



**Samrat Pharmachem Limited**

**MEMORANDUM  
AND  
ARTICLES OF ASSOCIATION**

**THE COMPANIES ACT, 1956  
COMPANY LIMITED BY SHARES**



Co. No. 04-17820

## Fresh Certificate Of Incorporation Consequent On

### CHANGE OF NAME

In the Office of The Registrar of Companies, GUJARAT.

[ Under the Companies Act, 1956 ( 1 of 1956 ) ]

IN THE MATTER OF SAMRAT PHARMACHEM PRIVATE LIMITED.

I hereby certify that SAMRAT PHARMACHEM PRIVATE LIMITED.

which was originally incorporated on 16TH day of JUNE 1992  
under the Companies Act, 1956 and under the name  
SAMRAT PHARMACHEM PRIVATE LIMITED.

having duly passed the necessary resolution in terms of Section 21/31/44 of the  
Companies Act, 1956 and the approval of the Central Government signified in writing  
having been accorded thereto in the Ministry of Law, Justice and Company Affairs  
Department of Company Affairs. (Company Law Board)

Special Resolution Passed on dated 6-7-1992

the name of the said Company is this day changed to ;  
SAMRAT PHARMACHEM LIMITED.  
and this certificate is issued pursuant to Section 23 (1) of the said Act.

Given under my hand at AHMEDABAD this 24TH DAY OF JULY 1992.  
( One Thousand Nine Hundred NINETY TWO)

Seal of  
THE REGISTRAR OF  
COMPANIES.  
GUJARAT

Sd/-  
(Y. M. DEOLIKAR)  
Asst. Registrar of Companies  
GUJARAT.  
Dadra & Nagar Haveli



## CERTIFICATE OF INCORPORATION

No. 04-17820 of 1992-93

I hereby certify that SAMRAT PHARMACHEM PRIVATE  
LIMITED

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

Given under my hand at AHMEDABAD  
this SIXTEENTH day of JUNE  
one thousand nine hundred NINETY TWO

Seal of  
THE REGISTRAR OF  
COMPANIES,  
GUJARAT

Sd/-  
(S. K. RAVI)  
Registrar of Companies  
GUJARAT.  
Dadra & Nagar Haveli

THE COMPANIES ACT, 1956  
COMPANY LIMITED BY SHARES  
MEMORANDUM OF ASSOCIATION  
OF  
**SAMRAT PHARMACHEM LIMITED**

- I. The name of the Company is SAMRAT PHARMACHEM LIMITED.
- II. The Registered Office of the Company will be situated in the State of Gujarat.
- III. The objects for which the Company is established are:
  - (A) THE MAIN OBJECT OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION IS :
    1. To carry on the business as manufacturers, manufacturers representatives, dealers, traders, factors, agents, suppliers stockists, packers, distributors, exporters and importers of all kinds, types, nature and description of medicines, drugs, drug intermediates, pharmaceuticals, mixtures, powders, tablets, capsules, injunctions, compounds, formulations, nutrients, health products, creams, lotions, syrups, tonics, biological and biochemical products, pills, mother tinctures, triturations, glucose, nourishment foods, ointment, surgical dressings, water for injenctions and medical preparations, required for or used in allopathic, ayurvedic, unani, homeopathic and nature cure treatments for prevention or prophylactic cure for human beings, animals, insects and birds.



(B) THE OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECT ARE:

1. To acquire and takeover any business or undertaking carried on, upon or in connection with/without any land or building which the Company may desire to acquire as aforesaid or become interested in and the whole or any of the assets and liabilities of such business or undertaking and to carry on the same or to dispose or remove or put an end thereto.
2. To acquire, purchase, start, run, erect and maintain lands, buildings, factories foundries, workshops, mills, cold storage plants, equipments, machineries, plants and tools, industrial undertaking of any kind, warehouses, cellars, vaults, wagons branch offices, depots and show-rooms for the business of the Company.
3. To form, promote, subsidise, organise and assist or aid in forming, promoting subsidising, organising or aiding companies, syndicates and partnerships of all kinds for the purpose of acquiring and undertaking any properties and liabilities of this Company or for advancing directly the objects thereof which this Company may think expedient.
4. To acquire from and/or give to any person, firm or body corporate incorporated whether in India or elsewhere, technical information, know-how, processes, engineering, manufacturing and operating data, plants, lay outs and blue print useful for the design, erect on and operation of plant required for any of the businesses of the Company and to acquire any grant or licences and other rights and benefits in the foregoing matters and things.
5. To pay to promoters such remuneration and fees and otherwise recompensate them for their time and for the services rendered by them.
6. To invest any moneys of the Company not immediately required for the purpose of its business in such investments or securities as may be thought expedient including securities issued and/or guaranteed by Central or State Government, Corporation Trusts and Financial Institutions.
7. To carry out in any part of the world all or any part of the Company's object as principal, agent, factor, trustee, contractor either alone or in conjunction with any other person, firm, association, corporate body, Municipality Province, State or Government or Colony or Dependency thereof.
8. To secure or discharge any debt or obligation of or binding on the Company in such manner as may be thought fit and in particular by mortgage, charges upon the undertaking and all or any of the assets and properties (present and future and the uncalled capital of the Company or by the creation and issue on such term as may be thought expedient of debentures, debenture-stock or other securities of any description or by the issue of shares credited as fully or partly paid up.

9. To purchase or otherwise acquire, sell, dispose off, concerns and undertakings, mortgages, charges, annuities for certain period or on deferred basis, patents, licences, securities, concessions, policies, book debts and claims, any interest in real or personal property and any claims against such property or against any person or company.
- \*10. To amalgamate, take over, merge or de-merge, reverse merging, spin off, etc with other body or bodies corporate with a view to achieve synergy, improve efficiency, specialization or division of labour and manageability, to enter into partnership or any arrangement for sharing of profits or losses, union of interests, co-operation, joint ventures or reciprocal concessions with any person or company carrying on or engaged in or about to carry on or engage in or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company and to give or accept by way of consideration for any of the act or things aforesaid or properties acquired, any shares, debentures, debenture stocks or securities that may be agreed upon and to hold and retain or sell, mortgage and deal with any shares, debentures, debenture stocks or securities so received. To acquire business or businesses or control or management of any body or bodies corporate including taking over of assets and liabilities as going concern and to offer share, debentures, debenture stock, securities or other consideration for business acquired, taken over etc.”
11. To negotiate, enter into agreements and contracts or collaborate with foreign companies, firms and individuals for getting or supplying and procuring financial or technical assistance, know-how in the marketing, importing and exporting of any of the products.
12. To become member of and to communicate with Chamber of Commerce and other mercantile and public bodies through out the world and to advise on, concert, promote and support measures for the protection, advancement, growth of commerce and industry and for protection and welfare of persons engaged therein.
13. To take or hold mortgages, liens and charges, to secure the payment of the purchase price or any unpaid balance of the purchase price of any part of the Company’s property of whatsoever kind sold by the Company or any money due to the Company from the purchaser and others.
14. To contract with lease holders, borrowers, lenders, annuitants and others for the establishment, accumulation provisions and payment or sinking funds, renewal funds, redemption funds and any other special funds and that either in consideration of lumpsum or of annual premium or otherwise and generally on such terms and conditions as may be arranged.

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\* Clause 10 : Altered vide Special Resolution passed at the 11th Annual General Meeting Held on 29th September, 2003.

15. To undertake and execute any trust or discretion the undertaking whereof may seem desirable and the distribution amongst the beneficiaries, pensioners or other persons entitled to thereof, any income, capital, annuity or other sums of moneys or other properties whether periodically or otherwise and whether in money or in specie in furtherance of any trust, discretion or other obligation or permission.
16. To lend money to and guarantee the performance of the obligations of and the payment of interest on any stocks, shares and securities of any company, firm or person in any case in which such loan or guarantee may be considered likely directly or indirectly to further the objects of this Company and generally to give any guarantee whatsoever which may be deemed likely, directly or indirectly, to bank to benefit the Company or its members.
17. To train and get trained to and/or pay for training for the employees both present and future, for and in connection with the business of the Company.
18. To hold, administer, sell, realise, invest, dispose off the moneys and properties, both real and personal and to carry on, sell realise, dispose off and deal with any estate of which the Company is executor or administrator or in any trust of which the Company is the Trustee or of which the Company is administrator or in any trust of which the Company is trustee or administrator, receiver, liquidator or agent.
19. To make deposit, enter into recognised bonds and otherwise give security for the execution of the offices and performance of the duties of executors, administrators, and trustees, receivers, liquidators and agents.
20. To take such steps as may be necessary to give the Company the same rights and privileges in any part of the world as are possessed by local companies or partnership of a similar nature.
21. 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 off or otherwise turn to account the same.
22. To dedicate, present or otherwise dispose off either voluntarily or for value any property of the Company deemed to be of national, public or local interest to any national trust, public body, museum, corporation or authority or any trustees for or on behalf of the same or on behalf of the public.
23. 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.

24. To promote co-operation, hold conferences, organise and participate in meetings, maintain bureau, carry on correspondence, arrange discussions, symposiums and debates, prepare statements, reports and articles relating to any and all matters of interest to the Company.
25. 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.
26. To sublet all or any of the works, contracts from time to time and upon such terms and conditions as may be thought expedient.
27. To form, manage, join or subscribe to any syndicate, pool or cartel for the business of the Company.
28. Subject to the provisions of the Companies Act, 1956 to distribute among the members in specie any property of the Company or any proceeds of sale or disposal of any property in the event of winding up.
29. To enter into any arrangement with any Government or Authority, supreme, municipal, local or otherwise or any person or company that may seem conducive to the Company's objects or any of them and to obtain from any such Government, authority, person or company any rights, privileges, charters, licences and concession which the Company may think fit and desirable to obtain and to carry out, exercise and comply therewith.
30. To apply for, promote and obtain any act, charter, order, regulation, privilege, concession, licence or authorisation of any Government, State or Municipality or any Authority or any Corporation or any Public Body which may be empowered to grant for enabling the Company to carry on its objects into effect or for extending any of the powers of the Company or for affecting any modification of the Company's constitution or for any other purpose which may seem expedient and to oppose any bills, proceedings, applications which may seem calculated directly or indirectly to prejudice the Company's interest and to appropriate any of the Company's shares, debentures, debenture-stock or other securities and assets to defray the necessary costs, charges and expenses thereof.
31. To apply for, purchase or otherwise acquire, use, protect and renew in any part of the world any patents patent rights, brevets d'invention, trade-marks, designs, licences, copy rights, concessions and the like conferring any exclusive or non-exclusive or limited right to their use or any secret or other information as to any invention which may seem capable of being used for any of the purpose of the Company or acquisition of which may seem calculated directly or indirectly to benefit the Company and to use, exercise, develop or grant licences in respect of or otherwise turn to account the property, rights or information so acquired and to expend money in experimenting upon, testing or improving any such patents, inventions or rights.

32. To establish, provide, maintain, conduct or otherwise subsidise, assist research laboratories and experimental workshops for scientific and technical researches and experiments and to undertake and carry on the scientific and technical researches, experiments and tests of all kinds and to promote studies and research, both scientific and technical, investigations and inventions by providing, subsidising, endowing or assisting laboratories, workshops, libraries, the remuneration of scientific or technical professors or teachers and by providing for the award of scholarships, prizes and grants to students or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any of the businesses which the Company is authorised to carry on.
33. To make donations to such persons or institutions either of cash or any other assets as may be thought directly or indirectly conducive to any of Company's objects or otherwise and in particular to remunerate any person or corporation introducing business to this Company and also to subscribe, contribute or otherwise assist or guarantee money for charitable, scientific, religious or benevolent, national, public, cultural, educational or other institutions or objects or for any exhibitions for any public, general or other objects.
34. To establish aid, support or/and in the establishment and support of associations, Institutions, funds, trusts, private or public, for the benefit of its employees or ex-employees, Directors, ex-Directors of the Company or its connections in business and for persons having dealings with the Company or the dependents, relatives or connections of such persons and in particular friendly or other benefit societies and grant pensions, allowances, gratuities and bonuses either by way of annual payment or lumpsum and to make payment towards insurance and to form and contribute to provident and other benefit funds for such persons and to provide for the welfare of Directors, ex-Directors and employees and ex-employees of the Company and the wives, widows and families or the dependents or connections of such persons by building or contributing to the building of houses, dwellings or chawls or by grant of moneys, pensions, allowances, bonuses or other payments and to provide or subscribe or contribute towards places of instructions and recreations, hospitals, dispensaries, holiday-homes, medical and other attendance and other assistance as the Company shall think fit.
35. 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 Act.
36. To pay all preliminary expenses of any company promoted by the Company or any company in which the Company is or may contemplate being interested and

preliminary expenses may include all or any part of the costs and expenses or owners of any business or property acquired by the Company.

37. To enter into joint sector arrangements with any person, body-corporate entity whether in India or abroad for the business of the Company.
38. To pay, out of the funds of the Company, all expenses which the Company may lawfully pay with respect to the promotion, formation and registration of the Company or the issue of capital including brokerage and commission for obtaining applications for taking, placing or underwriting of shares, debentures, debenture-stocks or other securities of the Company.
39. To pay for any rights or properties acquired by the Company and to pay or to remunerate any person or company for services rendered or to be rendered in placing or assisting to place or guaranteeing the placing of shares in Company's capital or any debentures, debenture-stocks or other securities of the Company or in or about the formation or promotion of the Company or the acquisition of properties by the Company for the purpose of the Company whether by cash payment or by the allotment of shares, debentures, debenture-stocks or other securities of the Company credited as paid-up in full or in part or otherwise as the case may be.
40. To open current or fixed accounts with any bank, bankers, shroff or merchants and to pay into and draw money from such accounts and to draw, make, endorse, discount and execute all types of negotiable instruments.
41. To insure the whole or any part of the property and personnels of the Company either fully or partially, to protect and indemnify any part or portion thereof either on mutual, principal or otherwise basis.
42. To employ experts to investigate and examine into conditions, value, character and circumstances of any business concerns and undertakings having similar objects and generally of any assets, properties or rights.
43. To carry on any branch of a business whether in India or outside India which this Company is authorised to carry on by means or through the agency of any subsidiary company or companies and to enter into any arrangement with such subsidiary company for taking the profits and bearing the losses of any business or branch so carried on or for finance any such subsidiary, guaranteeing its liabilities or to make any other arrangement which seem desirable with reference to any business or branch so carried on including the power and provision at any time either temporarily or permanently to close any such branch or business.
44. To take part in the management, supervision, conduct and control of the business or operations of any company or undertaking having similar objects and for that purpose to appoint and remunerate the Directors, trustees, accountants or other experts, personnel or agents for any of such operations or purposes.

