committee of the Board appointed under this Article shall subject to the provisions of sub-article (2) hereof and the Act, be as valid and effectual as the resolution duly passed at a meeting of the Directors or of a Committee duly called and held.
- (c) 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 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 or to such other addresses outside India specified by any such Directors or Members of the Committee and has been approved by such of the Directors or Members of the Committee as are then in India or by a majority of such of them as are entitled to vote on the resolution.

- (c) Subject to the provisions of the Act, statement signed by the Managing Director or other person authorized in that behalf by the Directors certifying the absence from India of any Directors shall for the purposes of this Article be conclusive.

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

175. Subject to the provisions of the Section 176 of the Act and this Article, 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 contained here shall be deemed to give validity to acts done by a Director after his appointment noticed to be invalid or to have terminated.

**POWERS OF THE BOARD**

**Consent of Company necessary for exercise of certain powers**

176. The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid regulations, as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

Provided that the Board shall not, except with the consent of the Company in General Meeting:

- (a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole, or substantially the whole, of any such undertaking;
- (b) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in Sub-Article (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;

- (c) 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, securities premium account and its free reserves that is to say, reserves not set apart for any specific purpose;
- (d) remit, or give time for the repayment of, any debt due by a Director,
- (e) Provided further that the powers specified in Section 179 of the Act shall subject to these Articles be exercised only at meetings of the Board, unless the same be delegated to the extent therein stated; or
- (f) contribute to charitable and other funds, any amounts the aggregate of which will, in any financial year, exceed 5% of its average net profits during the three (3) immediately preceding financial years .

**Certain Powers to be exercised by the Board only at meetings**

177. The Board of Directors of the Company shall exercise the following powers on behalf of the Company and it shall do so only by means of resolution passed at meetings of the Board:

- (a) To make calls of money unpaid;
- (b) To buy-back of securities;
- (c) To issue securities, including debentures;
- (d) To borrow monies;
- (e) To invest funds of the company;
- (f) To grant loans or give guarantee or provide security in respect of loans;
- (g) To approve financial statements and Board's Report;
- (h) To diversify the business of the company;
- (i) To approve amalgamation, merger or reconstruction;
- (j) To take over a company or acquire a controlling or substantial stake in another company;
- (k) To make political contributions;
- (l) To appoint or remove Key Managerial Personnel;
- (m) To appoint internal auditors and secretarial auditor;

Provided that the Board may, by a resolution passed at a meeting, delegate to any committee of Directors, the Managing Director, if any, the manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the Branch office, the powers specified in sub-article (d), (e) and (f) of this Article on such conditions as the Board may prescribe. In respect of dealings between the Company and its bankers the exercise by the Company of the power specified in sub-article (c) shall mean the arrangement made by the Company with its bankers for the borrowing of money by way of overdraft or cash credit or otherwise and not the actual day-to-day operation on overdraft, cash credit of other account by means of which the arrangement so made is actually availed of.

### **Certain powers of the Board**

- 178.** Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say, power:
- (1) To pay 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 Capital Account of the Company any commission or interest, lawfully payable there out under the relevant provisions of the Act.
  - (3) Subject to Sections 179, 180, 188 and 192 of the Act, to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorized to acquire at or for such price or consideration and generally on such terms and conditions as they may think fit 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 as 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 fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its 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 property belonging to the Company or in which it is interested or for any other purposes and to execute and to 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 proceedings by or against the Company or its officer or otherwise concerning the affairs of the Company and also to compound and allow time for payment on satisfaction of any debts due and of any claim or demands by or against the Company and to refer any difference to arbitration and observe the terms of any awards made therein 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 bankruptcy, insolvency, winding up and liquidation of Companies.

