

No. 11-48221



सत्यमेव जयते

कारबार प्रारम्भ करने के लिए प्रमाणपत्र  
Certificate for Commencement of Business

कम्पनी अधिनियम, 1956 की धारा 149 (3) के अनुसार  
Pursuant of Section 149 (3) of the Companies Act, 1956

मैं एतद्वारा प्रमाणित करता हूँ कि

जो कम्पनी अधिनियम, 1956 के अधीन तारीख को निर्मित की गई थी और जिसने आज विहित प्ररूप में सम्पन्न रूप से तयामित घोषणा फाइल कर दी है कि उपरोक्त अधिनियम की धारा 149(1) (क) से लेकर (घ) तक/149(2) (क) से लेकर (ग) तक की शर्तों का अनुपालन किया गया है, कारबार प्रारम्भ करने की इच्छा है।

I hereby certify that the TANEJA AEROSPACE AND AVIATION LIMITED,

which was incorporated under the Companies Act, 1956 on the 17th FEBRUARY 1980 day of FEBRUARY 1980, and which has this day filed a duly verified declaration in this prescribed form that the conditions of section 149(1)(a) to (d)/149(2)(a) to (c) of the said Act, have been complied with is entitled to commence business.

मैं हस्ताक्षर से यह तारीख को  
में दिया गया है।

Given under my hand at BOMBAY  
this FOURTEENTH day of FEBRUARY  
and EIGHTEEN

One thousand nine hundred  
1980  
(S. R. KHARDE) (S)  
कम्पनियाँ की रजिस्ट्रार  
Registrar of Companies



जो एस० सी० 10,  
J. S. C. 10,

MGPTC-470-19 Genl. Adm. / 7-7A-101C-(C-12)-257-75-1-00

For Taneja Aerospace & Aviation Limited  
Director



Form I. R.

## CERTIFICATE OF INCORPORATION

No. 11-48221 of 1988

I hereby certify that **TANEJA AEROSPACE AND AVIATION 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 BOMBAY this TWENTYTWO day of JULY One thousand nine hundred and EIGHTYEIGHT.



Sd/  
( R. AGHORAMURTHY )  
Registrar of Companies  
Maharashtra

**THE COMPANIES ACT, 1956**  
**COMPANY LIMITED BY SHARES**  
**MEMORANDUM OF ASSOCIATION**  
**OF**  
**TANEJA AEROSPACE AND**  
**AVIATION LIMITED**

- I. The name of the Company is **TANEJA AEROSPACE AND AVIATION LIMITED**
- \*II. The Registered Office of the Company will be situated in the State of Tamil Nadu.
- III. The objects for which the Company is established are :
  - (A) **THE MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION :**
    1. To design, develop, manufacture, construct, build, assemble, test, repair, overhaul, reconstruct or renovate or otherwise deal in aeroplanes, airships, aircrafts hovercrafts, seaplanes, helicopters, space vehicles, communication or other satellites navigational control or guidance system, aeroengines and all machines, instruments, apparatus, stores, spares, parts, aides, appliances, kits, tools and accessories capable of being used for or in connection with aerial transit, conveyance or communication.
    2. To provide establish, keep, maintain, run, operate or make available facilities for or otherwise engage in designing development invention, testing, assembling, repairing, maintaining, overhauling, aeroplanes, airships, seaplanes, aircrafts, helicopters, hovercrafts, space vehicles, communication satellites, propellers and all other machines or apparatus.

(\*Altered as per Special Resolution in the Seventeenth Annual General Meeting held on September 29, 2006 and approved by Company Law Board vide its order dated 17, January 2008).

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

3. To establish provide for and maintain airports, airstrips, landing, taking off, facilities, approach roads and the like.
4. To establish provide and maintain facilities for instruction training and development in flying and gliding and to establish maintain and separate lines of aerial land and sea conveyance and craft.
5. To establish provide maintain develop infrastructural facilities including research and development laboratories, workshops, training fields, innovation and designing, manufacturing, manpower development in connection with the objects stated above.
6. To build, construct, lease, let on hire or otherwise make available airstrips, landing sites, control arrangements, communication systems, berthing sites, terminal buildings, operate service and engineering facilities, training and educational facilities, schools, colleges, institutions for design development.
7. To select, recruit, train, develop or otherwise provide for manpower in connection with the above.
8. To purchase, acquire, take on lease or otherwise procured all or any part of the business property, assets, or otherwise including machinery, offices, houses, buildings, workshops, laboratories and other property or liabilities or any person, corporation, government company, firm, individual, association of persons or otherwise engaged directly or indirectly in the manufacture, supply, distribution, servicing, repair, maintenance, overhauling or other related activities in connection with aircrafts, hovercrafts, airships, aeroplanes, helicopters or otherwise in India or elsewhere or any person, corporation, government or company engaged in any activity connected with the manufacture, operation, servicing, repair, overhauling or business or aircrafts or aviation, the business of which is capable of being conducted conveniently in relation to the objects of this company.
9. To acquire, construct, build, set up, provide, maintain service or otherwise keep factories, workshops, hangers, garages, sheds, aircrafts, aerodromes, yards, landing grounds and accommodations of all descriptions for any kind of aircrafts or in relation to aviation or serial conveyance.
10. To establish, maintain, provide, operate air services for carriage of passengers, mails, documents, parcels and freight by aeroplanes, aircrafts or other means of transport in India or elsewhere.
11. To establish, maintain, operate training colleges, technical institutions, workshops, training centres and other facilities for providing theoretical, practical on the job and other training for pilots, ground engineers, operators, mechanics and other staff for the purpose of providing training in all aspects of aerial transport aviation or elsewhere.
12. To engage, carry out, participate in or collaborate with any other person whatsoever, in the conduct or aerial survey including survey of air routes, aviation and other related aspects in India or elsewhere.
13. To carry on the business as mechanical, electrical, petroleum, aviation, communication and general engineers in connection with aerial transport, aviation, air crafts maintenance and operation or facilities for any of the above whether in India or elsewhere.

14. To carry on all or any of the trades, business or transactions or aeronautical, electrical, electronic, micro electronic electrical, electronic, micro processing, mechanical, metallurgical, chemical, petroleum, and other engineers in all branches and to deal in the supply and servicing on all apparatus, things, instructions, appliances, and articles capable of being used in connection therewith.
15. To conduct research and development in connection with the operations of aeronautical engineering and to establish and maintain research centres, laboratories, workshops, testing and proving grounds, facilities and all other establishment whatsoever.
16. To promote, publish or otherwise, bring out journals, books, research publications or other publications in connection with aerial transport aircraft, maintenance and operation or any other facilities required for any of the above.
17. To institute scholarships, freeships, student-ships and other financial or other assistance and incentives to promote research and development in aircraft maintenance and operation, aerial transport, aviation generally and in connection with the facilities required for any of the above.
18. To establish information centres in connection with receipt, storage, classification, analysis or other centres for the receipt storage, dissemination, communication, exchange and dissemination of information which may be useful in connection with aerial transport, aircraft maintenance and operation and other facilities required in connection with the above.
19. To establish and provide for computers, electronic, data processors or other devices for the receipt analysis, storage, exchange, transfer and other matters connected with aerial transport, aircraft maintenance and operation and other facilities connected with the above.
20. To draw, accept, endorse, discount, buy, sell and deal in bills of exchange, promissory notes, bonds, debentures, coupons and other negotiable instruments and securities.
21. To issue on commission, subscribe for, take, acquire and hold, sell, exchange and deal in shares, stock, bonds, obligations or securities of any Government, local authority or Company.
22. To form, promote, subsidise and assist companies and firms of all kinds.
23. To form, incorporate or promote any Company or Companies, whether Indian or foreign having amongst its or their objects the acquisition of all or any of the assets or control, management or development of the Company of any other objects or object which in the opinion of the Company could or might directly or indirectly assist the Company in the management or its business or the development of its properties or otherwise prove advantageous to the Company and to pay all or any of the costs and expenses incurred in connection with any such promotion or incorporation and to remunerate any person or Company in any manner it shall think fit for services rendered or to be rendered in obtaining subscriptions for or placing or assisting to place or to obtain subscriptions for or for guaranteeing the subscriptions of or the placing of any shares in the capital of the Company or any bonds, debentures obligations or securities of the Company or/and stock, shares, bonds, debentures obligations for securities of any other Company held or owned by the Company or in which the Company may have an interest or in or about the formation or promotion of the company for the conduct of its business or in or about the promotion or formation of any other Company in which the Company may have an interest.
24. To give any guarantee for the payment of money or the performance of any obligation or undertaking.