45. To purchase, take on lease or exchange, hire or otherwise acquire and dispose off any immovable or movable properties, real or personal of all kinds and of any rights or privileges which the Company may think necessary or convenient for the purpose of its business and either to retain the properties so acquired for the purpose of the Company's business or to turn the same to account as may seem expedient.
46. To accept as consideration for or in lieu of the whole or any part of the Company's properties either land or cash or Government security or securities guaranteed by Government or shares in joint stock companies or partly the one and partly the other and such other properties or securities as may be determined by the Company and to take back or acquire the property so disposed off by repurchasing or taking lease the same at such price or prices and on such terms and conditions as may be agreed upon by the Company.
47. 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.
48. To sell, purchase, mortgage, grants, easements and other rights over and in any other manner deal with the undertakings, properties, assets, both movable and immovable, rights, effects of the Company or any part thereof and whether real or personal for such consideration as the Company may think fit and in particular for shares, debentures, debenture-stock, securities of any other company whether or not having objects altogether or in part similar, to those of the Company and to make advances upon the security of land and/or buildings and/or other properties movable and/or any interest therein.
49. To vest any movable or immovable properties, rights or interest 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.
50. To undertake and execute any contracts for works for the business of the Company.
51. To create any depreciation fund, reserve fund, sinking fund, insurance fund or any other special fund whether for depreciation or for repairing, improving, extending or maintaining any of the properties of the Company or for redemption of debentures or redeemable preference shares or any other purpose whatsoever conducive to the interest of the Company.
52. To accept donations, gifts with such conditions, restrictions, obligations, stipulations and liabilities provided that such receipts are not derogative to any objects of the Company.

53. To alienate, transfer, gift, donate, settle any property of the Company with or without consideration to any person including any trust whether public or private, discretionary or specific either by revocable or irrevocable transfer or settlement and upon such terms and conditions as Company may deem fit.
54. To explore, examine, investigate, test, make, experiment, obtain report, opinion of experts, certificates, analysis, surveys, plans, descriptions and information in relation to any property or right which the Company may acquire or become interested in or may propose to acquire or with the view of discovering properties or rights which Company may acquire or become interested in and to engage, employ, pay fees to retain the services of and send to any part of the world agents, explorers, technical experts, engineers, lawyers and counsels.
55. To adopt such means of making known the business/activities of the Company as may seem expedient and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interested, by publications of books and periodicals and by granting prizes, rewards and donations.
56. 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.
57. To raise or borrow money from time to time for any of the purpose and objects of the Company by receiving advances of any sum or sums with or without security upon such terms as the Directors may deem expedient and in particular by taking deposits from or open current accounts with any individual or firms, including the agents of the Company, whether with or without giving the security or by mortgaging or selling or receiving advances on the sale of any lands, buildings, machineries, goods or other properties of the Company or by the issue of the debentures or debenture-stocks, perpetual or otherwise, charged upon all or any of the Company's properties (both present and future) including its uncalled capital or by such other means as Directors may in their absolute discretion deem expedient.
58. Subject to Section 58A of the Companies Act and' Rules made there-under and directions issued by Reserve Bank of India to borrow, raise or secure the payment of money to or receive money ar'd deposit as time deposit or otherwise at interest

for any purpose of the Company and at such time or times and in such manner as may be thought fit and in particular by the creation and issue of the debentures or debenture-stock, bonds, shares credited as fully or partly paid up, obligations, mortgages, charges and securities of all kinds, either perpetual or otherwise, either redeemable annuities in as and by way of securities for any such moneys so borrowed, raised or received or of any such debentures, debenture-stocks, bonds, obligations, mortgages, charges and securities of all kinds, either so issued to mortgage, pledge or charge the undertaking or whole or any part of the properties, rights, assets or revenue and profits of the Company, present or future, including its uncalled capital or otherwise howsoever by trust, special assignment or otherwise or to transfer or convey the same absolutely or in trust and give the lenders powers as may seem expedient and to purchase, redeem or pay off any such securities. The Company shall not carry on business of Banking as defined by the Banking Regulations Act, 1949.

(C) OTHER OBJECTS

1. To carry on the business of manufacturers, importers, exporters, assemblers, hires and repairers of and/or dealers in and marketing and distribution of computers and computer peripheral, softwares and hardwares, computer parts, data transmission circuit, audio visual equipments and consumer electronics, radio receivers, television receivers, television picture tubes, tape-recorders, record changers, professional and defence electronics, test and measuring instruments, inspection instruments, digital and analytical instruments, electronic environmental and pollution measuring instruments, photocopying machines and other office equipments, electronic desk calculators, scillioscopes and associated instruments, process control systems, industrial electronics, medical electronic equipments, electro devices, audio record/ play back systems, closed circuit T.V., aerospace electronics, geo science electronics, broad casting electronics and for purpose of foregoing but without limiting the generality, materials, accessories, components and spare parts thereof..
2. To undertake and/or direct all types of construction and the maintenance of or/and acquire by purchase, lease, exchange, hire or otherwise, lands, properties, buildings and estates of any tenure or any interest therein, to sell, lease, let, mortgage or otherwise dispose off the same and to purchase, construct and sell for self or for any person free hold or lease hold lands, house properties, buildings, offices, factories, work-shops, godowns, farm house, farms and any kind of landed properties or any share/interest therein and to carry on the business of land and estate agents on commission or otherwise without commission.
3. To carry on the business of and act as promoters, organisers and developers of lands, estates, properties, co-operative housing societies associations, housing schemes, shopping-office complexes, townships, farms, farm houses, holiday resorts, hotels, motels and to finance with or without security and/or interest for

the same and to deal with and improve such properties either as owner or as agents.

4. To carry on and undertake the business of trading, hire purchase, leasing and to finance lease operations of all kinds, purchasing, selling, hiring or letting on hire all kinds of plants and machineries and equipments that the Company may think fit and to assist in financing of all and every kind and description of hire purchase or deferred payment or similar transactions and to subsidise, finance or assist in subsidising or financing the sale and maintenance of any goods articles or commodities of all and every kind and description upon any terms whatsoever and to purchase or otherwise deal in all forms of immovable and movable properties, including land and buildings, plants and machineries, equipments, ships, aircrafts, automobiles, computers and all consumers, commercial and industrial items and to lease or otherwise deal with them in any manner whatsoever including resale thereof, regardless of whether the property purchased and leased be new and/or used.
5. To carry on the business as refrigerating engineers and leasers of cold storage space, to erect, maintain and operate cold storage depots and to engage in cold storage trade in all its branches.
6. To carry on business of running nursing homes, clinics, pharmacies, indoor or outdoor hospitals, medical, anatomical, orthopaedic, surgical and 'X' Ray units, laboratories, research establishments, nature cure centres and hospitals for eye, throat and nose diseases and to acquire and, building's plants, equipments, accessories instruments, gadgets, furniture and fittings and other facilities for treatment and nursing of patients of various types of diseases, ailments, sickness, illness and other body or mental troubles and to act as consultant in any and all branches of medical science.
7. To carry on business as products, importers, exporters, buyers, sellers, manufacturers, stockists, agents and brokers of coal, coke, charcoal, petroleum-coke, copper, iron, ore, kyanite, fire clay, china-clay, salt, sodium chlorides, calcium phosphate, nickel, beryllium, uranium, zinc, lead, asbestos, tin, alumina, mercury, silicon, sulphur, graphite, brass, aluminium, silicas and bentonite, quartz, dextrine, magnesite, dolomite, ferro-alloys, corundum, manganese, mica, gypsum, garnet, emerald and other minerals.
8. To carry on business as agents, holders or investors in saving unit or units issued by the Unit Trust of India.
9. To carry on business as producers, manufacturers, processors, converters, refiners, makers, bottlers, stockists, dealers, importers, exporters traders, retailers, agents, buyers or sellers of oxygen, acetylene, ammonia, carbon dioxide, nitrogen, hydrogen, helium and other types and kinds of gases required for or used in industries, agriculture, clinics, hospitals, refrigeration, aviation, transport vehicles, space rockets

and crafts communication, objects and media, power plants, domestic or public lighting, heating, cooling or cooking purposes, lighters, plants producing water, chemicals or fuels, pesticide, defence or warfare establishments, horticulture, forest or plant protection and growth and other allied purposes and to service, repair, manufacture, market or deal in machineries, plants, 'spare, cylinders, containers, gadgets, appliances and accessories required for, working on, using or producing any of such gases and products.

10. To carry on the business of taking/giving on hire and rent all classes and kinds of plants and machineries, lands and buildings and other properties.
11. To receive moneys, securities and valuables of all kinds on deposit at interest or for custody and generally to carry on the business of a safe deposit company.
12. To carry on the business of a finance company and to finance industrial enterprises and to promote companies engaged in industrial, manufacturing and trading business whether in India or out of India and subject to the provisions of law, receive and give short term/long term loans with and/or without security and interest.
13. To carry on business as assessors, appraisers, surveyors, actuaries valuers in respect of all classes of properties both real and personal.
14. To carry on business as laboratory proprietors, breeders, importers and exporters of and dealers in live or dead plants and animals, to act as analytical and consulting chemists and research work of any kind.
15. To carry on the business of travel agency and to act as tourist agents and contractors and to facilitate travellings and to provide for tourists and travellers such as buying, hiring, leasing buses, taxies, ships, aircrafts, hotels, rooms, motels, out houses, cafeterios or promote the provision of conveniences of tourists.
16. Subject to law to carry on the business of goldsmiths, silversmiths, jewellers, gem merchants, dressing bag and material makers, hirers, dealers, stockists, agents, importers and exporters of bullion, diamond, pearls and other precious stones, jewels, gold, silver, platinum and other precious or semi-precious metals, ornaments, jewellery, articles of value made partly or fully of abovementioned materials, stones or metals as the Company may consider capable of being conveniently dealt with in relation to the said business and to establish factories, show-rooms, strong rooms and agencies for the above business.
17. To act as brokers, dealers and to carry on the business of share broking, money broking, exchange broking and bill broking, bills purchasing, bills discounting and to advise on portfolio management, investment of money, sale of properties and to act as Registrars and Managers to the issue.

18. To establish, maintain and operate shipping, air transport and road transport services and all ancillary services and for these purposes as or an independent undertaking to purchase, take in exchange, charter, hire, build construct or otherwise acquire and to own, work, manage and trade with steam, sailing, motor and other ships, trawlers, drifters, tugs and vessels, aircraft and motor and other vehicles with all necessary and convenient equipments, engines, tackle, gears, furnitures and stores and to maintain, repair, fit out, refit, improve, insure, alter, sell, exchange or let out on hire or hire-purchase or charter or otherwise deal with and dispose off any of the ships, vessels, aircrafts and vehicles or any of the engines, tackles, gears, furnitures, equipments and stores.
19. To carry on the business of warehousing in all its aspects in India and elsewhere.
20. To carry on business as manufacturers, dealers, importers, exporters, stockists or distributors of razors, safety razors, blades and shaving sets.
21. To carry on the business as producers, dealers, analysts, investigators and consultants in public health and environmental engineering, water sewage and effluent treatment, water, air and land pollution control, industrial engineering and for the purpose to carry on civil, structural, mechanical, chemical, electrical, metallurgical, hydraulic, ecological or any other branches of engineering and science and to develop and/or provide technical or industrial know-how, formulae, processes and applied technology and to act as engineers, architects, planners, designers, technical advisers, analysts, investigators, consultants, contractors and to undertake and execute any contract in connection with the objects and to buy, sell, import, export, build, process, manufacture, fabricate, alter, repair, convert, let on hire and deal in all or any of them.
22. To manufacture, welding products including welding torches, metal spray powers, fluxes, and soldering, filling, brazing and joining metals and alloys, welding heads and accessories, job manipulators, tube to tube sheet weldings, orbital welders, girth welders, custom-designed equipment and engineering systems, welding and metal fabrication equipment systems, to suit cross country pipe line construction and laying, hard facing, surfacing equipment and products and systems used for reclamation, and recycling of machinery parts in coal, mining and crushing industry, mining completes, power plants, cement mills, sugar industry, transportation industries, chemical and fertilizers plants, defence workshops, earth moving equipmen and other industries.
23. To act as trustees of any deeds constituting or securing any debentures, debenture-stock or other securities or obligations and to undertake and execute any other trusts and also to undertake the office of or exercise the powers of executor, administrator, receiver, custodian and trust corporation.
24. To carry on the business as manufacturers, manufacturers' representatives, dealers, retailers, whole-sellers, packers, repackers, factors, agents, consignors, consignees,

shippers, distributors, stockists, buyers, sellers and indentors of all classes, kinds, types, sizes, nature and descriptions of safety equipments, made of whatever metal and/or substances by any devices such as mechanical, engineering, electrical and electronic to safe guard, protect, preserve and maintain all sorts of assets, valuables, monies, money's worth, machines, men and livestock.