- (10) To make and give receipts, release and other discharge for moneys payable to the Company and for the claims and demands of the Company.
- (11) Subject to the provisions of Sections 179, 180, 185 and 186 of the Act and these Articles, to invest and deal with any moneys of the Company not immediately required for the purposes 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 realize such investment. Save as provided in Section 187 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 open bank accounts and to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipt, acceptances, endorsements, cheques, dividend warrants, release, contracts and documents and to give the necessary authority for such purposes.
- (14) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company and do give to any Director, officer or other person employed by the Company a commission on the profits of any particular business and or transaction and to charge such bonus or commission as 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 the wives, widows and families of the dependents or connections of such persons by building or contributing to the building of houses, dwellings or chawls or by grants of money, pension, gratuities, allowances, bonus or other payments or by creating and from time to time, subscribing or contributing to provident and other associations, institutions and by providing or subscribing or contributing towards places of instructions and recreation, hospitals, dispensaries, medical and other attendance and other assistance as the Board shall think fit and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation or 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 an insurance fund or as a reserve fund or sinking fund or any special or other fund or funds or account or accounts to meet contingencies or to repay redeemable preference shares, debentures or debenture-stock or for special dividends or for equalizing dividends for repairing, improving, extending and maintaining any part of the property of the Company and such other purposes (including the purposes referred to in the preceding Article) as the Board may, in their absolute discretion think conducive to the interest of the Company and subject to Section 179 of the Act,

to invest the several sums so 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 vary such investments and dispose off 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 or upon which the capital moneys of the Company might rightly be applied or expended and to divide the General Reserve or Reserve Fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of a Reserve Fund or division of a Reserve Fund 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 redeemable preference shares, 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 to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.

- (17) To appoint and at their discretion remove or suspend such general managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, 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 acquire security in such instances and to such amounts as they may think fit and also from time to time provide for the management and transactions of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit.
- (18) From time to time and at any time to establish any local Board for managing of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be Members of such local Board or managers or agencies and to fix their remuneration.
- (19) Subject to provisions 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 powers to make calls or to make loans or borrow moneys and to authorize the Members for the time being of such local Board or any of them to fill up any vacancies therein and to act notwithstanding 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 and excluding also, except in their limits authorized 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 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 power of Attorney may contain such powers for the protection of convenience of persons dealing with such Attorneys as the Board may think fit and may contain powers enabling 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 provisions 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 make, vary and repeal bye-laws for the regulations of the business of the Company, its officers and servants.
- (23) To purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property, effects, assets, rights, credits, royalties, business and goodwill of any Joint Stock Company carrying on the business which the Company is authorised to carry on in any part of India.
- (24) To purchase, take on lease for any term or terms of years or otherwise acquire any factories, or any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.
- (25) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as it may think proper all or any part of the buildings, machinery, goods, stores, produce and other movable property of the Company, either separately or co-jointly, also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.
- (26) To purchase or otherwise acquire or obtain licence for the use of and to sell, exchange or grant licence for the use of any trade mark, patent, invention or technical know-how.
- (27) To sell from time to time any articles, materials, machinery, plants, stores and other articles and things belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and bye-products.
- (28) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company or by erecting new or additional building and to expend such sum of



money for the purpose aforesaid or any of them as may be thought necessary or expedient.

- (29) To undertake on behalf of the Company any payment of all rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions and otherwise to acquire the free hold sample of all or any of the hands of the Company for the time being held under lease or for an estate less than free hold estate.
- (30) To improve, manage, develop, exchange, lease, sell, resell and repurchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.
- (31) To let, sell or otherwise dispose off, subject to the provisions of Section 180 of the Act and of the other Articles, any property of the Company, either absolutely to conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment of satisfaction for the same in cash or otherwise as it thinks fit.
- (32) To comply with the requirements of any local law which the Company is not bound to comply with but which in their opinion it shall be in the interests of the Company necessary or expedient to comply with.
- (33) From time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be Members of any Local Board, or any managers or agents and to fix their remuneration.
- (34) Subject to the provisions, of the Act and these Articles, to delegate the powers, authorities and discretions vested in the Directors to any person, firm, company, or fluctuating body of persons as aforesaid.