25. To acquire, improve, manage, work, develop, exercise all rights in respect of lease and mortgages, and to sell, dispose off, turn to account, and otherwise deal with property of all kinds, and in particular land, buildings, constructions, patents, business concerns and undertakings.
26. To borrow or to take deposits of money at interest or otherwise from any person or persons, local authority or Government and advance, lend or deposit any such money or other moneys of the Company for the time being on such security or otherwise as the company may deem expedient. But the Company shall not do any business as defined in Banking Regulation Act, 1949.
27. To borrow or raise or secure the payment of money in such manner as the Company shall think fit and in particular by the issue of debentures or debenture stock perpetual or otherwise, charged upon all or any of the company's property ( both present and future including its uncalled capital and purchase, redeem and payoff any such securities. ) Subject to provision of Section 58A and directions of RBI.
28. To draw, make, accept, discount, execute and issue bills of exchange, Government of India and other promissory notes, bills of lading, warrants, debentures and other negotiable or transferable instruments of securities.
29. To acquire any movable or immovable property which the Company may think it desirable to acquire by way of investments or with a view to re-sale or otherwise may come into the possession of the Company may think it desirable to acquire by way of investment or with a view to resale or otherwise.
30. To manage, sell and realise any property which may come into the possession of the Company in satisfaction or part satisfaction of any of its claims.
31. To acquire and hold and generally deal with any property or any rights, title or interest in any such property which may from the security or part of the security for any loan or advances or which may be connected with any such security.
32. To undertake and execute any trust, undertaking of which may seem to the Company desirable and either gratuitously or otherwise.
33. To establish and support or aid in the establishment and support of association institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the Company or the dependents or connections of such persons to grant pensions and allowances and make payment towards insurance, to subscribe to or guarantee moneys for charitable or benevolent objects or for any exhibition or for any public, general or useful object.
34. To acquire, construct, maintain and later any building or works necessary or convenient for the purposes of the Company.
35. To sell, improve, manage and develop, exchange, lease mortgage dispose of or turn into account or otherwise deal with all or any part of the property and rights of the Company.
36. To acquire and undertake the whole or any part of the business of any person or Company, when such business is of a nature enumerated or described in this sub-section.
37. To establish, create and maintain provident fund, depreciation fund, reserve fund, sinking fund, insurance fund, dividend equalisation fund or any other special fund whether for depreciation or for repairing, improving, extending or maintaining any of the property of the Company or for any other purpose conducive to the interest of the Company.

38. To amalgamate with any other company having objects altogether or in part similar to those of this company.
39. To enter into treaties and working arrangements of all kinds with other Companies, Corporations, Associations, firms or persons and also to make or carry into effect arrangements with respect to union of interests or amalgamation either whole or in part with any other companies, corporations, firms or persons.
40. To insure the property of the Company either by insurance effected within the Company itself as insurers or otherwise.
41. To distribute any of the property of the Company in specie among the members Subject to Provisions of the Companies Act, in the event of winding up.
42. To accumulate moneys for any of the Company's assets to specific purposes, either conditionally or unconditionally and to admit any class or section of those who insure or have any dealings with the Company to any share in the profits thereof or in the profits of any particular branch of the Company's business or to any other special rights, privileges, advantages or benefits.
43. To lend and advance money either with or without security and generally to individuals, partnerships association, corporation companies and others and upon such terms and conditions as the Company may think fit and to guarantee the performance of contract by any such person and / or company.
44. To establish and support or aid in the establishment and support of associations, institutions, funds, trust and conveniences calculated to benefit employees or ex-employees of the Company or the dependents or connections of such persons and to grant pensions and allowances and to make payment towards insurance, to make donations to such persons in such cases as may seem expedient and to subscribe for any purposes whether charitable or benevolent or for any public general or useful object.
45. To open Banking accounts and draw, make, accept, endorse, discount and execute cheques, promissory notes, bills of exchange, charter parties, bills of lading, hundies, warrants, debentures and other negotiable or transferable instruments.
46. To enter into partnership or into any arrangement for sharing profits, union of interest, reciprocal concession amalgamation or co-operation with any person or persons, corporation or company on or about to carry on or engaged in any business of transaction capable of being conducted so as directly or indirectly to benefit the company and to take or otherwise acquire and hold shares or stock in or securities of and to subsidies or otherwise assist any such Company, and to sell, hold, re-issue with or without guarantee or otherwise deal with such cash or securities and to form, constitute or promote any other company or companies for the purpose of acquiring all or any of the properties, rights, and liabilities of this company or for any other purpose which may seems directly calculated to benefit the company.
47. To remunerate any person or company in cash or otherwise howsoever for services rendered or to be rendered in placing or assisting to place or guaranteeing the placing of any debentures or other securities of the company, and to adopt, become bound by and carry into effect, any agreement or arrangement which may have been entered into for or on behalf of the Company.
48. To appoint Agents and Manager and constitute branches or agencies of the Company in any part of the world and conduct business through such agencies or branches.

49. To pay all or any of the costs charges and expenses preliminary and incidental to the formation, establishment and registration of the Company.
50. To carry on and undertake any business, undertaking, transaction, agency or otherwise or operations, commonly carried on or undertaken by promoters, contractors, merchants, agents and representatives. In connection with the aerial transport, aviation, aviation equipments and instruments, appliances, equipments or other articles generally or commonly used in connection with transport by air, water or surface.