25. To carry on the business of electricians, electrical engineers and manufacturers of all kinds of electrical machineries and electrical apparatus for any purpose whatsoever and to manufacture, sell, supply, lay down, establish, fix, carry out and deal in accumulators, lamps, meters, cables, wires, lines, pots, engines, dynamoes, of any kind and accessories thereof and manufacturers of and dealers in scientific instruments of any kind.
26. To carry on the business as manufacturers, moulders, producers, extruders, weavers, refiners, fabricators, assemblers, suppliers, processors, stichers, laminators, sealers, stockists and dealers in all classes, kinds, type and nature of:
  - (i) Plastic materials, plastic articles including but without limiting the generality of the foregoing, polymer sun films, polymer production line, LDPE-HDPE-HM, HD-PPE-multilair, monolair plastic films.
  - (ii) Packing materials and packages made of whatever materials/substances and compounds including paper, jute, cotton, rubber, plastic, glass, board and wood.
  - (iii) Intermediates, derivatives, bye-products and substitutes of all or any of them.
27. To carry on any where in the world, the business of running hotel in all its aspects, lodging and boarding and to run, manage, acquire, control, own, purchase, hire the same including restaurant, cafe, tavern, beerhouse, refreshment-room, lodging-house keepers, licenced victuallers, subject to law, wine, beer and spirit merchants, importers and dealers of aerated, mineral and artificial waters and other drinks, purveyors, caterers for public amusements, ice merchants, imports and workers of food, live and dead stock and colonial and foreign produces of all descriptions, hair dressers, perfumers, proprietors of clubs, baths, dressing rooms, laundries, reading, writing and newspaper rooms, libraries, grounds and places of amusement, recreation, sports, dances and entertainments of all kinds and cigar merchants, agents for railway, shipping and airplane companies, carriers, theatrical and opera box office proprietors, entrepreneurs and general agents of things which can be conveniently carried on in connection therewith.
28. To carry on the business of advertising contractors and agents, to acquire and dispose off advertising time, space or opportunities -in any media, to undertake advertising and promotional campaigns of every nature, to acquire and provide promotional requisites.
29. To carry on the business of printers, stationers, lithographers, type founders,

stereotypes, photographic printers, photo-lithographers, chrome-lithographers, engravers, die-sinkers, book-binders, designers, draughtsman, and ink manufacturers, book-sellers, publishers, engineers and dealers in or manufacturers of above articles or things or any of them or concerned therewith.

30. To carry on the business of management consultants and for that purpose to take part in the formation, management, supervision or control of the business or operations of any company or undertaking and to act as administrators, receivers and to appoint and remunerate any Directors, administrators, managers or accountants or other experts or agents.
31. To carry on the business of water-proofers of all kinds.
32. To carry on the business of manufacturers and suppliers of all classes, kinds, types, nature and descriptions of engineering goods including but without limiting the generality of the foregoing D. C. variable, speed drive controllers, A. C. D. C. current couplings, meters, counters made of whatever metals and substances.
33. To carry on the business as engineers in all of its aspects and to carry on any or all of the activities such as designing, drawings, manufacturing, machining, stamping, testing, heat treatment, patterns making, hardening, assembling, coating, grinding, punching, moulding, galvanizing, welding, finishing, painting and repairing and renovating any components, parts, spares, accessories, plants and machineries required by or used in any kind of industry and made of whatever metals and substances.
34. To carry on research and development work for industrial, agricultural and minerals, productivity and methods of productions, matters and problems relating to accountancy, business management, distribution, marketing and selling and to collect, analyse, examine, prepare, formulate, publish, distribute and circulate data, statistics, reports, journals, books, magazines, newspapers, literature and information relating to any type of business, trade, industry, sports, education, society, cinema or real estates and to promote or propose such methods, procedures and measures as may be considered desirable or beneficial for all or any of the objects of the Company and for extending, developing and/or improving any type of business, trade, estate, industry, commerce, organisation, methods, techniques, technical know-how, patents, trade marks and procedures to consider and evaluate problems relating to administration, management, manufacture, product on, storage, distribution, finance, marketing and sale and/or relating to the rendering of any service.
35. To manufacture, produce, install, commission, operate, prepare, pay, import, buy, sell, supply, distribute or otherwise deal in all energy production and conversion activities in all its forms inclusive of but not restricted to various renewable sources like solar energy, wind energy, all forms of biomass. geothermal energy, hydel energy, tidal and wave energy as also effective and efficient utilisation of

conventional energy forms like coal, oil, gas, electricity and all equipments that may be associated with such energy related activities.

36. To refine, treat and render merchantable and fit for use, natural deposit of salt, brine, natron, soda, kieselguhr nitrates and derivatives.
37. To provide a leasing advisory/counseling services to other entities and / or from the leasing arm of other entities.
38. To investigate, search, survey, prospect, explore, extract, drill, dig, raise, pump, produce, refine, purify, separate, treat, process, blend, store, transport, distribute, market, sell, pack and otherwise deal in mineral oils, whether on shore or off-shore and their derivatives, by-products, mixtures in gaseous, liquid or solid forms and to fabricate, purchase, construct, take on lease/rent, erect, maintain machineries, plants, equipments, 'carriages, structures, platform towers, (jackets) piles, decks, module frames and ancillary parts of complete off-shore and on-shore installations and pipe lines related to the above activities, to take on lease, purchase or otherwise acquire lands and other places, including off-shore areas which seem capable of affording a supply of natural as and mineral oils for conducting above activities.
39. To carry on the business of an investment Company and to invest in and acquire and hold and otherwise deal in shares, stocks, debentures, debenture-stocks, bonds, obligations and securities issued or guaranteed by any company or private Industrial Enterprises or Government and in diamonds, jewellery, pearls, silver, gold, ornaments, akiks, paintings and antiques subject to provisions of law applicable.
40. To carry on business as producers, distributors, importers, exporters, exhibitors and financiers of cinematograph films and to manufacture, own, acquire, provide, secure, arrange or deal in films and photographic, sound recording, lighting, appliances, instruments, equipments and machines and to construct, establish, own, hire or otherwise acquire and to manage, let out for rent fee, monetary gain or otherwise studios, laboratories, theatres, buildings, halls, open air theatres and other buildings or work required for the purposes of production, distribution or exhibition of the films, operas, stage plays, dances, operettas, burlesques, vaudeville, revues, ballets, pantomimes, spectacular pieces, promenade concerts, circus or other performances and entertainments and to act as dealers, importers, exporters of entertainment instruments and records, cinema and film projectors and cameras wigs or materials related or connected with the aforesaid objects and businesses and to acquire exclusive or limited rights to any play, story, script, musical song and lyric, book article or any technique by producing, purchasing or otherwise acquiring and to use, exercise, develop or exploit or turn to account such right for the business of the Company and to act as agents for training, retaining, arranging and supplying artists, stars, art directors, script or story writers, technicians, extras and other personnel required by the Company or others for film, cinema or show business.

41. To carry on the business in India and elsewhere as manufacturers, producers, buyers, sellers, dealers, traders, suppliers, exporters, importers, factors, agents, consignors, consignees, distributors, advertisers, marketing agents, stockists, suppliers of any brand and of all classes, kinds and types of galies, detergent, cakes, toilet soaps, laundry soaps, marine soaps, industrial soaps, detergent powder, detergent liquid, cleaning powder, washing powder, neel, whitener, slury benzyne, washing materials, toilets requisites and preparation.
42. To carry on the business as manufacturers, suppliers, stockists, manufacturers representatives, traders, dealers, importers, exporters, factors and agents of all classes and kinds of medicinal apparatuses, instruments, appliances, injections and tools required by physicians, surgeons, doctors, consultants, dentists and orthopedicians in their respective professions.
43. To produce, manufacture, purchase, refine, prepare, process, import, export, sell and generally deal in cement, portland cement, white cement, alumine cement, limes and lime-stones and bye-products thereof, cement pipes/sheets, refractories, bricks and minerals.
44. To carry on the business as manufacturers, processors, importers, exporters, dealers, sellers, buyers, consignors, consignees, agents, stockists, suppliers of all classes, kinds, types and nature of chemicals, dyes, pigments and auxiliaries, intermediates including but without limiting the generality of the foregoing, heavy chemicals, fine chemicals, organic and inorganic chemicals, gum, allied chemicals and boiling agents for textiles, paints, cosmetics, pharmaceuticals, paper, processing, leather, metals, food pigments and other industries made from whatever substances including minerals
45. 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.
46. To carry on the business of manufacturers, dealers, traders, exporters, importers, consignors, consignees, agents, factors, brokers, whole-salers, retailers of all kinds, types, sizes of wood and plywood with and/or without lamination of any type and kind thereon including other types of wood such as teak wood, flush door, plywood, figure wood, fibrous boards, duplex boards, triplex boards, colour boards, block boards, laminated boards, press boards, masonite boards, .pulp boards, paste boards, glazed boards, life boards, gypartition boards, packing wood and articles/ products, furnitures made therefrom whether for industrial, commercial and domestic purposes/uses.
47. To carry on all kinds of agency business and as buying and selling agents of all articles, things, commodities and products.

48. To carry on the business as consultant in marketing and survey for whatsoever materials and projects for whomsoever.
49. To carry on the business of giving / taking all classes and kinds of guarantees, counter guarantees and indemnities.
50. To carry on the business of manufacturers, producers, importers, exporters, buyers, sellers, stockists, suppliers, wholesalers, retailers, jobbers, contractors, repairers, cleaners, stores and warehousemen, hirers and lessors of all types of glass including glass equipments, laboratory glass equipments, pipelines glass components like plain sections, spacers, reducers, bends, Y pieces, T pieces, joints, glass component valves, glass tubes, glass valves, like reactors, reboilers, receivers, separators, measuring and feed vessels, glass made stirrers, agitators, specially designed glass heat-exchangers, columns, plain or coloured sight glasses, glass machines and plants and machinery and domestic wares made of glass and spares, components and accessories thereof.
51. To carry on the business of manufacturers of and dealers in and import, export, of all kinds and classes of paper, board and pulp including writing paper, printing paper, absorbant paper, newsprint paper, wrapping paper, tissue paper, cover paper, blotting paper, filter paper, antique paper, ivory-finish paper, coated paper, art paper, bank or bond paper, badami, ~~brown~~ or buff paper, bible paper, cartridge paper, cloth-lined paper, azure-laid and wove paper, cream-laid and wove paper, grease-proof paper, gummed-proof paper, ~~carbon~~ paper, sensitised paper, chemically treated paper, handmade paper, parchment paper, drawing paper, craft paper, manila paper, envelope paper, tracing paper, vellum paper, water-paper, litmus paper, photographic paper, glass paper, .emergency paper, card board, straw board, leather board, mill board, corrugated board, post-cards, visiting cards, soda pulp, mechanical pulp, sulphite pulp, semi-chemical pulp.
52. To manufacture, export, import, buy, sell and deal in voltaic battery cells, power pack or storage batteries and battery containers and battery eliminators of different types required for or used in domestic, household, industrial, commercial, agricultural, mining, hospital, surgical or scientific appliances, machineries, apparatuses or accessories and railways, tramways, automobile and other vehicles, air crafts, boats, ships, defence establishments, army, navy and air force and also to carry on business as manufactures of and dealers in torches, toys, personal aids and other appliances working on such batteries and such items and goods which may be useful, akin or otherwise connected with any one or more of the aforesaid items & products.
53. To carry on business as fabricators, founders and fitters of all types and kinds, nature and description of substances and metals, ferrous and non-ferrous, such as mild steel, stainless steel, brass, copper, alluminium, bronze, gun metal and combination and substitution of one or more of above, for whatsoever purposes, whether industrial, commercial and domestic with or without machining thereon.

- IV. The liability of the members is limited.
- V. The Authorised Share Capital of the Company is Rs. 5,00,00,000 (Rupees Five Crores only) divided into 50,00,000 (Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each.

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

Name, Addresses Descriptions, Occupations and Signature of the Subscriber	No. of Equity Shares taken by each Subscriber	Name/s and Signature/s of the Witness/es and their Address/es, Description/s Occupation/s
<p><b>SHRI LALIT DAMODAR MEHTA</b> B/74, Roop Darshan, Juhu Lane, Andheri (W), Bombay - 400 058. S/o Shri Damodar Amarshi Mehta Business Sd/-</p>	100 (Hundred)	<p>Common Witness to both Sd/- <b>Kishor P. Patel</b> Kishor P. Patel &amp; Associates 30, 5th Floor, Ellora Com. Centre, Near G.P.O., Ahmedabad S/o Shri Popatlal Patel Chartered Accountant</p>
<p><b>SHRI CHAMPAK KANTILAL PAREKH</b> Kamdhenu Nilayam, Nanda Patkar Road, Vile-Parle (East), Bombay - 400 057. S/o Shri Kantilal Ravichand Parekh Business Sd/-</p>	100 (Hundred)	
<b>TOTAL</b>	200 (Two Hundred)	

Place Ahmedabad Dated this 2nd day of June 1992.

*[Handwritten Signature]*



THE COMPANIES ACT, 1956  
COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION  
OF  
**SAMRAT PHARMACHEM LIMITED**

**PRELIMINARY**

1. No regulations contained in Table A in the first schedule to the Companies Act, 1956 shall apply to this Company but the regulations for the management of the Company and for the observance of the members thereof and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the Companies Act, 1956, be such as are contained in these Articles.

**INTERPRETATION**

2. In the interpretation of these Articles, unless repugnant to the subject or context:

“THE COMPANY” OR “THIS COMPANY” means SAMRAT PHARMACHEM LIMITED.

“THE ACT” means the Companies Act, 1956 and includes where the context so admits any re-enactment or statutory modification thereof for the time being in force.

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

“THE BOARD OF DIRECTORS” or “THE BOARD” means a meeting of the Directors duly called and constituted, or as the case may be, the Directors assembled at the Board, or the Directors of the Company collectively.

“CAPITAL” means the share capital for the time being raised or authorised to be raised for the purpose of the company

“DEBENTURE” includes debenture-stock.

“THE DIRECTORS” means the Directors for the time being of the Company or, as the case may be, the Directors assembled at a Board.

“DIVIDEND” includes Bonus.

“MEMBER” means the duly registered holder from time to time of the shares of the Company and includes the subscribers of the Memorandum of Association of the Company.





“MEETING” or “GENERAL MEETING” means a meeting of members.

“ANNUAL GENERAL MEETING” means a general meeting of the members held in accordance with the provisions of sections 166 of the Act.