## MINUTES

### Minutes to be made

- 179.** (1) The Company shall cause minutes of the proceedings of every General Meeting of any class of shareholders or creditors, and every resolution passed by postal ballot and every meeting of its Board of Directors or of every committee of the Board, to be prepared and signed in such manner as may be prescribed and kept within thirty (30) days of the conclusion of every such meeting concerned, or passing of resolution by postal ballot in books kept for that purpose with their pages consecutively numbered.
- (2) Each page of every such books shall be initialed 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 the next succeeding meeting.
  - (b) in the case of proceedings of the General Meeting, by the Chairman of the said meeting within the aforesaid period of thirty (30) 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 minutes of proceedings of a meeting shall be attached to any such book as aforesaid by posting 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 Meetings aforesaid shall be included in the minutes of the Meeting.
  - (6) In the case of a meeting of the Board of Directors or a committee of the Board, the minutes shall contain :
    - (a) the names of the Directors present at the meeting :
    - (b) in the case of each resolution passed at the meeting the names of the Directors, if any, dissenting from or not concurring in the resolution.
  - (7) Nothing herein contained 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 proceeding; or
    - (c) is detrimental to the interest of the Company.

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

- (8) The book containing the Minutes of proceedings of General Meetings shall be kept at the office of the Company and shall be open during business hours, for such periods not being less in the aggregate than two hours in each day as the Directors determine, to the inspection of any Member without charge.
- (9) Hard Copy of any minutes of any General Meeting shall be furnished to a Member upon a request made by such member. Such a copy shall be furnished to the Member within seven working days after a request is made by a Member in this behalf and on payment of fees of INR 10/- (Rupees ten only) for each page.

### **Minutes to be evidence of the proceedings**

- 180.** The minutes of proceedings of every General Meeting and of the proceedings of every meeting of the Board or of every committee kept in accordance with the provisions of Section 118 of the Act shall be evidence of the proceedings recorded therein.

### **Presumption of the Meeting convened**

- 181.** 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 118 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.

## **THE SECRETARY**

### **The Company Secretary**

- 182.** The Directors shall appoint a Whole time Secretary of the Company possessing the prescribed qualification for such term, at such remuneration and upon such conditions as they may think fit and any secretary so appointed may be removed by them.

The functions of the company secretary shall include,

- (a) to report to the Board about compliance with the provisions of this Act, the rules made there under and other laws applicable to the company;
- (b) to ensure that the company complies with the applicable secretarial standards;
- (c) to discharge such other duties as may be prescribed.

The expression secretarial standards means secretarial standards issued by the Institute of Company Secretaries of India constituted under section 3 of the Company Secretaries Act, 1980 and approved by the Central Government.

## **THE SEAL**

### **The Seal, its custody and use**

- 183.** (a) 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 and 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.
- (b) The Seal shall not be affixed to any instrument except by the authority of the Board of Directors or a Committee of the Board authorized by it in that behalf, except in the presence of at least one Director of the Company or the manager, if any, or of the Secretary or other person duly authorized by the Board, who shall sign every instrument to which the seal is affixed.

A company whose objects require or comprise transactions of business outside India may have for use in any territory, district or place not situated in India an official seal, which shall be a facsimile of the common seal.

**DIVIDEND**

**184.** The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

- 1) Subject to the provisions of Section 123, the Board may from time to time pay to the Members such interim dividends as appear to it to be justified by the profits of the company.
- 2) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
- 3) 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.
- 4) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register of Members, or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- 5) No dividend shall bear interest against the company.

**Interim Dividend**

**185.** The Board of Directors of a company may declare interim dividend during any financial year out of the surplus in the profit and loss account and out of profits of the financial year in which such interim dividend is sought to be declared:

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

The amount of the dividend, including interim dividend, shall be deposited in a scheduled bank in a separate account within five days from the date of declaration of such Dividend.