**(C) OTHER OBJECTS:**

51. To guarantee the payment of money unsecured or secured by or payable under or in respect of promissory notes, bonds, debentures, debenture stock, contracts, mortgages, charges, obligations, instruments and securities of any company or of any authority, supreme, municipal, local or otherwise or of any person whomsoever whether incorporated or not incorporated.
52. To promote or finance or to assist in the promotion or financing of business undertaking and industries of any description either existing or new and to develop and form the same.
53. To effect as agents, representatives and dealers in respect of transport by air, sea, water or surface.
54. To advance moneys to shareholders and persons having interest in the Company and other upon security of and for the purpose of enabling the person borrowing the same to erect, purchase, enlarge or repair any dwelling house or business premises or to purchase the fee simple or less estate or interest in, or to take a demise for any term or terms of years of any freehold or leasehold property in India upon such terms as the Company may think fit.
55. To buy, sell, import, export, prepare for market and deal in merchandise of all kinds and generally to carry on business as merchants, importers and exporters.
56. To develop the resources of and turn to account any lands and any rights over or connected with land and buildings belonging to or in which the Company is interested and in particular by clearing, draining, fencing, planting, cultivating, building, improving, reclaiming, farming, irrigating and establishing towns, villages and settlements.
57. To carry on the trades or business or manufacturers, dealers, import and export, retail or wholesale, agents, in all chemicals related products, plastics, petro-chemicals, drugs, essences, acids, alkalis, pharmaceutical and medicinal preparations, chemical, industrial or other preparations and things of any kind whatsoever, compounds, cements, oils, paints, pigments, varnishes, drugs and medicines, electrical, electronical, photographic, surgical scientific or other apparatus and instruments, materials of any similar or allied nature or in financing any of these business.
58. To carry on the business of manufacturers, dealers in rubber, automobile tyres, and tubes and other spare parts required for automobile industry, synthetic, rubber, India rubber, leather, imitation leather cloth, plastics, oil cloth, linoleum and water proof articles.

**IV. The Liability of the Members is limited.**

- \*V.** The Authorised Share Capital of the Company is Rs. 25,00,00,000/- ( Rupees Twenty Five Crores only) divided into 4,00,00,000 ( Four Crores ) Equity Shares of Rs. 5/- each ( Rupees Five only) each and 10,00,000 ( Ten lacs ) Redeemable Cumulative Preference Shares of Rs. 50/- each ( Rupees Fifty only), and such capital may be issued upon such terms and



conditions appropriate subject, however, to the provisions in the Companies Act, 1956 and in the Articles of Association of the Company and with the authority and liberty to the Directors of the Company to substitute / or to cancel any part of such share capital, with powers to convert and / or reconvert the same or any part thereof into any shares at any time, and from time to time, and to increase, reduce or modify the aforesaid capital and to divide, subdivide, classify and re-classify all or any of the shares in the capital of the Company, from the time being from shares of one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions, or restrictions as may be determined by the Company in accordance with the Articles of Association of the Company, and to vary, modify and abrogate any such rights, privileges, conditions, or restrictions in such manner and by such persons as may, for the time being, be permitted under the provisions of the Articles of Association of the Company or legislative provisions, for time being in force in the behalf shares or any new shares hereafter to be created may from time to time be divided into shares of several classes in such manner as the Articles of Association of the Company may prescribe or allow and so that the shares of each class may have or confer such preferred or other special rights and privileges and may be issued under such restrictions and conditions whether in regard to dividend return of capital or otherwise, as shall have been assigned thereto by or under the provisions of the Articles of Association but so that the special rights or privileges belonging to holders of any shares, issued with preferred or other rights shall be varied or abrogated or affected except with such sanction as is provided for by the Articles of Association of the Company for the time being.

**\*Equity Shares of Rs. 10.00 reduced to each of Rs. 5.00 paid-up w.e.f. 15th Nov., 2001 as per High Court, Bombay Order dated 13th June, 2001.**



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

Name, address, description and occupation of each Subscriber	Number of equity shares taken by each Subscriber	Signature of Subscriber	Signature of witness and his name address description and occupation
<b>BALDEV RAJ TANEJA</b> C/o. Late Shri. T.R. Taneja 23/1, Bundgarden Road, Pune - 411 001. Occupation : Industrialist	100 Equity Shares	Sd/-	Sd/- <b>SANJAY DHRUVA</b> S/o. Girdhar Dhruva 3rd Floor, Flat No. 14, Al Karim Manzil 15, Platon Road, Bombay - 460 001. Chartered Accountant
<b>JAGDISH PRASAD SUREKA</b> C/o. Parmeswarlal Sureka 64, Beadon Street, Calcutta - 700 006 Occupation: Industrialist	100 Equity Shares	Sd/-	
<b>ASHOK KUMAR JAIN</b> C/o. Late Misrilal Jain P.O. No. Chaibasa, Bihar - 833 201 Occupation : Industrialist	100 Equity Shares	Sd/-	
<b>TANMAY DATTA</b> C/o. Late B.N. Datta, 63/4, Koregaon Park, Pune - 411 001. Occupation : Company Executive	100 Equity Shares	Sd/-	
<b>GAUTAMATHA</b> C/o. Lalji Khatauatha 501, Hill Queen, Pali Mala Road, Pali Hill, Bandra, Bombay - 400 050 Occupation: Industrialist	100 Equity Shares	Sd/-	
<b>BALAJI TUBES PRIVATE LTD.</b> 6E Ramabai Ambedkar Road, Pune - 411 001 . Occupation: Company	100 Equity Shares	Sd/-	
<b>RAJIV GOEL</b> C/o. Shivnath Goel, III,1202, Shangrila Apartment, 31, Bundgarden Road, Pune - 411 001. Occupation : Company Executive	100 Equity Shares	Sd/-	
TOTAL :	700 Equity Shares		

Bombay: Dated 30th March 1988.

**THE COMPANIES ACT, 1956**  
**COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
  
**OF**  
  
**TANEJA AEROSPACE AND AVIATION LIMITED**

**Regulations in Table 'A' apply to the extent they are not inconsistent with Articles**

**Interpretation Clause :**

1. The Regulations contained in Table "A" of Schedule I to the Act, shall apply in so far as and to the extent they are not inconsistent with any of the provisions of these Articles.
2. In the interpretation of these Articles the following expressions shall, unless repugnant to the subject or context, have the meanings hereby respectively assigned to them.

**The Company**

- (a) "The Company" means **TANEJA AEROSPACE AND AVIATION LIMITED**

**The Act**

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

**The Articles**

- (c) "The Articles" means the Articles of Association of the Company, including the amendments made thereto from time to time.

**Auditors**

- (d) "Auditors" means and includes those persons appointed as such for the time being of the Company.

**Board or Board of Directors**

- (e) "Board" or "Board of Directors" means Board of Directors of the Company, duly constituted, consisting of the Directors collectively and also includes a meeting of the Board, duly called and constituted, or as the case may be, the Directors assembled at a Board or the requisite number of Directors entitled to pass a circular resolution in accordance with the Articles or the Directors of the Company collectively.

**Capital**

- (f) "Capital" means the capital for the time being raised, or authorised to be raised, for the purpose of the Company.

**Debentures**

- (g) "Debentures" includes Debenture stock, bonds and any other securities of the Company or any other company, as the case may be.

**Directors**

- (h) "Directors" means the Director or Directors as the case may be, for the time being of the Company, as the case may be.

**Dividend**

- (i) "Dividend" includes bonus.

**Documents**

- (j) "Documents" include summons, notice, requisitions, order, other legal process and registers, whether issued, sent or kept in pursuance of the Act, or any other law or these Articles or otherwise.

**Executor or Administrator**

- (k) "Executor" or "Administrator" means a person who has obtained probate as letters of administration as the case may be, from a competent court.

**In writing and Written**

- (l) "In-writing" and "Written" include printing, lithography and other modes representing or reproducing words in a visible form.

**Members**

- (m) "Member" or "Members" means duly registered holder or holders, from time to time, of the shares in the Company and includes the subscribers to the Memorandum and Articles.

**Memorandum**

- (n) "Memorandum" means the Memorandum of Association of the Company.

**Meeting or General Meeting**

- (o) "Meeting" or "General Meeting" means a General Meeting of the Members and or any adjourned holding thereof.