“EXTRAORDINARY GENERAL MEETING” means an Extraordinary General Meeting of the members duly called and constituted and any adjourned meeting thereof.

“MONTH” means calendar month.

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

“PAID-UP” includes credited as paid-up.

“PERSON” includes corporations and firms as well as individuals.

“THE REGISTER” means the Register of Members to be kept pursuant to the Act.

“THE REGISTRAR” means the Registrar of Companies of the state in which the office of the Company is for the time being situate.

“SECRETARY” means any individual possessing qualification prescribed for the time being by any Rule made under the Act and appointed by the Board to perform the duties which may be performed by a Secretary under the Act and any other ministerial or administrative duties.

“SEAL” means the common Seal for the time being of the Company.

“SHARE” means share in the share capital of the Company and includes stock except where a distinction between stock and shares is expressed or implied.

“SPECIAL RESOLUTION” and “ORDINARY RESOLUTION” shall have the meaning assigned thereto by Section 189 of the Act.

“YEAR” means the calendar year and “FINANCIAL YEAR” shall have the meaning assigned thereto by Section 2(17) of the Act.

Words importing the masculine gender include the feminine gender.

Words importing the singular number include, when the context admits or requires, the plural number and vice-versa.

“IN WRITING” and “WRITTEN” includes printing, lithography and other modes of representing or reproducing words in a visible form:

- \* a. "BENEFICIAL OWNER" shall mean beneficial owner as defined in Clause (a) of Sub-Section (i) of Section 2 of the Depositories Act, 1996.
- \* b. "DEPOSITORIES ACT" means the Depositories Act, 1996 and includes statutory modification(s) or re-enactment thereof for the time being in force.
- \* c. "DEPOSITORY" shall mean a Depository as defined under clause (e) of Sub-Section (i) of Section 2 of the Depositories Act, 1996.

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

## **CAPITAL AND INCREASE AND REDUCTION OF CAPITAL**

### **AMOUNT OF CAPITAL**

3. The Authorised share capital of the Company is Rs. 5,00,00,000/- (Rupees Five Crore Only) divided into 50,00,000 (Fifty Lakh) Equity shares of Rs, 10/- (Rupees Ten each).

### **INCREASE IN CAPITAL**

4. The Company in General Meeting may, from time to time but only with the sanction of a Resolution passed at a General Meeting of the Shareholders of the company increase the capital by creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe, subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and, if no direction be given, as the Board shall determine and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the company in conformity with Sections 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Sections 97 of the Act.

### **NEW CAPITAL SAME AS EXISTING**

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

### **REDEEMABLE PREFERENCE SHARES**

6. Subject to the provisions of Section 80 of the Act, the company shall have power to issue preference shares which are, or at the option of the company are liable

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\* **Altered vide special resolution passed at the 8th Annual General Meeting held on 28th September, 2000.**

to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.

#### **PROVISION TO APPLY ON ISSUE OF REDEEMABLE PREFERENCE SHARES**

7. On the issue of Redeemable preference shares under the provisions of Article 6 hereof the following provisions shall take effect :

(a) No such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of redemption :

(b) No such shares shall be redeemed unless they are fully paid:

(c) the premium, if any, payable on redemption must have been provided for out of the profits of the Company or the Company's share Premium Account before the shares are redeemed;

(d) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue there shall out of profits which would otherwise have been available for dividends be transferred to a reserve fund, to be called the " Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.

#### **CUMULATIVE CONVERTIBLE PREFERENCE SHARES**

7A Subject to the provisions of the Companies Act, the Company shall have the powers to issue Cumulative convertible preference shares and the resolutions authorising such issue shall prescribe the manner, terms and conditions of conversion

#### **REDUCTION OF CAPITAL**

8. The company may subject to section 78, 80 and 100 to 105 both inclusive of the Act, from time to time by Special Resolution reduce its capital and any capital Redemption Reserve Account or 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.

#### **SUB DIVISION, CONSOLIDATION AND CANCELLATION OF SHARES**

9. Subject to the provisions of section 94 of the Act, the Company in General Meeting may from time to time consolidate and provide all or any of its share capital into shares of larger amounts than its existing shares or sub-divide its shares or any of them into shares of smaller amounts than is fixed by the Memorandum and the resolution whereby any share is sub-divided, may determine that, as between the holders of the shares resulting from such sub-division one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as

compared with the others or other. Subject to as aforesaid the Company in general meeting may also cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so canceled.

#### **MODIFICATION OF RIGHTS**

10. If at any time the share capital, by reason of issue of preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to any class unless otherwise provided by the terms of issue of shares of that class may, subject to the provisions of Section 106 and 107 of the Act and whether or not the Company is being wound up, be varied, modified, commuted, affected or abrogated with the consent in writing of the holders of three-fourth of the issued shares of that class, or with the sanction of a special Resolution passed at a separate General Meeting of the holders of the shares of that class. This Article shall not derogate from any power which the Company would have if these Articles were omitted. To every such separate General Meeting the provisions of these Articles relating to General Meeting shall mutatis mutandis, apply to every such separate meeting but so that if at any adjourned meeting of such holders a quorum as defined above is not present, those persons who are present shall be the quorum.

#### **BOARD MAY ACCEPT SURRENDER OF SHARES**

11. Subject to the provisions of Sections 100 and 105 (inclusive) of the Act, the Board may accept from any member of all or any of his shares.

#### **SHARES AND CERTIFICATES**

##### **REGISTER AND INDEX OF MEMBERS**

12. The Company shall cause to be kept a Register and Index of Members in accordance with section 150 and 151 of the Act. The company shall be entitled to keep in any State or in that state or country.

##### **SHARES TO BE NUMBERED PROGRESSIVELY AND NO SHARE TO BE SUBDIVIDED**

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

##### **FURTHER ISSUE OF CAPITAL**

14. (a) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unissued share capital or out of increased share capital, then such further shares shall be offered to the persons who at the date of the offer are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital

paid-up on those shares at that date. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company.

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

(i) by a special Resolution : or (ii) where no such special Resolution is passed, if the votes cast (whether on a show of hands, or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by Members so entitled and voting and the Central Government is satisfied on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company, offer the further shares to any person or person, and such person or persons may not include the persons who at the date of the offer, are the holders of the equity shares of the Company.

(c) Notwithstanding anything contained in the sub-clause(a) above, but subject, however, to section 8(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 debentures or loans into shares, or to subscribe for shares in the Company.

#### **SHARES UNDER CONTROL OF DIRECTORS**

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

#### **POWER ALSO TO COMPANY IN GENERAL MEETING TO ISSUE SHARES**

16. In addition to and without derogating from the powers for that purpose conferred on the Board under articles 14 and 15, the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any shares (whether forming part of the original capital or of any increased capital of the company) shall be offered to such persons (whether member or not) in such proportion and on such terms and conditions and either (subject to compliance with the provision of Sections 78 and

79 of the Act) at a premium or at par or at a discount, as such General Meeting shall determine and with full power to give any person (whether member or not) the option to call for or be allotted shares of any class of the Company either (subject to compliance with the provision of Sections 78 and 79 of the Act) at a premium or at par or at discount, such option being exercisable at such time and for such consideration as may be directed by such General Meeting or the company in General Meeting may make any other provisions whatsoever for the issue, allotment or disposal of any shares.

#### **ISSUE OF SHARES FOR CONSIDERATION OTHER THAN CASH**

17. Subject to these Articles and the provisions of the Act, the Board may allot and issue shares in the Capital of the Company as payment of any Property sold or transferred or for services rendered to the Company in the conduct of its business and any shares which may be so issued shall be deemed to be fully paid up shares.

#### **ACCEPTANCE OF SHARES**

18. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles be a Member.

#### **DEPOSIT AND CALL ETC., TO BE A DEBT PAYABLE IMMEDIATELY**

19. The money, if any, which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them shall, immediately on the insertion of the name or the name of the allottee in the Register or 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**

20. Every member, or his heirs, executors or administrators, shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts, and at such time or times, and in such manner as the Board shall, from time to time, in accordance with the Company's regulations require or fix for the payment thereof.

#### **SHARE CERTIFICATES**

21. (a) Every member or allottee of shares shall be entitled without payment, to receive certificate in marketable lots 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 cases 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. 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.

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

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

#### **RENEWAL OF SHARE CERTIFICATES**

22. (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 cages on the reverse for recording transfer have been duly utilised 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 clause(a) of this Articles, it shall state on the face of it and against the stub or counterfoil to the effect that it is "issued in lieu of share certificate No. sub-divided/replaced/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 and on payment of such fee, not exceeding Rupees Two as the Board may from time to time fix, 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 clause (c) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "duplicate issued in lieu of share certificate No. "The word "Duplicate" shall be stamped or punched in bold letters across the face of the share certificate.

(e) Where a new share certificate has been issued in pursuance of clause (a) or clause (c) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against the names of the persons to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary

changes indicated in the Register of Members by suitable cross reference in the "Remarks" column.

(f) All blank forms to be issued for issue of share certificate 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 those 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 share certificate referred to in clause (f) of this Article.

(h) All books referred to in clause (g) of this Article shall be preserved in good order permanently.

#### **THE FIRST NAMED OF JOINT-HOLDERS DEEMED SOLE HOLDER**

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

#### **COMPANY NOT BOUND TO RECOGNISE ANY INTEREST IN SHARE OTHER THAN THAT OF REGISTERED HOLDER**

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

\*24A. Beneficial owner of the shares will be absolute owner.

Saves herein otherwise provided, the company shall be entitled to treat the person whose name appears as the beneficial owner of the share in the record of the depository as the absolute owner thereof as regards receipt of dividend or bonus or

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\* **Altered vide special resolution passed at the 8th Annual General Meeting held on 28th September, 2000.**

service of notices and all or any other matter connected with the company and accordingly the company shall not (except as ordered by the court of competent jurisdiction or as by law required) be bound to recognize any benami, trust or equity or equitable, contingent or other claim to or interest in such share(s) on the part of any other person(s) whether or not it shall have express or implied notice thereof.

**DECLARATION BY PERSON NOT HOLDING BENEFICIAL  
INTEREST IN ANY SHARE**

25. (a) notwithstanding anything herein contained, a person whose name is at any time entered in the Register of Members of the Company as the holder of a share in the Company, but who does not hold the beneficial interest in such share, shall, within such time and in such form as may be prescribe, make a declaration to the company specifying the name and other particulars of the person or persons who hold the beneficial interest in such share in such manner as may be provided in section 187-C of the Act :

(b) A person who holds a beneficial interest in a share or a class of shares of the Company; shall within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in section 1187-C of the Act.

(c) Whenever there is a change in the beneficial interest i a share referred to above, the beneficial owner shall, within the time prescribed from the date of such change make a declaration to the Company in such form and containing such particulars as may be prescribed as provided in section 187-C of the Act.

(d) Notwithstanding anything contained in section 153 of the Act and Article 21 hereof, where any declaration make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Registrar with regard to such declaration.

**FUND OF COMPANY MAY NOT BE APPLIED IN PURCHASE OF  
SHARES OF THE COMPANY**

26. 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 of subscription of any share in the Company or in its Holding Company save as provided by section 77 of the Act.

**UNDERWRITING AND BROKERAGE  
COMMISSION MAY BE PAID**

27. Subject to the provisions of section 76 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company or procuring, or agreeing to procure subscription (whether absolute or conditional) for any share or debentures in the company, but so that the commission

shall not exceed in the case of shares five percent of the price at which the shares are issued and in the case of debentures two and a half percent of the price at which the debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.

#### **BROKERAGE**

28. The Company may pay a reasonable sum for brokerage.

#### **INTEREST OUT OF CAPITAL**

##### **INTEREST MAY BE PAID OUT OF CAPITAL**

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

#### **CALLS**

##### **DIRECTORS MAY MAKE CALLS**

30. The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such calls as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and at the time and places appointed by the Board. A call may be made payable by installments.

##### **NOTICE OF CALLS**

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

##### **CALLS TO DATE FROM RESOLUTION**

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

##### **CALL MAY BE REVOKED OR POSTPONED**

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

##### **LIABILITY OF JOINT-HOLDERS**

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

**DIRECTORS MAY EXTEND TIME**

35. The Board may, from time to time, at its discretion extend the time fixed for the payment of any call, and may extend such time as to all or any of the members whom owing to their residence at a distance or other cause, the Board may deem fairly entitled to such extension but no member shall be entitled to such extension save as a matter of grace and favour.

**CALLS TO CARRY INTEREST**

36. If any member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.

**SUMS DEEMED TO BE CALLS**

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

**PROOF ON TRIAL OF SUIT FOR MONEY DUE ON SHARES**

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

**PAYMENT IN ANTICIPATION OF CALLS MAY CARRY INTEREST**

39. (a) The Board may, if it thinks fit, agree to and receive from any member willing to advance the same all or any part of the amounts of his shares beyond the sums actually called for and upon the money so paid in advance, or upon so much thereof as from time to time, and at any time thereafter as exceeds the amount of the

call then made upon the shares in respect of which such advance has been made, the board may pay interest at such rate as the member paying such sum in advance and the Board agree upon. Money so paid in excess of the amount of call shall not rank for dividends or confer a right to participate in profits. The Board may at any time re-pay the amount so advanced upon giving to such member not less than three months notice in writing.

(b) No member paying any such sum in advance shall be entitled to dividend or participate in profits or voting rights in respect of the money so paid by him until the same would but for such payment become presently payable.

### LIEN

#### **COMPANY TO HAVE LIEN ON SHARES**

40. The Company shall have a first and paramount lien upon all the shares (other than fully paid-up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereon, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares, and no equitable interest in any shares shall be created except upon the footing and upon the condition that Article 21 hereof is to have effect. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed the registration of transfer of shares shall operate as a waiver of the company's lien, if any, on such shares.

#### **AS TO ENFORCING LIEN BY SALE**

41. For the purpose of enforcing such lien the Board may sell the shares subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their members to execute a transfer thereof on behalf of and in the name of such member, No sale shall be made unless a sum in respect of which the lien exists is presently payable nor until notice in writing of the intention to sell shall have been served on such member or his representatives and default shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements for fourteen days after such notice.