**Company may retain dividends**

**186.** The Board of Directors may retain the dividend payable upon shares in respect of which any person is under the transmission Article entitled to become a Member or which any person under that Article is entitled to transfer until such person shall become a Member or shall duly transfer the same.

**187. Capital paid up in advance at interest not to earn dividend**

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.

**Dividends in proportion to amount paid up**

- 188.** 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.

**No Member to receive dividend whilst indebted to the Company**

- 189.** 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, all such sums of money so due from him to the Company.

**Effect of Transfer of shares**

- 190.** A transfer of shares shall not pass the right to any dividend declared therein before the registration of the transfer.

**Notice of dividend**

- 191.** Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holder of share in the manner herein provided.

**Dividend Reserves**

- 192.** The Directors may, before recommending or declaring any dividend set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors be applicable for meeting contingencies or for any other purpose to which the profits of the Company may be properly applied and pending such application may, at the like discretion either be employed in the business of the Company or be invested in such investments in such manner or as may be permitted (other than shares of the Company) as the Directors may from time to time think fit.

**Dividend how remitted**

- 193.** The dividend payable in cash may be paid by electronic clearing system (ECS) by Bank, or by cheque 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 joint holders which is first named on the Register of Members or to such person and to such address as the holders 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 transit 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.

**Dividend to joint holders**

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

**Dividend to be paid within thirty days**

195. The Company shall pay the dividend or send the warrant in respect thereof to shareholders entitled to the payment of dividend, within thirty (30) days from the date of the declaration unless :
- (a) Where the dividend could not be paid by reason of the operation of any law.
  - (b) Where a shareholder has given directions 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 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**

196. No unpaid/unclaimed dividend shall be forfeited by the Board and the Directors shall comply with the provisions of Section 124 of the Companies Act, 2013, as regard unclaimed dividends.

**Dividend Set-off against call**

197. Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the Members of such amount as the 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 the Members, be set off against the calls.

**Dividends in cash**

198. No dividend shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalization of the profits or reserves of the Company for the purpose of issuing duly paid up bonus shares or paying up any amount for the time being unpaid on any shares held by Members of the Company.

**Dividend right shares and bonus shares to be held in abeyance**

- 199.** Where any instrument of transfer of shares has been delivered to any company for registration and the transfer of such shares has not been registered by the Company, it shall, notwithstanding any thing contained in any other provision of this Act :
- (a) Transfer the dividend in relation to such shares to the special account referred to in Section 124 unless the Company is authorized by the registered holder of such share in writing to pay such dividend to the transferee specified in such instrument of transfer; and
  - (b) Keep in abeyance in relation to such shares any offer of right shares under clause (a) of sub-section (1) of Section 62 and any issue of fully paid-up bonus shares in pursuance of Section 63.

**CAPITALISATION**

**Capitalization**

- 200.** (1) The Company, in General Meeting, may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Account, or in the hands of the Company and available for dividend or representing premium received on the issue of shares and standing to the credit of the Share Premium Account be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same, if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares or debentures of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares or debentures and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum, provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purposes of this Article only be applied in the paying of any unissued shares to be issued to Members of the Company as fully paid bonus shares.
- (2) A General Meeting may resolve that any surplus moneys arising from the realization of any capital assets of the Company, or in investments representing the same, or any other undistributed profit of the Company not subject to charge for income tax be distributed among the Members on the footing that they receive the same as capital.
  - (3) For the purpose of giving effect to any resolution under the preceding paragraphs of this Article, the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any members upon the footing of the value so fixed or that fraction of less value than Rs. 10/- may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalized fund as may seem expedient to the Board. Where requisite a proper contract shall be delivered to the

Registrar for registration in accordance with Section 39 of the Act, and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalized fund, and such appointment shall be effective.

**Fractional certificates**

- 201.** (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall
- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby 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 cash certificate or by payment in cash or otherwise as it think fit, in the case of shares becoming distributable in fractions, 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 thereof of either respective proportions of the profits resolved to be capitalised 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 proceeding paragraph of this Article, the Directors may give such directions as may be necessary and settle any question of difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.