**Annual General Meeting**

- (p) "Annual General Meeting" means a General Meeting held in accordance with the provisions of Section 166 of the Act.

**Extra-Ordinary General Meeting**

- (q) "Extra-ordinary General Meeting" means an Extra-ordinary General Meeting duly called and constituted and any adjourned holding thereof.

**Month**

- (r) "Month" means a calendar month.

**Office**

- (s) "Office" means the Registered Office for the time being of the Company.

**Ordinary Resolution**

- (t) "Ordinary Resolution" shall have the meaning assigned thereto by Section 189 of the Act.

**Paid-up**

- (u) "Paid-up" includes credited as paid-up.

**Proxy**

- (v) "Proxy" means an instrument whereby any person is authorised to vote for a Member at the General Meeting on a poll.

**Register of Members**

- (w) "The Register of Members" means the Register of Members to be kept pursuant to Section 150 of the Act.

**The Registrar**

- (x) "The Registrar" means the Registrar of Companies, having jurisdiction in the area in which the office of the Company is, for the time being, situated.

**Secretary**

- (y) "Secretary" means an individual appointed to perform the duties which may be performed by a Secretary under the Act, and any other ministerial or administrative duties and includes a deputy or assistant Secretary.

**Seal**

- (z) "Seal" means the common seal for the time being of the Company.

**Shares**

- (aa) Shares means the shares or stocks into which the capital in the Company is divided the insert corresponding with such shares or stocks except where a distinction between stocks and shares is expressed or implied.

**Special Resolution**

- (ab) "Special Resolution" shall have the meaning assigned thereto by Section 189 of the Act.

**Year and Financial year**

- (ac) "Year" means calender year and 'Financial Year' shall have the meaning assigned thereto by Section 2(17) of the Act.

**Reference to provisions of the Act**

- (ad) "A" reference in the Articles to any specific provision of the Act, shall be deemed to include a reference to any other applicable provisions of the Act.

**Gender**

- (ae) Words importing the masculine gender also include the feminine, gender.

**Singular Number**

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

**Marginal Notes and Catch Lines**

- (ag) The marginal notes and catch lines hereto shall not affect the construction hereof.

**Promoters**

- (ah) "Promoters" shall mean "Promoters" as defined in sub section (h) section (2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

(Inserted vide Special Resolution passed at the Extra Ordinary General Meeting of the Members of the Company held on 1st August 2005)

**Words defined in the Act to bear the meaning in the Articles**

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

(Renumbered vide Special Resolution passed at the Extra Ordinary General Meeting of the Members of the Company held on 1st August 2005)

### **Capital and increase and reduction in capital**

3. The Authorised Share Capital of the Company is Rs. 25,00,00,000 ( Rupees Twenty Five Crores only) divided into 4,00,00,000( Four Crores ) Equity Shares of Rs. 5/- each ( Rupees Five only) each 10,00,000 ( Ten lacs) Redeemable Cumulative Preference Shares of Rs. 50/- each ( Rupees Fifty only), and such capital may be issued upon such terms and conditions appropriate subject, however, to the provisions in the Companies Act, 1956 and in the Articles of Association of the Company and with the authority and liberty to the Directors of the Company to substitute / or to cancel any part of such share capital, with powers to convert and or re-convert the same or any part thereof into any shares at any time, and from time to time, and to increase, reduce or modify the aforesaid capital and to divide, sub-divide, classify and re-classify all or any of the shares in the capital of the Company, from the time being from shares of one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions, or restrictions as may be determined by the Company in accordance with Articles of Association of the Company, and to vary, modify and abrogate any such rights, privileges, conditions, or restrictions in such manner and by such persons as may, for the time being be permitted under the provisions of the Articles of Association of the Company or legislative provisions, for time being in force in the behalf.

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

4. (1) The Company in General Meeting may, from time to time, increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued upon such terms and conditions, and with such rights and priveleges annexed thereto, as the General Meeting shall, resolving upon the creation, direct and if no direction be given, as the Directors shall determine and in particular, such shares may be issued with a preferential or qualified right to dividends and in distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Sections 87 and 88 of the Act.
- (2) Whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.

### **New Capital to be part of the existing capital**

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 payments of calls and instalment, forfeiture, lien, surrender, transfer and transmissions, voting or otherwise.

### **Further issue of capital**

6. (1) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier it is proposed to increase the subscribed capital of the Company by allotment of further shares whether out of unissued share capital or out of increased share capital :
  - (a) such further shares shall be offered to the persons who, at the date of the offer, are holders of the Equity Shares of the Company in proportion, as nearly as circumstances admit, to the capital paid-up on those shares at that date ;
  - (b) such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer if not accepted, will be deemed to have been declined;
  - (c) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them favour of any other person and the notice referred to in sub-clause (b) hereof shall contain as statement of this right, provided that the Board may subject to the provisions of any law decline, without, assigning any reasons, to allot any shares to any person in whose favour a member may renounce the shares offered to him.

- (d) after the expiry of the time specified in the aforesaid notice, or on receipt of, earlier intimation from the person to whom such notice is given that he decline to accept the shares offered, the Board may dispose them of in such manner as they think most beneficial to the Company.
- (2) Notwithstanding anything contained in Clause (1) hereof, the further shares aforesaid may be offered to any persons whether or not those persons include the persons referred to in sub-clause (a) of Clause (1) hereof in any manner whatsoever;
  - (a) if a special resolution to that effect is passed by the Company in General Meeting ; or
  - (b) where no special resolution is passed, by the votes cast ( whether on 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 to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast the proposal by members so entitled and voting the Central Government is satisfied, on an application made by the Board in this behalf, that the proposal is most beneficial to the Company.
- (3) Nothing in sub-clause (c) of Clause(1) hereof shall be deemed :
  - (a) to extend the time within which the offer should be accepted; or
  - (b) to authorise any person to exercise the right of renunciation for a second time, on the ground that the person whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
- (4) Nothing in this Articles shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued of loans raised by the Company:
  - (i) to convert such debentures or loans into shares in the Company; or
  - (ii) to subscribe for shares in the Company provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term;
    - (a) either has been approved by the Central Government before the issue of the debentures or raising of the loans or is conformity with the rules, if any, made by that Government in this behalf; and
    - (b) in the case of the debentures or loans other than debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the debenture or the raising of the loans.

**Share Capital to stand increased where an order is made under Section 81(4)**

- (5) (i) notwithstanding anything contained in these Articles, where the Central Government has, by an order made under sub-section (4) of Section 81 directed that any debenture or loan or any part thereof shall be converted into shares in the Company, the conditions contained in the Memorandum of the Company shall, where such order has the effect of increasing the nominal share capital of the Company, stand altered and the nominal share capital of the Company shall stand increased by an amount equal to the amount of the value of the share into which such debentures or loans or part thereof has been converted.
- (ii) where, in pursuance of an option attached to debentures issued or loans raised by the Company, any Public Financial Institution proposes to convert such debentures or loans into shares in the Company, the Central Government on the application of such Public Financial Institutions, by an order made under sub-section (4) of Section 81, directs that such debenture or loans shall be converted in to shares in the Company the conditions contained in the Memorandum of the Company shall, where such order has the effect of increasing the nominal share capital of the Company, stand altered and the nominal

share capital of the Company shall stand increased by an amount equal to the amount of the value of the shares into which such debentures or loans or part thereof has been converted.