#### **APPLICATION OF PROCEEDS OF SALE**

42. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien existed is a like lien for sums not presently payable as existed upon the shares before the sale be paid to the amount in respect of which the Lien exists.

### FORFEITURE OF SHARES

#### **IF MONEY PAYABLE ON SHARE NOT PAID NOTICE TO BE GIVEN TO MEMBER**

43. If any member fails to pay any calls or installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid,

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

#### **FORM OF NOTICE**

44. The notice shall name a day (not being less than thirty 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 expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.

#### **PARTIAL PAYMENT NOT TO PRECLUDE FORFEITURE**

45. Neither a judgement in favour of the Company for call or any other moneys due in respect of any shares nor any past payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of its shares, either by way of principal or interest, nor any indulgence granted by the company in respect of payment of any such money, shall preclude the Company from proceeding to enforce a forfeiture of such shares as hereinafter provided.

#### **IN DEFAULT OF PAYMENT SHARE TO BE FORFEITED**

46. If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter before payment of all calls or installments, interest and expenses due in respect thereof be forfeited by a resolution of the Board 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 FOR FORFEITURE TO A MEMBER**

47. 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 non-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.**

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

#### **LIABILITY ON FORFEITURE**

49. Any member whose share has been forfeited shall cease to be a member in respect of the share, but shall notwithstanding such forfeiture, remain liable to pay, and

shall forthwith pay to the Company all calls, or installments, interest and expenses, owing upon or in respect of such share, at the time of the forfeiture, together with interest thereon, from the time of forfeiture until payment, at such rate as the Board may determine, and the Board may enforce payment thereof, or any part thereof, without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so.

#### **EFFECT OF FORFEITURE**

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

#### **EVIDENCE OF FORFEITURE**

51. A duly verified declaration in writing that the declarant is a Director or Secretary of the Company, or an Officer duly shares in the company have 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.

#### **VALIDITY OF SALE**

52. Upon any sale after forfeiture, or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings nor to the application of the purchase money, and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

#### **CANCELLATION OF SHARE CERTIFICATE IN RESPECT OF FORFEITED SHARES**

53. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificates of 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 canceled and become null and void and of no effect and the directors shall be entitled to issue a duplicate certificate in respect of the said shares to the person or persons entitled thereto.

#### **POWER TO ANNUAL FORFEITURE**

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

## **TRANSFER AND TRANSMISSION OF SHARES**

### **REGISTRAR OF TRANSFERS**

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

\*55A. Dematerialization of shares.

Notwithstanding anything contained in these Articles the Company shall be entitled in accordance with the Provisions of the Depositories Act, 1996 to dematerialize any or all its shares or debentures and other marketable securities and offer the same for subscription in dematerialized form and on the same being done, the Company shall further be entitled to maintain a Register of Members with the details of members holding shares both in material and dematerialized forms in any media as permitted by law including any form of electronic media, either in respect of existing shares or any further issue.

### **INSTRUMENT OF TRANSFER**

56. A transfer of shares in the Company shall be by an instrument of transfer in writing in the prescribed form and shall be duly stamped and delivered to the Company in accordance with the provisions of the Act.

### **TRANSFER FORM TO BE COMPLETED AND PRESENTED TO THE COMPANY**

57. 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 transfer the certificate of the shares must be delivered to the company.

### **TRANSFER BOOKS AND REGISTER OF MEMBERS WHEN CLOSED**

58. The Board shall have power on giving not less than seven days previous notice by advertisement in some news paper circulating in the district in which the office of the company is situated to close the Transfer Books, Register of Members or Register of Debenture-holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year.

### **DIRECTORS MAY REFUSE TO REGISTER TRANSFERS**

59. Subject to the provisions of Sections 111 of the Act, and Section 22A of the Securities Contracts (Regulation) Act 1956, the Board may, at its own absolute and uncontrolled discretion and without assigning any reason, decline to register or

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\* Altered vide special resolution passed at the 8th Annual General Meeting held on 28th September, 2000.

acknowledging any transfer of shares, whether fully paid or not (notwithstanding that the proposed transferee be already a member) but in such cases it shall, within one month from the date on which the instrument of transfer was lodged with the company send to the transferee and the transferor notice of the refusal to register such transfer. The Board may decline to register any transfer of a share if the is either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.

60. (1) Without prejudice to the generality of provisions of Article 59, the Board may refuse to register transfer of shares, listed on any of the recognised Stock Exchanges, in the name of the transferee on any one or more of the following grounds, namely

(a) that the instrument of transfer is not proper, or has not been duly stamped and executed, or that the certificate relating to the share has not been delivered to the Company, or that any other requirement under the law relating to registration of such transfer has not been complied with.

(b) that the transfer of shares is in contravention of any law.

(c) that the transfer of shares is likely to result in such a change in the composition of the Board of Directors as would be prejudicial to the interests of the company or to the public interest.

(d) that the transfer of the shares is prohibited by any order of any Court, tribunal or other authority under any law for the time being in force.

61. (1) The Board shall, before the expiry of two months from the date on which the instrument of transfer is lodged with the company for the purposes of such transfer, form its opinion as to whether such registration ought or ought not to be refused on any of the grounds mentioned in Article 60.

(2) If the Board has forms the opinion that such registration ought not to be refused the company shall effect the registration of transfer.

(3) If the Board forms an opinion that such registration ought to be refused on the grounds mentioned in Clause (a) of Article 60, it shall intimate the transferor and transferee by notice in the following form about the requirements under the law which has or which have to be complied with for securing such securing such registration on.

(4) If the Board forms all opinion that the registration ought to be refused on any of the grounds mentioned in clauses (b) to (d) of Article 60, it shall make a reference to the Company Law Board and forward copies thereof to the transferor and the transferee.

(5) Where on a reference to the Company Law Board, the said Board directs that the transfer of shares.

(a) shall be registered by the Company, the company shall register the transfer of shares within 10 days of the order of the Board;

(b) need not be registered by the Company, the Company shall; within 10 days from the date of the orders intimate the transferor and the transferee accordingly.

#### **NOTICE OF APPLICATION WHEN TO BE GIVEN**

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

#### **DEATH OF ONE OR MORE JOIN-HOLDERS OF SHARES**

63. 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 survivors shall be the only persons recognised by the company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

#### **TITLE OF SHARES OF DECEASED MEMBERS**

64. The executors or administrators or holders of a Succession Certificate or the legal representatives of a deceased member (not being one or two or more joint-holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such member and the Company shall not be bound to recognise such executors or administrators or holders of a Succession Certificate or the legal representatives unless they have first obtained probate or Letters of Administration or Succession Certificate, as the case may be, from a duly constituted court in the Union of India, provided that in any case where the Board in its absolute discretion thinks fit, it may dispense with production of probate or Letters of Administration or Succession certificate upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and under Article 65, 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.

#### **NO TRANSFER TO MINOR ETC.**

65. No share shall in any circumstance be transferred to any minor, insolvent or person of unsound mind.

#### **COMPLIANCE WITH ESTATE DUTY ACT, 1933**

66. If any member of the Company dies, and the Company, through any of its principal officers within the meaning of the Estate Duty Act, 1953, has knowledge of the death, it shall not be lawful for the Company to register the transfer of any shares standing in the name of the deceased member unless the Company is satisfied that the transferee has acquired such shares for valuable consideration or there is produced to it a certificate from the Controller, Deputy either the Estate Duty in respect thereof has

been paid or will be paid or none is due as the case may be. Where the Company has come to know through any of its principal officers of the death of any member the Company shall, within three months of receipt of such knowledge, furnish to the Assistant Controller or the Deputy Controller of Estate Duty who is exercising the functions of the Income-tax Officer under the Income-tax Act, in relation to the Company, such particulars as may be prescribed by the Estate Duty Rules, 1953.

#### **REGISTRATION OF PERSONS ENTITLED TO SHARES OTHERWISE THAN BY TRANSFER**

67. Subject to the provisions of the Act and Articles 61 and 62 any persons becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member, or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some person nominated by him and approved by the Board registered as such holder; provided nevertheless, that if such person shall elect to have his nominee registered he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained, and until he does so, he shall not be freed any liability in respect of the shares.

#### **PERSON ENTITLED MAY RECEIVE DIVIDEND WITHOUT BEING REGISTERED AS MEMBER**

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

#### **FEE ON REGISTRATION OF TRANSFER PROBATE, ETC.**

69. (a) No fee shall be charged for :
- (i) registration of transfer of the Company's shares and debentures;
  - (ii) sub-division and consolidation of shares and debenture and split, consolidation, renewal and pucca transfer receipts into denominations corresponding to the market units of trading;
  - (iii) sub-division of renounceable letters or right;
  - (iv) issue of new certificates in replacement of those which are old, decrepit or worn out or where the cages on the reverse for recording transfer have been fully utilised;
  - (v) registration of any power of attorney, probate, letters of administration or similar other documents.

(b) Fees as agreed upon with the Stock Exchange will be charged for

(i) issue of new certificates in replacement of those that are torn, defaced, lost or destroyed;

(ii) sub-division and consolidation of shares and debenture certificates and for Sub-division of letters of allotment and split, consolidation, renewal and pucca transfer receipts into denominations other than those fixed for the market unit of trading.

**COMPANY NOT LIABLE FOR DISREGARD OF A NOTICE PROHIBITING  
REGISTRATION OF A TRANSFER**

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

\*70A. Article 56, 59, 60 and 61 shall apply to transfer of shares, debentures or other marketable securities effected by transferee both of whom are entered as beneficial owner in the records of depository.

\*70B. Applicability of depository act.

In case of transfer of shares, debentures or other marketable securities where the company has not issued any certificate and where the share and securities are being held in electronic and fungible form, the provision of Depositories Act shall apply.

, Provided that in respect of shares, debentures or other marketable securities held by the depository on behalf of the beneficial owner as defined in the Depositories Act, Section 153, 153A, 187B, 187C and 372 of the Companies Act, 1956 shall not apply.

**COPIES OF MEMORANDUM AND ARTICLES TO BE SEND MEMBERS**

**COPIES OF MEMORANDUM & ARTICLES OF ASSOCIATION  
TO BE SENT BY THE COMPANY**

71. Copies of the Memorandum and Articles of Association of the Company and other documents referred to in section 39 of the Act shall be sent by the Company to

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\* **Altered vide special resolution passed at the 8th Annual General Meeting held on 28th September, 2000.**

every member at his request within seven days of the request on payment of the sum of Rupee One for each copy.

### **BORROWING POWERS**

#### **POWER TO BORROW**

72. Subject to the provisions of Section 292 and 293 of the Act, the Board may, from time to time at its discretion by a resolution passed at a meeting of the Board, accept deposits from members either in advance of calls or otherwise and generally from any source or rise, for the purpose of the company, borrow or secure the payment of such sums as it thinks fit. Provided, however, where the money 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) exceed the aggregate of the paid-up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose, the Board shall not borrow or raise such moneys without the consent of the Company in General Meeting.

#### **PAYMENT OR REPAYMENT OF MONEY BORROWED**

73. Subject to the provisions of Article 70 hereof, the payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects, as the Company in General Meeting shall prescribe including the issue of bonds, debentures, debenture-stock of the company charge upon all or any part of the property of the company charge upon all or any part of the property of the company (both present and future), including its uncalled capital for the time being and the bonds, debentures, debenture-stock and other securities may be made assignable free from any equities between the Company and person to whom the same may be issued.

#### **TERMS OF ISSUE OF BONDS, DEBENTURES**

74. Any bonds 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 and attending (but not voting) at general meetings appointment of Directors and otherwise, Bonds or debentures with the right to conversion into or allotment or shares shall be issued only with the consent of the Company in General Meeting accorded by a Special Resolution.

#### **REGISTER OF MORTGAGES ETC. TO BE KEPT**

75. The Board shall cause a proper Register to be kept to accordance with the provisions of section 141 of the Act of all mortgages. Debentures and charges specifically affecting the property of the Company, and shall cause the requirements of sections 118, 126 and 127 to 144 (both inclusive) of the Act in that behalf to be duly complied with so far as they fall to be complied with by the Board.

## **REGISTER AND INDEX OF DEBENTURE HOLDERS**

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

## **NOTICE OF REFUSAL TO REGISTER TRANSFER**

77. Subject to the provisions of sections 111 of the Act, if the Board refuses to register the transfer of any debenture, the Company shall within two months from the date on which the instrument of transfer was lodged with the company, send to the transferee and to the transferor notice of the refusal.

## **CONVERSION OF SHARES INTO STOCK AND RECONVERSION**

### **SHARES MAY BE CONVERTED INTO STOCK**

78. The company in general meeting may convert any paid-up shares into stock, and when any share shall have been converted into stock, the several holders of such stock may then forth transfer their respective interest therein, or any part of such interest, in the same manner and subject to the same regulations as and subject to which shares from which the stock arose might have been transferred, as if no such conversion had taken place, or as near thereto as circumstances will admit. The company may at any time reconvert any stock into paid-up share of any denomination.

## **RIGHT OF STOCKHOLDERS**

79. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they hold 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 that privilege or advantage.

## **MEETINGS OF MEMBERS**

### **ANNUAL GENERAL MEETING**

80. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings. The first Annual General Meeting shall be held within eighteen months from the date of incorporation of the Company and the next Annual General Meeting shall be held within six months after the expiry of the financial year, provided that no more than fifteen months shall lapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of section 166(1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for a time during business hours, on a day, that is not a public

holiday, and shall be held at the office of the Company or at some other place within the city in which the office of the Company is situated as the Board may determine and the Notice calling the Meeting shall specify it as the Annual General Meeting. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meeting. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Directors' Report (if not already incorporated in the Audited Statement of Accounts), the Proxy Register with proxies and the Register of Directors' shareholdings while latter Register shall remain open and accessible during the continuance of the meeting. The Board shall cause to prepare the Annual List of Members, Summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with sections 159, 161 and 220 of the Act.