**ACCOUNTS**

**Books of accounts to be kept**

- 202.** (1) The Company shall prepare and keep at its registered office proper books of account as would give a true and fair view of the state of affairs of the including that of its branch office or offices, if any, and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting:
- (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;
  - (c) the assets and liabilities of the Company.

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



Where the Board decides to keep all or any of the books of account at any place other than the registered office of the Company, the Company shall, within seven (7) days of the decision file with the Registrar a notice in writing giving the full address of that other place.

- (2) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper books of account relating to the transactions effected at the branch office are kept at that branch office and proper summarized returns are sent by the branch office to the Company at its registered office or other place in India, at which the Company's books of accounts are kept as aforesaid..

The books of account and other books and papers maintained by the company within India shall be open for inspection at the registered office of the company or at such other place in India by any director during business hours, and in the case of financial information, if any, maintained outside the country, copies of such financial information shall be maintained and produced for inspection by any director subject to such conditions as may be prescribed. The inspection in respect of any subsidiary of the company shall be done only by the person authorized in this behalf by a resolution of the Board of Directors.

#### **Statements of Consolidated Accounts to be furnished to General Meeting**

- 203.** The Board of Directors shall, from time to time, in accordance with Sections 128, 129 and 134 of the Act, cause to be prepared and laid before the Company in General Meeting, consolidated accounts including a Profit and Loss Account for the financial year of the Company and a Balance Sheet made up as at the end of the financial year which shall be a date which shall not precede the day of the meeting by more than six (6) months or such extended period as shall have been granted by the Registrar under the provisions of the Act.

Subject to the provisions of Section 131, with the prior approval of Tribunal, the Directors shall, if they consider it to be necessary and in the interest of the Company, be entitled to amend the Audited Accounts of the Company and their Report of any financial year which have been laid before the Company in General Meeting. The amendments to the Accounts and such Report effected by the Directors in pursuance of this Article shall be placed before the Members in General Meeting for their consideration and approval.

#### **Inspection by Members**

- 204.** (a) The Directors shall, from time to time, determine whether and to what extent and at what time 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 Member 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 as allowed by law or authorized by the Board or by the Company in General Meeting.

However, hard copy of the accounts book or documents of the Company shall be furnished to a Member upon a request made by such member. Such a copy shall be furnished within seven working days after a request is made by a Member in this behalf and on payment of fees of INR 10/- (Rupees ten only) for each page to be provided.

#### **Right of Member to copies of Balance Sheet and Auditors' Report**

205. Subject to the provisions of Section 136 of the Act, a copy of every such Statement of Profit and Loss, Balance Sheet and Cash Flow Statement (including the Auditors' Report and every other document required by law to be annexed or attached to the balance sheet) shall at least 21 days before the meeting at which the same are to be laid before the members, be sent to the members of the company, to every trustee for the holders of any debentures issued by the company, whether such member, or trustee is or is not entitled to have notices of General Meetings of the Company sent to him, and to all persons other than such Members or trustees, being persons so entitled.

### **AUDIT**

#### **Accounts to be audited**

206. Once at least in every year, the accounts of the Company shall be examined, 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**

207. Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Sections 139 to 147 of the Act.

#### **Account when audited and approved to be conclusive except as to errors discovered within three (3) months**

208. Every account when audited and approved by a General Meeting shall be conclusive except as regards any errors discovered therein within three (3) months next after the approval thereof. Whenever any such error is discovered within that period, the account shall be corrected and henceforth shall be conclusive.

### **DOCUMENTS AND NOTICES**

#### **To whom documents or notices must be given**

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

**Manner or service of documents or notice on Members**

210. A document or notice may be served or given by the Company on any Member either personally or by sending it by post or by registered post or by speed post or by courier or by delivering at his office or address, or by such electronic or other mode as may be prescribed.