- (6) Without prejudice to the provisions of these Articles and pursuant to the provisions of Section 81 of the Act, it shall be lawful for the Company to issue further shares as the Board thinks fit either at par or at a premium ( if necessary, by increasing the authorised capital of the Company ) in favour of any Financial Institution, bank or any other person against conversion of such part of the loans / debentures as carry a right of conversion stipulated by such Financial Institution, bank or other person and allot such shares without any further act, on the part of the share holders and such Financial Institution, bank or other person. Such shares shall rank pari passu with the existing Equity Shares in the Company except for payment of dividend which will be on a proportionate basis, having regard to the time for which the amount on such share is paid-up and the amount paid thereon.

#### **Issue of Warrants / Other Instruments**

- 6A. Company may from time to time create, offer, issue and allot Warrant(s) and / or any other Instrument(s), which may entitle the holders thereof to Equity and / or Preference Shares of the Company in such manner, on such terms and conditions and on such price as may be decided by the Company or by the Board of Directors of the Company in accordance with the relevant statutory provisions for the time being in force and the provisions of Clause 6 regarding further issue of Capital shall apply mutates mutandis to issue of such Warrant(s) and / or other Instrument(s).

(Inserted vide Special Resolution passed at the Extra Ordinary General Meeting of the Members of the Company held on 17th April 2006)

#### **Issue of Employee Stock Option**

- 6B. Company may from time to time create, offer issue and allot stock options to the Directors, Officers or employees of the Company which gives them the benefit or right to purchase or subscribe at a future date, Equity and / or Preference Shares and / or other Instruments offered by the Company at such price, in such manner, on such terms and conditions as may be decided by the Company or by the Board of Directors of the Company in accordance with the relevant statutory provisions for the time being in force.

(Inserted vide Special Resolution passed at the Extra Ordinary General Meeting of the Members of the Company held on 17th April 2006)

#### **Application of premium received on shares**

7. (1) Where the Company issues shares at a premium whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those shares shall be transferred to an account to be called "THE SHARE PREMIUM ACCOUNT" and the provisions of the Act, relating to the reduction of the share capital of Company shall except as provided in this Clause; apply as if the Share Premium Account were paid-up share capital of the Company.
- (2) The Share Premium Account may, notwithstanding anything contained in Clause (1) hereof, be applied by the Company:
- (a) in paying up unissued shares of Company to be issued to the Members as duly paid bonus shares ;
  - (b) in writing off the preliminary expenses of the Company;
  - (c) in writing off the expenses of or the commission paid or discount allowed on any issue of shares in or debentures of the Company ; or
  - (d) in providing for the premium payable on the redemption of any redeemable Preference shares in, or of any debenture of the Company.



### **Reduction to Capital**

8. The Company may (subject to the provisions of Sections 78, 80 and 100 to 105, 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 at again or otherwise. The Article shall not derogate from any power the Company would have, if it were omitted.

### **Consolidation, division, sub-division and cancellation of shares**

9. (1) Subject to the provisions of the Section 94 of the Act, the Company in General Meeting may, from time to time alter the conditions of its Memorandum for all or any of the following purposes.
- (a) to consolidate and divide all or any of its capital into shares of larger amount than its existing shares ;
  - (b) to sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however that in the sub-division the proportion between the amount paid on the amount, if any, unpaid, on each reduced shares shall be the same as it was in the case of the share from which the reduced shares is derived;
  - (c) to cancel any shares which, at the date of passing of the resolution, have not been taken or agreed to be taken by any persons and diminish the amount of its share capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this sub-clause shall not be deemed to be reduction of share capital within the meaning of the Act.
- (2) Whenever the Company shall do anyone or more of the things provided for in the foregoing sub-clause (a), (b) and (c) the Company shall, within thirty days thereafter, give notice thereof to the registrar as required by Section 95 of the Act, specifying, as the case may be, the shares consolidated, divided, sub-divided or cancelled.

### **Modification of rights of Shareholders**

10. (1) Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into different class of the shares, all or any of the rights and privileges attached to each class may, subject to the provision of Section 106 and 107 of the Act, be varied, modified, commuted, affected or abrogated or dealt with by the Company with the consent in writing of the holders of not less than three-fourths of the issued capital of that class or with the sanction of a special resolution passed at a, separate General Meeting of the holders of shares of that class, and all the provisions hereinafter contained as to General Meeting shall, mutatis mutandis, apply to every such meeting. This Article is not to derogate from any power the Company would have if this Article were omitted .
- (2) The rights conferred upon the holders of the shares ( including Preference Shares if any) of any class issued with preferred or other rights or privileges shall, "unless otherwise expressly provided by the terms of the issue of shares" of that class, be deemed not to be modified, commuted, affected abrogated, dealt with or varied by the creation or issue of further shares ranking pari passu therewith.

### **Shares at a discount**

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

## SHARES AND CERTIFICATES

### Shares under control of Board of Directors

12. 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 ) in the capital shall be under the control of the Board of Directors who may allot or otherwise dispose of the same to such persons on such terms and conditions and at such time as the Board of Directors think fit and with full power to give any person the option to call for or be allotted shares of any class of the Company either at a premium or at par or ( subject to the provisions of Section 79 of the Act) at a discount and for such time and for such consideration as the Board of Directors think fit.

Provided that option or right to call on shares shall not be given to any person or persons except with the sanction of the Company in General Meeting.

### Power also to Company in General Meeting to issue shares

13. In addition to and without derogating from the powers for that purpose conferred on the Board under Article 12, the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any shares ( whether forming part of the original capital or of any increased capital of the Company ) be offered to such persons ( whether members or not ) in such proportion and on such terms and conditions and either at a premium or at par or at a discount ( subject to compliance with the provisions of Section 78 and 79 of the Act ), at such General Meeting shall determine and with full power to give any person, whether a member or not the option to call or be allotted shares of any class of the Company either at a premium or at par or at discount ( subject to compliance with the provisions of Section 78 and 79 of the Act, ) such option being exercisable at such time and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provisions whatsoever for the issue, allotment or disposal of any such shares.

### Redeemable preference Shares

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

### Rights and privileges of Preference Shareholders

15. (a) The Cumulative Redeemable Preference Shares ( hereinafter called "Preference Shares" ) shall unless the terms of issue thereof otherwise provide, subject as hereunder provided, confer on the holders thereof the following rights and privileges, that is to say:
- (i) The right to a Cumulative Preferential dividend at such rate as may be prescribed by the terms of issue of such shares, on the share capital for the time being paid-up thereon, free of Company's income-tax but subject to deduction of taxes at source at the rate or rates prescribed from time to time.
  - (ii) The right in the event of winding up to payment of such capital and arrears of dividend, whether earned, accrued, declared or not, down to the commencement of the winding up, in priority to the Equity Shares but shall not confer any further right to participate in profits or assets.
- (b) Subject to the provisions of Section 80 of the Act, and unless otherwise determined by the terms of the issue thereof the following provisions shall apply in regard to the redemption either in full or in part of the Preference Shares:
- (i) The Company may, at any time after 12 years but in any event not later than 15 years from the date of allotment of the shares, apply any profits or moneys of the Company which may be lawfully applied for the purpose in the redemption either in full or in part, of the preference shares at par, together with a sum equal to arrears of the dividend thereon down to the date of redemption;
  - (ii) In the case of any partial redemption under Clause (b) (i) of this Article, the Company shall, for the purpose of ascertaining the particular shares to be redeemed, cause a

drawing to be made at the Registered Office of the Company or at such other places as the Directors may decide, in the presence of a representative of the Auditors;