#### **EXTRAORDINARY GENERAL MEETING**

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

#### **REQUISITION OF MEMBERS TO STATE OBJECT OF MEETING**

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

#### **ON RECEIPT OF REQUISITION, DIRECTORS TO CALL MEETING, IN DEFAULT REQUISITIONISTS MAY DO SO**

83. Upon receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within twenty one days from the date of the requisition being deposited at the office cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as is referred to in section 169(4) of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisitions as aforesaid.

#### **MEETING CALLED BY REQUISITIONISTS**

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

**TWENTY-ONE DAYS' NOTICE OF MEETINGS TO BE GIVEN**

85. Twenty-one days' notice at least of every General Meeting, Annual, Extraordinary, and by whomsoever called specifying the day, place and hour of meeting, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company, provided that in the case of Annual General Meeting with the consent in writing of all the members entitled to vote thereat and in case of any other meeting with the consent of members holding not less than 95 percent or such part of the share capital of the Company as given a right to vote at the meeting. Meeting may be convened by a shorter notice in the case of an Annual General Meeting, if any business other than.

(i) the consideration of the Accounts, Balance Sheets and Reports of the Board of Directors and Auditors.

(ii) the declaration of dividend.

(iii) the appointment of Directors in place of those retiring,

(iv) the appointment of and fixing of the remuneration of the Auditors is to be transacted, and in the case of any other meeting in any event there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interests, if any, therein of every Director, and the Manager (if any), where any such item of special business relates to, or affects any other company, the extent of shareholding interest in other company of every Director and the Manager, if any, of the Company shall also be set out in the statement if the extent of such shareholding interest is not less than 20 per cent of the paid-up share capital of that other company, where any item of business consists of according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

**OMISSION TO GIVE NOTICES NOT TO INVALIDATE A RESOLUTION PASSED**

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

**MEETING NOT TO TRANSACT BUSINESS NOT MENTIONED IN NOTICE**

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

**QUORUM AT GENERAL MEETING**

88. Five members present in person shall be a quorum for a General Meeting. No business shall be transacted at any General Meeting unless the requisite quorum shall be present.

**BODY CORPORATE DEEMED TO BE PERSONALLY PRESENT**

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

**IF QUORUM NOT PRESENT, MEETING TO BE DISSOLVED OR ADJOURNED**

90. If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, the meeting, convened upon the requisition of members, shall stand dissolved, but in any other case the meeting shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday, at the same time and place or to such other day and at such other time and place in the city or town in which the office of the Company is for the time being situate as the Board may determine, and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

**CHAIRMAN OF GENERAL MEETING**

91. The Chairman of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If at any meeting he shall be present within fifteen minutes of the time appointed for holding such meeting or if he shall be unable or unwilling to take the chair, then the Vice-Chairman of the Board of Directors shall be entitled to take the chair at such General Meeting. If at an meeting the Vice-Chairman shall not be of the time appointed for holding such meeting or if shall be unable or unwilling to take the chair, then the Directors present shall elect any Director present and willing to take the chair as Chairman, and if no Director be present or if all the Directors present decline to take the chair, then the members present shall elect one of the member to be the Chairman of such meeting.

**BUSINESS CONFINED TO ELECTION OF CHAIRMAN WHILST CHAIR VACANT**

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

**CHAIRMAN WITH CONSENT MAY ADJOURN MEETING**

93. The Chairman with the consent of the members may adjourn any meeting from time to time and from place to place in the city or town in which the office of the Company is for the time being situate but no business shall be transacted at an adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

**QUESTIONS AT GENERAL MEETING HOW DECIDED**

94. At any General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on declaration of the result of the show of hands) demanded by at least five members having the right to vote on the resolution or members holding not less than one-tenth of the total voting power in respect of the resolution or by any member or members present in person or by proxy,

and holding shares in the Company conferring a right to vote on the resolution being shares on which an aggregate sum has been paid-up which is not less than Rs.50,000/-, and unless a poll is demanded, a declaration by the chairman that a resolution has on a show of hands, been carried or carried unanimously, or by a particular majority lost, and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour or against the resolution.

#### **CHAIRMAN'S CASTING VOTE**

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

#### **POLL TO BE TAKEN IF DEMANDED**

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

#### **SCRUTINEERS AT POLL**

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

#### **IN WHICH CASE POLL BE TAKEN WITHOUT ADJOURNMENT**

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

#### **DEMAND FOR POLL NOT TO PREVENT TRANSACTION OF OTHER BUSINESS**

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

#### **VOTES OF MEMBERS**

##### **MEMBERS IN ARREARS NOT TO VOTE**

100. No member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of class of shareholders either upon a show of hands or

upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and had not exercised, any right of lien.

#### **NUMBER OF VOTES TO WHICH MEMBER IS ENTITLED.**

101. Subject to the provisions of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands every member present in person shall have one vote and upon 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 that if any preference shareholder be present at any meeting of the Company, save as provided in clause (b) of sub-section (2) of Section 87, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.

#### **CASTING OF VOTE BY A MEMBER ENTITLED TO MORE THAN ONE VOTE**

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

#### **HOW MEMBERS NON-COMPOSMENT MAY VOTE**

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

#### **VOTE OF JOINT- MEMBERS**

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

#### **VOTING IN PERSON OR BY PROXY**

105. Subject to the provisions of these Articles votes may be given either personally or by proxy, body corporate being a member may vote either by a proxy or by a representative duly authorised in accordance with section 187 of the Act and such representative shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member.

**VOTE IN RESPECT OF SHARES OF DECEASED AND INSOLVENT MEMBER**

106. Any person entitled under Articles 64 to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty eight hours at least before the time of holding the meeting or adjourned meeting as the case may be, at which he proposes to vote, he shall satisfy the directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

**APPOINTMENT OF PROXY**

107. Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a body corporate under the common seal of such corporation, or be signed by an officer of 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.

**PROXY EITHER OF SPECIFIED MEETING OR FOR A PERIOD**

108. 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.

**PROXY TO VOTE ONLY ON A POLL**

109. A member present by proxy shall be entitled to vote only a poll.

**DEPOSIT OF INSTRUMENT OF APPOINTMENT**

110. 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 months from the date of its execution.

**FORM OF PROXY**

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

**VALIDITY OF VOTES GIVEN BY PROXY NOTWITHSTANDING  
DEATH OF MEMBER**

112. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the

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

#### **TIME FOR OBJECTIONS OF VOTES**

113. No objection shall be made to the validity of any vote, except at any meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

#### **CHAIRMAN OF THE MEETING TO BE THE JUDGE OF VALIDITY OF ANY VOTE**

114. 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 tendered at such poll.

#### **MINUTES OF MEETINGS**

#### **MINUTES OF GENERAL MEETING AND INSPECTION THEREOF BY MEMBERS**

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

(2) Each page of every such book shall be initialed or signed and the last page of the record or proceedings of each meeting in such book, shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.

(3) In no case shall the minutes of proceedings of a meeting be attached to any such books as aforesaid by passing or otherwise.

(4) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

(5) Nothing herein contained shall require or be deemed to require, the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting (a) is or could reasonably be regarded as defamation of any person; (b) is irrelevant or immaterial to the proceedings; or (c) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.

(6) Any such minutes shall be of the proceedings recorded therein.

(7) 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 period not being less in the aggregate than two hours in each day as the Directors determine, to inspection of any member without charge.

### DIRECTORS

#### NUMBERS OF DIRECTORS

116. Subject to the provisions of Sections 252 and 259 of the Act, the number of Directors (excluding debenture, ex-officio and alternate Directors) shall not be less than three and not be more than twelve.

#### FIRST DIRECTORS

117. The following persons shall be the first Directors of the Company:

- (i) **SHRI LALIT DAMODAR MEHTA**
- (ii) **SHRI CHAMPAK KANTILAL PAREKH**
- (iii) **SHRI RAJESH LALIT MEHTA**
- (iv) **SHRI HITESH CHAMPAK PAREKH**

All the Directors of the Company except Shri Lalit Mehta and Shri Champak Parekh are liable to retire by rotation.

#### DIRECTORS OF THE COMPANY

118. Not less than two-thirds of total number of Directors of the Company shall :

(a) be persons whose period of office is liable to determination by retirement of Directors by rotation; and

(b) save as otherwise expressly provided in the Act, be appointed by the Company in General Meeting.

#### APPOINTMENT OF NON-RETIRING DIRECTORS

119. (i) Shri Lalit Mehta or Shri Champak Parekh shall have the right to appoint two persons as Directors of the Company and to remove them or either of them from office and on a vacancy being caused in such office for any cause whatsoever, including resignation, death or removal of any such person so appointed to appoint others or another in the vacant place or places.

(ii) Any appointment or removal of directors or director under this Article would be by notice in writing addressed to the Company under the hand of Shri Lalit Mehta or Shri Champak Parekh and shall take effect forthwith upon such notice being delivered to the Company.

(iii) The right conferred on Shri Lalit Mehta and Shri Champak Parekh under this Article shall be exercisable or any of them so long as they, along with its associates hold not less than 10 percent of the paid-up equity share capital of the Company for the time being.

120. Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The Industrial Credit and Investment Corporation of India Limited (ICICI), The Industrial Reconstruction Corporation of India Limited (IRCI), Life Insurance Corporation of India (LIC), Unit Trust of India (UTI), General Insurance Company Limited (GIC), The Oriental Fire and General Insurance Company Limited (OFGI), The New India Assurance Company Limited (NIA), United India Insurance Company (UI), Himachal Pradesh Mineral and Industrial Development Corporation Limited (HPMIDC) or a State Finance Corporation or any financial institution owned or controlled by the Central Government or a State Government or the Reserve Bank of India or by two or more of them or by Central Government or State Government by themselves (each of the above is hereinafter this Article referred to as 'the Corporation' out of any loan/debenture assistance granted by them to the Company or so long as the Corporation holds or continues to hold Debentures/shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors wholetime or non whole-time (which Director or Directors, is/are hereinafter referred to as Nominee Directors) on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person in his or their place/s.

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

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by "Company to the Corporation or so long as the Corporation holds or continues to hold Debentures/shares in the Company as a result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the guarantee is outstanding and the nominee Directors so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to Corporation are paid off or on the Corporation causing the .debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission, monies or remuneration in any form is payable to the Director/ s of the Company, the fees, commission monies and remuneration in the relation to such Nominee Director/s shall accrue to the Corporation and the 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.

Provided also that in the event of the Nominee Director/s being appointed as whole-time Director/s, such Nominee Director/s shall exercise such power and duties as may be approved by the Corporation and have such rights as are exercised or available to whole time Directors in the management of the affairs of the Company. Such whole-time Director(s) shall be entitled to receive such remuneration, fee, commission, and monies as may be approved by the Corporation.

#### **POWER TO APPOINT EX-OFFICIO DIRECTORS**

121. Whenever the Directors enter into a contract with any government, central, state or local authority, institution or any person or persons for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or enter into any other arrangement whatsoever, the Directors shall have subject to the provisions of Section 255 of the Act, the power to agree that such government authority, institution, person or persons shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the agreement and that such Director or Directors may not be liable to retire nor be required to hold any qualification shares. The Directors may also agree that any such Director or Directors may be removed from time to time by the government, institution, person or persons entitled to appoint or nominate them and such person or persons may appoint another or others in his or their place and also fill in any vacancy, which occurs as a result of any such Director or Directors ceasing to hold that office for any reason whatever. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the Directors of the Company including the payment of remuneration and traveling expenses to such Director or Directors as may be agreed by the Company with such person or persons aforesaid.

#### **DEBENTURE DIRECTORS**

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

#### **APPOINTMENT OF ALTERNATE DIRECTOR**

123. The Board may, in accordance with any subject to the provision of section 313 of the Act, appoint an Alternate Director to act for a Director during tatter's absence for a period of not less than three months from the state in which the meetings of the

Board are ordinarily held. An alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the original Director in whose place he has been appointed and shall vacate office if and when the original Director returns to that state. If the term of office of the original Director is determined before he so returns to state any provisions in the Act or in these Articles for the automatic reappointment of a retiring Director in default of another appointment shall apply to the original Director and not the alternate Director.

#### **DIRECTOR'S POWER TO ADD TO THE BOARD**

124. Subject to the provisions of sections 260 and 264 of the Act the Board shall have power at any time and from time to time to appoint any other person to be an additional Director but so that the total number of Directors shall not at any time exceed the maximum fixed under Article 114. Any such additional Director shall hold office only up to the date of the next Annual General Meeting.

#### **DIRECTOR'S POWER TO FILL CASUAL VACANCIES**

125. Subject to the provisions of sections 262 and 264 of the Act, the Board shall have power at any time to appoint any other person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only upto the date up to which the Director in whose place he is appointed would have held office if it had not been vacated by him.

#### **SHARE QUALIFICATION OF DIRECTORS**

126. A Director shall be required to hold by way of qualification 10 (ten) equity shares of the nominal value of Rs.10 each within two months from the date of allotment of shares offered for subscription to the public through prospectus or within two months after his appointment pursuant to Article 116 and debenture Directors appointed pursuant to Article 117 shall not be required to hold any qualification shares.

#### **REMUNERATION OF DIRECTORS**

127. (a) Until otherwise determined by the Company in General Meeting, each Director other than the Managing Director and whole-time Director shall be entitled to receive out of the funds of the Company for his services in attending meetings of the Board or committed thereof, a fee of Rs.250 per meeting.

(b) Subject to the provisions of the Act, a Managing Director or Director in the whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

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

(i) by way of monthly, quarterly or annually payment with the approval of the Central Government; or

(ii) by way of commission if the Company by a special resolution authorises such payment.

#### **SPECIAL REMUNERATION OF DIRECTORS PERFORMING EXTRA SERVICES**

128. If any Director be called upon to perform extra services or make special exertions or efforts (which express shall include work done by a Director as a member of any committee of the Board), the Board may arrange with such Director for special remuneration for such service or exertions or efforts either by a fixed sum or otherwise as may be determined by the board and such remuneration may be either in addition to or in substitution for his remuneration above provided.