**When notices of documents served on Members**

211. Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, preparing and posting a letter containing the document or notice, provided, that where a Member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the Member and such service shall be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to have been effected in the case of a Notice of a meeting at the expiration of forty eight hours (48) after the letter containing the document or notice is posted and in any other cases, at the time at which the letter would be delivered in the ordinary course of post.

**Service of Notice by Advertisement**

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

**Service of Notice to Joint Holders**

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

**To whom documents or notices must be given**

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

**Members bound by documents or notices served on or given to previous holder**

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

### **Service of documents**

- 216.** A document may be served on a company or an officer thereof by sending it to the company or the officer at the registered office of the company by registered post or byspeed post or by courier service or by leaving it at its registered office or by means of such electronic or other mode as may be prescribed:

Where securities are held in a depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or disks.

### **Authentication of documents and proceedings**

- 217.** Save as otherwise expressly provided in the Act, a document or proceedings requiring authentication by the Company may be signed by a Director, the Managing Director or the Secretary or other authorised officer of the Company and need not be under the Common Seal of the Company.

## **REGISTER AND DOCUMENTS**

### **Registers and documents to be maintained by the Company**

- 218.** 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 certificate of posting or by Registered post or by leaving it at its Registered Office. The Company shall keep and maintain Registers, Books and Documents required by the Act or these Articles, including the following :
1. Register of Members
  2. Register of Debenture Holders
  3. Register of other Security Holders
  4. Register of securities/ shares bought back
  5. Register of Charges
  6. Register of Directors, Key Managerial Personnel
  7. Register of loans, investments, guarantees and securities
  8. Register of Investments not held by the Company in its own name.
  9. Register of contracts, arrangements in which the directors are interested.
  10. Books of Accounts

11. All returns and forms filed with the Registrar of Companies
12. Such other statutory registers as may be prescribed under the relevant and applicable provisions of the Act.

#### **Inspection of Registers**

219. The Register of Debenture Holders and Security Holders mentioned in the last preceding Article and the minutes of all proceedings of General Meetings shall be open to inspection and extracts may be taken there from 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 provided for in sub-article (c) thereof. Copies of entries in the Registers mentioned in the last preceding Article shall be furnished to the persons entitled to the same on such days and during such business hours as may be consistent with the provisions of the Act in that behalf as determined by the Company in General Meeting. Such a copy shall be furnished to the Member within seven working days after a request is made by a Member in this behalf and on payment of fees of INR 10/- (Rupees ten only) for each page

### **WINDING UP - RECONSTRUCTION**

#### **Distribution of Assets**

220. 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 the winding up, the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst Members in proportion to the capital at the commencement of the winding up, paid 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 specie or in kind**

221. (a) If the Company shall be wound up, whether voluntarily or otherwise, the liquidator may, with the sanction of a Special Resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in Trustees upon such trusts for the benefit of the contributories or any of them as the Liquidator, with the like sanction, shall think fit.
- (b) 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 part but in case any division otherwise than in accordance with the legal rights of the

contributories, shall be determined on any contributory who would be prejudicial thereby shall have a right to dissent and ancillary rights as if such determination were a special resolution passed pursuant to Section 319 of the Act.

- (c) 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 (10) 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 shareholders in case of sale**

222. A special resolution sanctioning a sale to any other company duly passed pursuant to Section 319 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 against 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 consequential right conferred by the said sanction.

#### **Indemnity and responsibility**

##### **Directors and others' right to indemnity**

223. Subject to the provisions of the Act, every Director, key managerial persons 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 any act, deed, matter 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 judgment is given in his favour or in which he is acquitted or in connection with any application under Section 463 of the Act in which relief is granted to him by the Court.

##### **Director, Officer not responsible for acts of others**

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

**SECRECY CLAUSE****Secrecy Clause**

225. 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 designated Stock Exchange 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.

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

226. 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 Board of Directors or Managing Director or to inquire discovery of or any information respecting any details of the company's trading or any matter which is or may be in the nature of the trade secret, mystery of trade, secret process or any other matter which relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