- (iii) Forthwith after every such drawing, the Company shall give to the holders of the shares drawn for redemption, a notice in writing of the Company's intention to redeem the same, fixing a time ( not less than three months thereafter) and the place for the redemption and surrender of the shares to be redeemed;
  - (iv) At the time and place so fixed each holder shall be bound to surrender to the Company the certificate for his shares to be redeemed and the Company shall pay to him the amount payable in respect of such redemption and where any such certificate comprises any shares which have not been drawn for redemption, the Company shall issue free of charge, the holders thereof a fresh certificate therefor;
  - (v) Any of the Preference Shares not previously redeemed under the foregoing provisions shall, unless the terms of issue prescribed otherwise, be redeemed at the expiry of 15 years from the date of allotment thereof at par together with all arrears of dividend thereon upto the date of payment.
- (c) Subject to the provisions of this Article the Company shall be entitled to create or issue further Preference Shares ranking in all or any respect pari passu with the then existing and outstanding, Preference Shares issued for the time being and outstanding, provided that in the event of its creating and or issuing Preference Shares in future, ranking pari passu with the then existing and outstanding Preference Shares or part thereof, the Company would do so only with the consent of the holders of not less than three fourths of the Preference Shares then outstanding.
  - (d) The Preference Shares shall not confer on the holders thereof the right to vote either in person or by proxy at any General Meeting of the Company save to the extent and in the manner provided by Section 87(2) of the Act.

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

16. On the issue of Preference Shares under the provisions of the immediately proceeding article 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 fresh issue of shares made for the purpose of redemption.
  - (b) No such shares shall be redeemed unless they are fully paid.
  - (c) The premium, if any, payable on redemption shall have been provided for from and out of the profits of the Company or from and out of the company's Share Premium Account before the shares are redeemed.
  - (d) Where any such shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall, out of the profits which would otherwise have been available for dividend be transferred to a reserve fund to be called " The Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed and provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid-up Share Capital of the Company.
  - (e) Subject to the provisions of Section 80 of the Act the redemption of Preference Share hereunder may be effected in accordance with the terms and conditions in these Articles or by the terms of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit.
  - (f) The rights, privileges and conditions for the time being attached to the Preference Shares may be varied, modified or abrogated in accordance with the provisions of these Articles and of the Act.

**Restriction on allotment of shares**

17. If the Company shall offer any of its shares to the public for subscription :

- (1) no allotment thereof shall be made unless the amount stated in the prospectus as the minimum subscription has been subscribed, and the sum payable on application there of has been paid to and received by the Company but this provision shall no longer apply after the first allotment of shares offered to the public for subscription; and
- (2) the amount payable on application on each share shall not be less than 5 percent of the nominal amount of the share.

**Register and Index of Members**

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

**Branch Register etc., may be kept in any State or outside India**

19. The Company shall be entitled to keep in any State or Country outside India a branch Register of Members resident in that State or Country.

**Shares to be numbered progressively and no share to be sub-divided**

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

**Share Certificates Single Allottees**

21. (I) (1) Every member or allottee of shares shall be entitled, without payment, to receive one certificate specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid-up thereon.
- (2) Such certificate shall be issued only in pursuance of a resolution passed by the Board on surrender to the Company of its letter of allotment or its fractional coupons of requisite value save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares.
- (3) Subject to the provisions of the Companies ( Issue of share Certificates ) Rules, 1960, every such certificate shall be issued, under the Seal of the Company, which shall be affixed in the presence of :
- (i) two Directors or persons acting on behalf of the directors under a duly registered power of attorney; and
  - (ii) the secretary or some other person appointed by the Board for that purpose.
- The two Directors ( including the Managing Director ) and the Secretary or other person shall sign the share certificate.
- Provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing Director or a Whole-time Director.
- (II) (1) Any two or more joint allottees of a share shall, for the purpose of this Article be treated as a single Member, and the certificate of any share, which may be subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them.
- (2) For any further certificates the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupee One.
- (III) (1) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means.
- (2) 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.
- (3) The Company shall comply with the provisions of Section 113 of the Act.

### **Renewal of Share Certificates**

22. (1) No Certificate of any share or shares shall be issued either in exchange for those which are defaced, torn or old, decrepit, worn out or where the cages on the reverse for recording transfers have been fully utilised, unless the Certificate in lieu of which it is issued is surrendered to the Company.
- PROVIDED THAT no fee shall be charged for issue of new certificates in replacement of those which are defaced, torn, or old decrepit or worn out or where the cages on the reverse for recording transfers has been fully utilised.
- PROVIDED FURTHER THAT in case of any Share Certificate being lost or destroyed the Company may issue a duplicate Certificate in place of the Certificate so lost or destroyed on such terms as to evidence, out of pocket expenses in regard to investigation of such evidence and indemnify as the Board may determine.
- (2) When a new share certificate has been issued in pursuance of this Article, it shall state on the face of it against the stub or counterfoil to the effect that it is " duplicate issue in lieu of share certificate no ....." The word "duplicate" shall be stamped or punched in bold letters across the face of the share certificate.
- (3) Where a new share certificate has been issued in pursuance of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificate 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 references in the "Remarks" column.
- (4) The Company shall not make any charge for:
- (i) registration of transfer of its shares and debentures;
  - (ii) for sub-division and consolidation of share and debenture certificates and for sub-division of letters of allotment and split, consolidation into denominations corresponding to the market units of trading.

### **Safe custody of blank shares forms, books, etc.,**

23. (1) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board.
- (2) 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 such other person as the Board may appoint for the purpose.
- (3) The Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
- (4) The Managing Director of the Company for the time being, or if the Company has no Managing Director, every Director of the Company and the Secretary, if any shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates except the blank forms of share certificates referred to in Clause (3). All books referred herein shall be preserved in good order permanently.

### **The first named joint holders deemed sole-holder**

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

PROVIDED THAT no more than four persons shall be registered as joint holders of any share, Provided further that in case of death of one or more joint holders, the survivor or survivors of them shall be the only person or persons entitled to the shares unless the Board shall, on request of the

survivor/s, decide to recognise the legal representatives of the deceased joint holder as the persons entitled to the shares jointly with the survivor/s.

**Company not bound to recognise any interest in share other than that of the registered holder**

25. Except as ordered by a Court of competent jurisdiction and except to the extent and in the manner and for purposes laid down under section 153B or Section 187B or 187C of the Act, or as by law required, the Company shall not be bound to recognise, even when having notice thereof and equitable, contingent, future or partial interest in any share or ( except only as is by these Articles otherwise expressly provided) any right in respect of a share other than in absolute right thereto, in accordance with these Articles, in the persons from time to time registered as the holder thereof.

**Commission may be paid**

26. 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 subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in or debentures of the Company, for procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in or debentures of the Company, but so that the commission shall not exceed in the case of shares 5 percent of the price at which the shares are issued and in case of debentures 2.5% ( 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 debentures as the case may be or partly in one way and partly in the other.

**Brokerage**

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

**Interest out of Capital**

28. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works buildings, or the provisions 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 by way of interest to capital as part of the cost of construction of the work or building or the provision of the plant.

**Funds of Company may not be applied in the purchases of shares of the Company**

29. 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 shares in the Company in its holding Company save as provided by Section 77 of the Act.