#### **TRAVELING EXPENSES INCURRED BY DIRECT OR NOT A BONA FIDE RESIDENT**

129. The Board may allow and pay to any director, who is not a bona fide resident of the place where the meetings of the Board are ordinarily held and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation or for traveling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified; and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any traveling or other expenses incurred in connection with business of the Company.

#### **DIRECTOR MAY ACT NOTWITHSTANDING ANY VACANCY**

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

#### **WHEN OFFICE OF DIRECTORS TO BECOME VACANT**

131. Subject to Sections 283(2) AND 314 of the Act the office of a Director shall become vacant if:

- (a) he is found to be of unsound mind by a Court of competent jurisdiction; or
- (b) he applied to be adjudicated an insolvent; or
- (c) he is adjudged an insolvent; or
- (d) he fails to pay any call made on him in respect of shares of the Company held by him, whether alone or jointly with others within six months from the date fixed for the payment of such call unless the Central Government has by notification in the official gazette removed the disqualification incurred by such failure; or
- (e) he absents himself from three consecutive meetings of the directors or from all meetings of the directors for continuous period of three months, whichever is longer, without leave of absence from the Board; or

- (f) he becomes disqualified by an order of the court under section 203 of the Act; or
- (g) he is removed in pursuance of section 284; or
- (h) he (whether by himself or by any person for his benefit or on his account) or any firm in which he is a partner or any private company of which he is a director, accepts a loan, or any guarantee or security for a loan, from the Company in contravention of section 295 of the Act; or
- (i) he acts in contravention of section 299 if the act; or
- (j) he is convicted by a court of an offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months; or
- (k) having been appointed a director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company; or
- (l) he resigns his office by a notice in writing addressed to the Company.

#### **DIRECTOR MAY CONTRACT WITH COMPANY**

132. (1) A Director or his relative, firm in which such director or relative is a partner; or any other partner in such firm or a private company of which the director is a member or director may enter into any contract with the Company for the sale, purchase or supply of any goods, materials or services or for underwriting the subscription of any shares in or debentures of the Company, provided that in the case of the Company having as paid-up capital of not less than Rupees one crore, no such contract shall be entered into except with the previous approval of the Central Government and the sanction of the Board shall be obtained before or within three months of the date on which the contract is entered into in accordance with section 297 of the Act.

(2) No sanction shall, however, be necessary for:-

(a) any purchase of goods and material from the Company, or the sale of goods or materials to the Company, by any such director relative, firm, partner or private Company as aforesaid for cash at prevailing market prices; or

(b) any contract or contracts between the Company on one side and any such director, relative, firm partner or private Company on the other for sale, purchase or supply of any goods, materials and services in which either the Company or the director, relative, firm, partner or private company, as the case may be, regularly trades or does business, where the value of the goods and materials or the cost of such services does not exceed Rs.5,000 (Rupees Five Thousand) in the aggregate in any year comprised in the period of the contract or contracted. Provided that in circumstances of urgent necessity, a director, relative, firm, partner or private company as aforesaid may, without obtaining the consent of the Board, enter into any such contract with the

Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or cost of such services exceeds Rs.5,000/- in the aggregate in any year comprised in the period of the contract, if the consent of the Board shall be obtained to such contract or contracts at a meeting within three months of the date on which the contract was entered into.

### **DISCLOSURE OF INTEREST**

133. A 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 in the manner provided in section 299(2) of the Act. Provided that it shall not be necessary for a director disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other company where any of the directors of the Company or two or more of them together holds or hold not more than two per cent of the paid-up share capital in any such other company.

### **GENERAL NOTICE OF INTERESTS**

134. A general notice given to the Board by the director to the effect that he is a director or member of a specified body corporate or is a member of a specified firm and is to be regarded a concerned or interested in any notice shall expire at the end of the financial year in which it shall be given but may be renewed for a further period of one financial year at a time by a fresh notice given in the last month of the financial year in which it would have otherwise expired. No such general notice, and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or director concerned takes reasonable steps to secure that is brought up and read at the first meeting of the Board after it is given.

### **INTERESTED DIRECTORS NOT TO PARTICIPATE OR VOTE IN BOARD'S PROCEEDINGS**

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

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

(b) any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely;

- (i) in his being;
  - (a) director of such company; and
  - (b) the holder of not more than shares of such number of value therein as is requisite to qualify him for appointment as a director thereof, he having been nominated as such director by the Company, or
- (ii) in his being a member holding not more than 2 per cent of its paid-up share capital.

#### **REGISTER OF CONTRACTS IN WHICH THE DIRECTORS ARE INTERESTED**

136. The Company shall keep a Register in accordance with section 301(1) and shall within the time specified in section 301 (2) enter therein such particulars as may be relevant having regard to the application thereto of section 297 or section 299 of the Act as the case may be. The Register aforesaid shall also specify, in relation to each director of the Company, the names of the bodies corporate and firms of which notice has been given by him under Article 133. The Register shall be kept at the office and extracts may be taken and copies thereof may be required by any member of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of section 163 of the act shall apply accordingly.

#### **DIRECTORS MAY BE DIRECTORS OF COMPANIES PROMOTED BY THE COMPANY**

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

#### **RETIREMENTS AND ROTATION OF DIRECTORS**

138. Subject to the provisions of section 256 of the Act of the these Articles, 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 return from office. In the following Articles a Retiring Directors means a Directors' retiring by rotation.

#### **ASCERTAINMENT OF DIRECTORS' RETIREMENT BY ROTATION AND FILLING OF VACANCIES**

139. Subject to section 256(2) of the Act, the Directors to retire by rotation under Article 130. at every Annual General Meeting, shall be those who have been longest in office since their last appointment, but as between person who became directors on the same day as those who are to retire shall, in default and subject to any agreement among themselves, be determined by lot.

### **ELIGIBILITY FOR RE-ELECTION**

140. A retiring Director shall be eligible for re-election and shall act as a Director throughout the meeting at which he retired.

### **COMPANY TO APPOINT SUCCESSORS**

141. Subject to section 258 of the Act, the Company at the General Meeting at which a director retires in the manner aforesaid, may fill in the vacated office by electing a person thereto.

### **PROVISION IN DEFAULT OF APPOINTMENT**

142. (a) If the place of the retiring Director is not so filled up and the meeting had 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 holiday, at the same time and place.

(b) If at the adjourned meeting also it has been not expressly resolved not to fill the vacancy the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless;

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

(ii) the retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so reappointed;

(iii) he is not qualified or is disqualified for appointment;

(iv) a resolution, whether special or ordinary, is required for the appointment or re-appointment by virtue of any provisions of the Act; or

(v) the proviso to sub-section (2) of section 263 of the Act is applicable to the case.

### **COMPANY MAY INCREASE OR REDUCE THE NUMBER OF DIRECTORS**

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

### **NOTICE OF CANDIDATE FOR OFFICE OF DIRECTOR EXCEPT IN CERTAIN CASES**

144. (1) No person not being a retiring Director shall be eligible for appointment to the office of Director at any General Meeting unless he or some member intending to propose him has, not less than fourteen days before the meeting, left at the office of the

Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office.

(2) Every person other than a Director or a person who has left at the office of the Company a notice under section 257 of the Act signifying his candidature for the office of a Director posted as a candidate for the office of a Director shall sign and file with the Company, the consent in writing to act as a Director, if appointed.

(3) A person other than a Director re-appointed after retirement by rotation or immediately on the expiry of his term of office, or an additional or alternate Director, or a person filling a casual vacancy in the office of Director under section 262 of the Act appointed as a Director or re-appointed as an additional or alternate Director immediately on the expiry of his term of office, shall not act as a Director of the Company, unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.

#### **REGISTER OF DIRECTORS ETC. AND NOTIFICATION OF CHANGE TO REGISTRAR**

145. (a) The Company shall keep at its office a Register containing the particulars of its Directors, Manager, Secretary and other persons mentioned in section 303 of the Act and shall otherwise comply with the provisions of the said section in all respect.

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

#### **DISCLOSURE BY DIRECTOR OF APPOINTMENT TO ANY OTHER BODY CORPORATE**

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

#### **DISCLOSURE BY A DIRECTOR OF HIS HOLDINGS OF SHARES AND DEBENTURE OF THE COMPANY ETC.**

(b) Every Director and every person deemed to be a Director of the Company by virtue of sub-section (1) of section 307 of the Act, shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that section.

#### **DISQUALIFICATION OF DIRECTORS**

147. The Company shall not appoint any person as its Director 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 undiscovered insolvent;
- (c) he has applied to be adjudicated 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 months, and a period of five years has not elapsed from the date of expiry of the sentence;
- (e) he has not paid any call in respect of shares of the Company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call; or
- (f) an order disqualifying him for appointment as Director has been passed by a Court in pursuance of section 203 and is in force, unless the leave of the Court has been obtained for his appointment in pursuance of that section.

### **MANAGING DIRECTOR**

#### **THE BOARD MAY APPOINT MANAGING DIRECTOR(S)**

148. Subject to the provisions of the Act and of these Articles, the Board shall have the power to appoint from time to time any of its members as Managing Director or Managing Directors of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and subject to the provisions or Article 145 the Board may by resolution vest in such Managing Director or Managing Directors such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine. The remuneration of a Managing Director may be by way of monthly payment, fee for such meeting or participation in profits or by any or all of these modes or any other mode not expressly prohibited by the Act.

#### **RESTRICTION ON MANAGEMENT**

149. The Managing Director or Managing Directors shall not exercise the powers to:

- (a) make calls on shareholders in respect of money unpaid on the shares in the company;
- (b) issue debentures; and except to the extent mentioned in the resolution passed in the Board Meeting under section 292 of the Act, shall also not exercise the powers to;
- (c) borrow moneys otherwise than on Debenture;
- (d) invest the fund of the Company; and
- (e) make loans.

**SPECIAL POSITION OF MANAGING DIRECTOR(S)**

150. A Managing Director shall not while he continues to hold that office be subject to retirement by rotation in accordance with Article 134 if he ceases to hold the office of Director he shall ipso facto and immediately release to be a Managing Director.

**PROCEEDINGS OF THE BOARD OF DIRECTORS****MEETINGS OF DIRECTORS**

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

**NOTICE OF MEETINGS**

152. At least fifteen days notice of every meeting of the Board shall be given in writing to every Director for the time being in India and at his usual address in India to every other Director provided however that in the case of a Director resident outside India, notice of every meeting of the Board shall also be given to such Director at his address outside India and to his alternate, if any, in India at his usual address in India. Such; notice shall be accompanied by the agenda setting out the business proposed to be transacted at the meeting of the Board. Provided that a meeting of the Board may be convened in accordance with Article 155 by a shorter notice in the case of an emergency or if special circumstances so warrant.

**QUORUM**

153. Subject to section 287 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength (excluding Directors, if any, whose place may be vacant at the time and any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher, provided, that where at any time the number of interested Director exceeds or is equal to two-thirds of the total strength in number of the remaining Directors, that is to say, the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time.

**ADJOURNMENT OF MEETING FOR WANT OF QUORUM**

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

**WHEN MEETING TO BE CONVENED**

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

### **CHAIRMAN AND VICE CHAIRMAN**

156. (a) The Board shall appoint from amongst its members a Chairman, and a Vice Chairman.

(b) The Chairman of the Board shall be entitled to take the chair at every meeting of the Board. If at any meeting of the Board the Chairman shall not be present within fifteen minutes of the time appointed for holding the same or if he be unable or unwilling to take the chair then the Vice Chairman shall be entitled to take the chair at such Board meeting, and failing him the Board may elect one of their members to act as the Chairman of that meeting.

### **QUESTIONS AT BOARD MEETINGS HOW DECIDED**

157. Subject to the provisions of the Act, all questions arising at any meeting of the Board shall be determined by a majority of the votes of the Directors present and voting threat.

### **POWERS OF THE BOARD MEETING**

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

### **DIRECTORS MAY APPOINT COMMITTEE**

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

### **RESOLUTION BY CIRCULATION**

160. No resolution shall be deemed to have been duly passed by the Board or a committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors or to all the members of the committee, than in India (not being less in number than the quorum fixed for a meeting of the Board or its committee, as the case may be), and to all other Directors or members of the committee at their usual address in India, and has been approved by such of the Directors or members of the committee as are then in India, or by a majority of such of them as are entitled to vote on the resolution.

**ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING  
INFORMAL APPOINTMENT**

161. 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 is some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been dully appointed, and was qualified to be a Director and had not vacated his office or his appointment had not been terminated, provided that nothing in this Article shall be deemed to give validity to Acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

**MINUTES OF PROCEEDINGS OF MEETINGS OF BOARD**

162. (1) The Company shall cause minutes of all proceedings of every meeting of the Board and committee thereof to be kept by making within thirty days of the conclusion of very such meeting entries thereof in books kept for that purpose with their pages consecutively numbered.

(2) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of every meeting in such books shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.

(3) In no case shall the minutes of proceedings of a meeting be attached to any such books as aforesaid by pasting or otherwise.

(4) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

(5) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.

(6) The minutes shall also contain;

(a) the names of the Directors present at the meeting; and

(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 contained in sub-clauses (1) to (6) shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:

(a) is or could reasonably be regarded as defamatory of any person,

(b) is irrelevant or immaterial to the proceedings, or

- (c) is detrimental to the interests of the Company.

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

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

### **POWERS OF DIRECTORS**

163. 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 Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. Provided that the Board shall not, except with the consent of the Company in General Meetings;

(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, the whole or substantially the whole of any such undertaking;

(b) remit or give time for the repayment of any debt due by a Director;

(c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertakings as is referred to in sub-clause (a) or of any premises or properties used for any such undertakings and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;

(d) borrow money where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose;

Provided further that the powers specified in section 292 of the Act shall subject to these Articles be exercised only at meetings of the Board; unless the same be delegated to the extent therein stated; or

(e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed twenty-five thousand rupees or five per cent of its average net profits as determined in accordance with the provisions of sections 349 and 350 of Act during the three financial years immediately preceding whichever is greater.

**CERTAIN POWERS OF THE BOARD**

164. 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 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 promotion, formation, establishment and registration of the Company.

(2) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereout under the provisions of sections 76 and 208 of the Act.

(3) Subject to sections 292 and 297 of the Act to purchase or otherwise acquire for the Company any property, right or privileges which the Company is authorised to acquire at or for such price or consideration and generally on such terms and conditions as they may think fit, and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.

(4) At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company either wholly or partially in cash or in shares, bonds, debentures, mortgages, or other securities of the Company, and any such shares may be issued either as fully paid-up or with such amount credited as paid-up thereon as may be agreed upon, and any such bonds, debentures, mortgages or other securities may be either 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, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed.

(7) To appoint any person to accept and hold in trust for the Company any property belonging to the Company or in which it is interested, or for any other purpose, and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees.

(8) To institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due and of any claim or demands by or against the Company and to refer any differences to arbitration and observe and perform any awards made thereon.

(9) To act on behalf of the Company in all matters relating to bankrupts and insolvents.

(10) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.

(11) Subject to the provisions of sections 292, 295, 360, 370 and 372 of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being shares of this Company), or without security and in such manner as they may think fit and from time to time to vary or realise such investments, save as provided in section 49 of the Act, all investments shall be made and held in the Company's own name.

(12) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur 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 such other powers, provisions, covenants and agreements as shall be agreed upon.

(13) To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose.

(14) To distribute by way of bonus amongst the staff of the Company a share or shares in the profit of the Company, and to give to any officer or other persons employed by the Company a commission on the profits of any particular business or transactions and to charge such bonus or commission as part of the working expenses of the Company.

(15) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or 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 towards places of instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance, as the Board shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise.

(16) Before recommending any dividend, to set aside out of the profits of the Company, such sum as they may think proper for depreciation fund or to an insurance fund or as a reserve fund or sinking fund or any special fund to meet contingencies or to repay debentures or debenture-stock or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the preceding clause)

as the Board may, in their absolute discretion think conducive to the interest of the Company and subject to section 292 of the Act to invest the several sums so set aside or so much thereof as require to be invested, upon such investments (other than shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company in such manner and for such purposes as the Board in their absolute discretion think conducive to the interest of the Company, notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended, and to divide the reserve fund into such special funds as the Board may think fit, with full power to transfer the whole or any portion of a reserve fund or division of a reserve fund to another reserve fund or division of a reserve fund and with full power to employ the assets constituting all or any of the funds including the depreciation of debentures or debenture-stock 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, not exceeding nine per cent per annum.

(17) To appoint, and at their discretion remove or suspend such general managers, managers, secretaries, assistants, supervisors, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit; and the provisions contained in the four next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.

(18) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.

(19) From time to time and at any time to establish any local board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of such local boards, and to fix their remuneration.

(20) Subject to section 292 of the Act, from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make call or to make loans or borrow moneys, and to authorise the members for the time being of any such local board, or any of them, to fill up any vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed and may annul or vary any such delegation.

(21) At any time and from time to time by power of attorney under the seal of the Company, to appoint, any person or persons to be the attorney or attorneys of the

Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow money) and for such period and such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of the members or, any of the members of any local board, established as aforesaid or in favour of any company, or the shareholders, directors, nominee, 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 an such power of attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

(22) Subject to sections 294, 294-AA, 297 and 300 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.

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

#### MANAGEMENT

#### **PROHIBITION OF SIMULTANEOUS APPOINTMENT OF DIFFERENT CATEGORIES OF MANAGERIAL PERSONNEL**

165. The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel namely -

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

#### THE SECRETARY

#### **SECRETARY**

166. The Directors may from time to time appoint, and at their discretion, remove the Secretary provided that where the paid-up share capital of the Company is rupees twenty five lakh or more it shall have a whole-time Secretary. The Directors may also at any time appoint some person (who need not be the Secretary) to keep the registers required to be kept by the Company.

#### THE SEAL

#### **THE SEAL, ITS CUSTODY AND USE**

167. (a) The Board 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, and the seal shall never be used except by the authority of the Board or a Committee of the Board previously given in the presence of at least one director of the company or some other person appointed by the board for the purpose.

(b) The Company shall also be at liberty to have an official seal in accordance with section 50 of the Act, for use in any territory, district or place outside India.

#### **DEEDS HOW EXECUTED**

168. Every deed or other instrument to which the seal of the Company is required to be affixed, shall unless the same is executed by a duly constituted attorney, be signed by two Directors or one Director and Secretary or some other person appointed by the Board for the purpose provided that in respect of the share certificate the seal shall be affixed in accordance with Article 21 (a).

#### **DIVIDENDS**

##### **DIVISIONS OF PROFITS**

169. The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles shall be divisible among the members in proportion to the amount of capital paid or credited paid-up on the shares held by them respectively.

##### **THE COMPANY IN GENERAL MEETING MAY DECLARE A DIVIDEND**

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

##### **DIVIDENDS ONLY TO BE PAID OUT OF PROFITS**

171. No dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of section 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both, provided that:

(a) if the Company has not provided for depreciation for any previous financial year or years it shall before declaring or paying a dividend for any financial year, provided for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years;

(b) if the Company has incurred any loss in any previous financial year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years

arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of section 205 of the Act or against both.

#### **INTERIM DIVIDEND**

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

#### **CAPITAL PAID-UP IN ADVANCE AT INTEREST NOT TO EARN DIVIDEND**

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

#### **DIVIDENDS IN PROPORTION TO AMOUNT PAID-UP**

174. 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 dividends 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 only.

#### **TRANSFER OF SHARE MUST BE REGISTERED**

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

#### **DIVIDENDS HOW REMITTED**

176. Unless otherwise directed any dividend may be paid by cheques or warrant or by a pay slip or receipt having the force of a cheque or warrant sent through the post to the registered address of the member or person entitled or in case of joint-holders to that one of them first named in the register in respect of the joint holdings. Every such cheque or warrant or payslip or receipt lost in transmission, or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any payslip or receipt or the fraudulent recovery of the dividend by any other means.

#### **INTEREST ON UNPAID DIVIDEND**

177. Subject to the provisions of sections 205 to 208 of the Act, no unpaid dividend shall bear interest as against the Company.

#### **UNCLAIMED DIVIDEND**

178. Dividends unclaimed will be dealt with in accordance with the provisions of sections 205A and 205B or other provisions, if any, of the Act as may be applicable from time to time.

#### **DIVIDEND AND CALL TOGETHER**

179. Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the members to 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 may, if so arranged between the Company and the member, be set off against the calls.

### **CAPITALISATION**

180. (a) The Company in General Meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the reserve fund, or any capital redemption reserve accounts, or in the hands of the Company and available for dividend (or representing premium received on the issue of shares and standing to the credit of the share premium account) be capitalised and distributed amongst such of the shareholders as would be entitled to receive the 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 capitalised fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provided, any unissued shares of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares and that such distribution or payment shall be accepted by such share holders in full satisfaction of their interest in the said capitalised sum provided that a share premium account and a capital redemption reserve account may, for the purpose of this Article, only be applied in the paying of any unissued shares to be issued to members of the Company as fully paid bonus shares.

(b) A General Meeting may resolve that any surplus money arising from the realisation of any capital assets of the Company or any investment representing the same or any other undistributed profits of the Company not subject to charge for income-tax be distributed among the members on the footing that they receive the same as capital.

(c) For the purpose of giving effect to any resolution under the preceding paragraphs of this Articles 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.

### **ACCOUNTS**

#### **DIRECTORS TO KEEP TRUE ACCOUNTS**

181. The Company shall keep at the office or at such other place in India as the Board thinks fit proper books of accounts in accordance with section 209 of the Act with respect to:

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

## ACCOUNTS

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

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

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

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

### AS TO INSPECTION OF ACCOUNTS OR BOOKS BY MEMBERS

182. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Director and no member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by law or authorised by the Board.

### STATEMENT OF ACCOUNTS TO BE FURNISHED TO GENERAL MEETING

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

### COPIES SHALL BE SENT TO EACH MEMBER

184. (1) A copy of every such Profit & Loss Account and Balance Sheet (including the Auditors' Report and every other document required by law to be annexed or attached to the Balance Sheet), shall at least twenty-one days before the meeting at which the same are to be laid before the members be sent to the members of the Company, to holders of debentures issued by the Company (not being debentures which ex facie are payable to the bearer thereof), to trustee for the holders of such debentures and to all persons entitled to receive notice of General Meeting of the Company.

(2) Without prejudice to the generality of the above provisions the company may, if its shares are listed at any recognised Stock Exchange make available for inspection at its registered office for a period not exceeding 21 days before the date of the meeting and send a statement containing the salient features of such documents in the prescribed forms or copies thereof as the Company may deem fit to every member of the Company and to every trustee for the holder of any debenture issued by the Company not less than 21 days before the date of the meeting.

#### **AUDITED AND APPROVED BALANCE SHEET AND PROFIT AND LOSS A/C. TO BE CONCLUSIVE EVIDENCE**

185. Every Balance Sheet and Profit & Loss Account of the Company when audited and approved by the Company at an Annual General Meeting shall be conclusive except as regards any error discovered therein. Whenever any such error is discovered the Balance Sheet and Profit & Loss Account shall forthwith be corrected by the Board and thenceforth shall be conclusive.

#### **AUDIT**

##### **ACCOUNTS TO BE AUDITED**

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

##### **FIRST AUDITOR OR AUDITORS**

187. The First Auditor or Auditors of the Company shall be appointed by the Board within one month of the date of registration of the Company and the Auditor or Auditors so appointed shall hold office until conclusion of this first Annual General Meeting provided that the Company may, at a General Meeting, remove any such Auditor or all of such Auditors and appoint in his or their place any other person or persons who have been nominated for appointment by any member of the Company not less than fourteen days before the date of the meeting provided further that if the Board fails to exercise its powers under this Article, the Company in General Meeting may appoint the first Auditor or Auditors.

#### **DOCUMENTS AND NOTICES**

##### **SERVICE OF DOCUMENTS OR NOTICES ON MEMBERS BY COMPANY**

188. (1) A document or notice may be served or given by the Company on any member either personally or by sending it by post to him to his registered address or (if he has not registered address in India) to the address, if any, in India supplied by him to the Company for serving documents or notices on him.

(2) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where 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 have been effected unless it is sent in 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 after the letter, containing the document or notice is posted and in any other case, at the time at which the letter would be delivered in the ordinary course of post.

#### **BY ADVERTISEMENT**

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

#### **ON JOINT-HOLDER**

190. 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 on or to the joint-holder named first in the register of members in respect of the shares.

#### **ON PERSONAL REPRESENTATIVES ETC.**

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

#### **TO WHOM DOCUMENTS OR NOTICES MUST BE SERVED OR GIVEN**

192. Documents or notices of every General Meeting shall be served or given in such manner hereinafter authorised on or to (a) every member, (b) every person entitled to a share in consequence of the death or insolvency of a member, and (cc) the Auditor or Auditors for the time being of the Company.

#### **MEMBERS BOUND BY DOCUMENTS OR NOTICES SERVED ON OR GIVEN TO PREVIOUS HOLDERS**

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

#### **DOCUMENTS OR NOTICES BY COMPANY AND SIGNATURE THERETO**

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

**SERVICE OF DOCUMENT OR NOTICE BY MEMBER**

195. All documents or notices to be served or given by members on or to the Company or any officer thereof shall be served or given by sending it to the Company or officer at the office by post under a certificate of posting or by registered post, or by leaving it at the office.

**WINDING UP****LIQUIDATOR MAY DIVIDE ASSETS IN SPECIE**

196. The Liquidator on any winding-up (whether voluntary, under supervision of the Court or compulsory) may, with the sanction Special Resolution, but subject to the rights attached to any preference share capital, divide among the contributories in specie 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 as the liquidator, with the like sanction shall think fit.

**INDEMNITY AND RESPONSIBILITY****DIRECTORS' AND OTHERS' RIGHT OF INDEMNITY**

197. Every officer or Agent for the time being of the Company shall be indemnified out of the assets of the Company against all liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.

198. Subject to the provisions of section 201 of the Act, no Director, Manager or other Officer of the Company shall be liable for the acts, receipts, neglects of any other Director or Officer or for joining in any receipt or other act for conformity or for any loss or expense 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 damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any moneys, securities, or effects shall be deposited or for any loss occasioned by an error of judgment or oversight on his part, or for any other loss, damage or misfortunes whatever which shall happen in the execution of the duties of this officer or in relation thereto unless the same happen through his own dishonesty.

**SECRECY CLAUSE****SECRECY CLAUSE**

199. (a) Every Director, (except institutional/ex-officio director) Manager, Treasurer, Auditor, 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 Directors before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company and all matters relating thereto, and shall by such declaration pledge himself not to reveal any of the

matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

(b) No member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or an other matter which may relate to the conduct of the business of the Company and which, in the opinion of the Director, it would be inexpedient in the interest of the Company to disclose.

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

Name, Addresses Descriptions, Occupations and Signature of the Subscriber	Number of Equity Shares taken by each Subscriber	Signature of the Subscriber	Signature of Witnesses with Addresses and Occupation
<b>SHRI LALIT DAMODAR MEHTA</b> B/74, Roop Darshan, Juhu Lane, Andheri (W), Bombay - 400 058. S/o Shri Damodar Amarshi Mehta Business	100 (One Hundred)		Common Witness to both Sd/- <b>Kishor P. Patel</b> Kishor P. Patel & Associates 30, 5th Floor, Ellora Com. Centre, Near G.P.O., Ahmedabad S/o Shri Popatlal Patel C. A.
<b>SHRI CHAMPAK KANTILAL PAREKH</b> 3, Kamdhenu Nilayam, 5, Nanda Patkar Road, Off Nehru Road, Vile-Parle (East), Bombay - 400 057. S/o Shri Kantilal Ravichand Parekh Business	100 (One Hundred)		
<b>TOTAL</b>	200 (Two Hundred)		

Place : Ahmedabad

Dated : This 2nd day of June 1992.