**CALLS**

**Directors may make calls**

30. (1) 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 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 persons and at the times and places appointed by the Board.
- (2) A call may be revoked or postponed at the discretion of the Board.
- (3) A call may be made payable by installments.

**Restrictions on power to make calls**

31. Unless the terms of issue of shares otherwise provide, no call shall exceed one-fourth of the nominal amount of the share or be made payable within two months after the last preceding call was payable.

**Notice of calls**

32. Fourteen days notice at the least of any calls shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.

**Calls to date from Resolution**

33. 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.

**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 may extend such time as to all or any of the Members whom, for reason of 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 Members 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.

**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 purpose of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified, but nothing in this Article shall render obligatory for the Board to demand or recover any interest from any such Member.

**Payment in anticipation of calls may carry interest**

38. (1) (a) The Board may, if it thinks fit, agree to receive from Members willing to advance the same all or any part of the amounts of their respective shares beyond the sums actually called up, and upon the moneys so paid in advance, or upon so much thereof, from time to time and at any time thereafter, as exceed the amount of the calls then made upon and due in respect of, the shares on account of which such advances are made, the Board of Directors may pay or allow interest, at such rates as the Member paying the sum in advance and the Board of Directors agree upon;
- Provided that any amount paid-up in advance of calls on any shares shall not in respect thereof confer a right to dividend or to participate in profits.
- (b) The Board of Directors may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Members three month's notice in writing.
- (2) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would, but for the such payment, become presently payable.

**LIEN**

**Company shall have lien on Shares**

39. (1) Company shall have a first and paramount lien, upon all the shares ( other than fully paid-up shares ) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys ( whether presently payable or not ) called or payable at a fixed time in respect of such shares and no equitable interest in any share shall be created except upon the footing and condition that Article 26 hereof will have full

effect. And such lien shall extend to all dividends and bonus from time to time declared in respect of such shares. Unless otherwise agreed registration of a transfer of shares will operate as a waiver for the Company's lien if any on such shares. The Directors may at any time declare any shares wholly or in part to be exempt from the provisions of this clause.

- (2) Fully paid shares shall be free from all lien and that in the case of partly paid shares, the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

#### **Enforcement of lien on sale**

40. (1) 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 number to execute a transfer thereof on behalf of and in the name of such Member.
- (2) No sale shall be made until such period as aforesaid shall have arrived, and until notice in writing of the intention to sell shall have been served on such Member or his representatives and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after service of such notice.

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

41. 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 exist as is presently payable and the residue, if any, shall ( subject to a lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

### **FORFEITURE OF SHARES**

#### **Notice to Member if money payable on share not paid**

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

#### **Sum payable upon allotment to be deemed a call**

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

#### **Term of notice**

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

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

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

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

46. If the requirements of any such notice as stated in Article 44 shall not be complied with, every or any shares in respect of which such notice has been given may, at any time thereafter before



payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.

**Notice of 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 no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

**Forfeiture share to be property of the Company and may be disposed**

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

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

49. (1) Any Member whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay shall forthwith pay to the Company, on demand, all calls, installment interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment at such rate, not exceeding nine percent per annum, as the Board may determine and the Board may enforce the payment thereof, if thinks fit;
- (2) The liability of such person shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares.

**Effect of forfeiture**

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

**Validity of sale after forfeiture or enforcing lien**

51. (1) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board of Directors may appoint some person to execute an instrument of transfer of the shares sold and may cause the purchaser's name to be entered in the Register of Members in respect of the shares sold.
- (2) Upon any such sale-reallotment or other disposal under the above clause as aforesaid, the certificate or certificates originally issued in respect of the shares sold shall ( unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of effect, and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

**Evidence of forfeiture**

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

**Power to annul forfeiture**

53. (1) A duly verified declaration in writing that the declarant is a Director, the Managing Director or the whole-time Director or the Manager or Secretary of the Company, and that a share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
- (2) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.

- (3) The person to whom such share is sold, re-allotted or disposed of shall there upon be registered as the holder of the share.
- (4) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay any calls, amounts, installments, interest and expenses owing to the company prior to such purchase or allotment nor shall be entitled ( unless by express agreement ) to any of the dividends, interest or bonus accrued or which might have accrued upon the share before the time of completion of such purchase or before such allotment.
- (5) Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share.

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

54. Provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the term of issue of a share becomes payable at a fixed time whether on account of the nominal value of a share or by way of premium, as if said sum had been payable by virtue of a call duly made and notified.

**Cancellation of share certificates in respect of forfeited share**

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

**Acceptance of Shares**

56. (1) Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles.
- (2) Every person who thus or otherwise accepts any shares and whose name is in the Register of Members shall for the purpose of these Articles, be a Member.

**Deposit and calls etc., to be debt payable immediately**

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

**Liability of Members**

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

**TRANSFER AND TRANSMISSION OF SHARES**

**Form of Transfer**

59. The instrument of transfer of any share shall be in writing in the form prescribed pursuant to Section 108 (1A) of the Act.

**Provisions of Section 108 to be complied with**

60. The Company, the transferor and the transferee of the shares shall comply with the provisions of sub-section (1), (1A) and (1B) of Section 108 of the Act.

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

61. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by the relative share certificates and such evidence as the Board may require to prove

the title of the transferor, his right to transfer the shares and generally under and subject to such conditions and regulations as the Board shall from time to time prescribe and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board of Directors, subject to the provisions of law.

#### **Application for Transfer**

62. (i) an application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee ;
- (ii) where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee in the manner prescribed by Section 110 of the Act, and the transferee makes no objection to the transfer within two weeks from the receipt of the notice;
- (iii) for the purpose of sub-clause (ii) above, notice to the transferee shall be deemed to have been duly given if it is despatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered in the ordinary course of post.

#### **Form of Transfer to be executed by Transferor or Transferee**

63. Every such instrument of transfer duly stamped shall be executed by or on behalf of both the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Member in respect thereof.

#### **Instrument of Transfer to be left at Office when to be retained**

64. Every instrument of transfer before delivery thereof to the Company, be dated, stamped and executed with the date of presentation of the instrument ( same as provided in Section 108 of the Act ) to the proper authorities, duly engrossed thereon and shall thereafter be left at the office for registration accompanied by the certificate of the share to be transferred or, if no such certificate is in existence, by the Letter of Allotment of the share and such other evidence as the Board may require to prove the title of the transferor or his right to transfer the share. Every instrument of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Board may refuse to register shall be returned to the person depositing the same.

#### **Company not liable for disregard of notice prohibiting registration of a transfer**

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

#### **Insolvency or liquidation of one or more joint holders of shares**

66. In the case of insolvency or liquidation of anyone or more of the persons named in the Register of Members as the joint -holders of any share, the remaining holder or holders shall be the only person or 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 the person under insolvency or liquidation from any liability on shares held by him, jointly with other person or persons.

#### **Transfer by Legal Representative**

67. A transfer of a share in the Company of a deceased member made by his legal representative shall, although the legal representative, is not himself a member, be valid as if he had been a member

at the time of the execution of the instrument of transfer.

**Transfer Books of shares and debentures when closed**

68. The Board shall have power on giving seven days previous notice by advertisement in some newspaper circulating at the place where the Registered Office is located to close the Transfer Books, the Register of Members or Register of Debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty five days in each year, as it may seem expedient.

**Directors right to refuse registration of transfer**

69. The Directors may, at any time in their own absolute and uncontrolled discretion and without assigning any reasons or grounds, decline to register or acknowledge any transfer of any share and in particular may so decline in case in which the Company has a lien upon the shares desired to be transferred or any call or instalment regarding any of them remains unpaid.

PROVIDED THAT registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except in case of a lien on shares on account of unpaid call money.

PROVIDED THAT nothing herein shall preclude the Board from refusing to register, transfer of any share in favour of any person of whom the Board of Directors do not approve irrespective as to whether or not such a person is already an existing member of the Company.

**Notice of refusal to be given to Transferor and Transferee**

70. If the Company refuses to register the transfer of any shares or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with Company send notice of refusal to the transferee and the transferor or to the person giving intimation as the case may.

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

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

**Title of shares of deceased member**

72. The executors or administrators of a deceased member or the holder of succession certificate or the legal representatives in respect of the shares of a deceased member ( not being one of two joint holders ) shall be the only person recognised by the Company as having any title to the shares registered in the names of such members, and the Company shall not be bound to recognise such executors or administrators or holders of a succession certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be, from a duly constituted court or other competent authority in the Union of India provided that in any case where the board in its absolute discretion thinks fit, the Board may, upon such terms as to indemnity or otherwise as the Board may deem proper, dispense with production of Probate or Letters of Administration or Succession Certificate and register under these Articles the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member.

**Registration of persons entitled to shares otherwise than by transfer**

73. Any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency, liquidation or winding up, as the case may be, of any member or by any lawful means other than by transfer in accordance with these Articles, may with the consent of the Board ( which it shall not be under obligation to give ) upon producing such evidence that he sustains the character in respect of which he proposes to act, under these articles, or of his title as the Board shall require and upon giving such indemnity as the Directors shall require either be registered as a member in respect of such shares or elect to have some person nominated by him and approved by the Board registered as a member in respect of such shares. PROVIDED NEVERTHELESS

THAT if such person shall elect and have his nominee registered, he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and, until he does so he shall not be freed from any liability in respect of such shares, This clause is herein referred to as "THE TRANSMISSION CLAUSE".

**Refusal to register nominee**

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

**Directors entitled to refuse to register more than four joint holders**

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

**Persons entitled may receive dividends without being registered as Members**

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

**No fee on transfer or transmission**

77. No fee shall be charged for registration of Transfer, Probate, Succession Certificate, Letters of Administration, Certificates of death or marriage, Power of Attorney or other similar documents.

**Register of transfer and transmission**

78. The Company shall keep a book, to be called the "Register of Transfer" and therein shall be fairly and directly entered particulars of every transfer or transmission of any share.

**CONVERSION OF SHARES INTO STOCK**

**Shares may be converted into stock**

79. The Company may, by a resolution passed at a General Meeting, convert any paid-up shares into stock; and when any shares shall have been converted into stock, the several holders of stock may henceforth transfer their respective interest there in or any, part of such interests in the same manner and subject to the same regulations as and subject to which, shares may be or might have been transferred if no such conversion had taken place, or as near thereto as circumstances admit.

**Rights of stock holder**

80. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such 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.

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

**Copies of Memorandum and Articles of Association to be sent by the Company to Members**

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

## **BORROWING POWERS**

### **Power to borrow**

82. Subject to the provisions of Section 58A, Sections 292 and 293 of the Act, and of these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board receive deposits or loans from members either in advance of call or otherwise and generally raise or borrow money, by way of deposits, loans, overdrafts, cash credit, or by issue of bonds, debentures or debenture stock ( perpetual or otherwise ) or in any other manner, or from any persons, firm, company co-operative society, and corporate body, bank, institution, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed. Provided, however, that where the moneys to be borrowed together with the moneys already borrowed ( apart from temporary loans obtained from the Company's bankers in the ordinary course of business ) exceed the aggregate of the paid-up capital of the Company and its free reserves ( not being reserves set part for any specific purpose ) the Board shall not borrow such money without the consent of the Company in General Meeting. No debt incurred by the Company in the excess of the limit imposed by this Articles shall be valid forfeiture unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this article had been exceeded.

### **Securing payment or repayment of moneys borrowed etc.**

83. The payment and / or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charge, lien or any other security upon all or any of the assets or property ( both present and future ) or the undertaking of the Company including its uncalled capital for the time being, or as the guarantee by any Director or Government or any third party, and the bonds, debentures and debenture stocks and other securities may be made assignable free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the company or by any other person or company as the case may be.

### **Terms of issue of debentures or raising loan**

84. (1) Any debentures, debenture stocks or other securities may be issued at a discount, premium, or otherwise and may be issued or the moneys borrowed otherwise may be borrowed on condition that they or any part of them shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, repayment, allotment of shares, attending ( but not voting ) at General Meeting, appointment of Directors and otherwise
- (2) Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting.

### **Mortgage of uncalled capital**

85. If any uncalled capital of the Company is included in or charged by way of mortgage or other security, the Board may, subject to the provisions of the Act, and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed. Provided that power to make calls on shares shall not be given to any other person without the consent of the Members in General Meeting.

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

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

### **Register and Index of Debenture Holders**

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

### **MEETINGS OF MEMBERS**

#### **Annual General Meeting**

88. (1) The company shall, in each year hold, in addition to any other meetings, a General Meeting as its Annual General Meeting in accordance with the provisions of the Act, and shall specify the meeting as such in notice calling it.
- (2) Every Annual General Meeting shall be called for a time during business hours, on a day that is not public holiday, and shall be held at the Registered Office of the Company or at some other place within the City or Town in which Registered Office of the Company is for the time being situated as the Board may determine and the Notices calling the Meeting shall specify it as the Annual General Meeting.
- (3) The First Annual General Meeting shall be held within eighteen months from the date of incorporation of the Company, and the next Annual General Meeting shall be held within six months after the expiry of the financial year in which the first Annual General Meeting was held, and thereafter all subsequent Annual General Meetings shall be held within six months after the expiry of each financial year provided that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next.
- (4) Nothing contained in the forgoing 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.

#### **Proxy & Auditors**

- (5) 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.

#### **Report, Statement and Registers to be laid before the Annual General Meeting**

89. At every Annual General Meeting of the Company there shall be laid on the table the Directors' Report and Audited Statement of Accounts, Balance Sheet, Auditors' Report ( if not already incorporated in the Audited Statement of Accounts etc. ) The Proxy Register with proxies and the Register of Director's share holdings shall remain open and accessible to inspection during the continuance of the meeting by any member of Company.

#### **Extra-Ordinary General Meetings**

90. All General Meetings other than Annual General Meeting shall be called Extra-ordinary General Meetings.

#### **Annual Return**

91. The Company shall comply with the provisions of Section 159 of the Act, regarding the filing of Annual Returns and the provisions of Sections 161 of the Act, as regards the Annual Return and certificates to be annexed thereto.

#### **Place of keeping and inspection of registers and returns**

92. The Register of Members, Index of Members, the Register and Index of Debentures-holders and copies of all Annual Returns prepared under Section 159 of the Act, together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act, shall be kept at the office of the Company.

PROVIDED THAT such registers, indices, returns and copies of certificates and documents or anyone or more of them may instead of being kept at the office of the Company, be kept at any other place within the city or town in which the office of the Company is situated for the time being if :

- (i) such other place has been approved for this purpose by a special Resolution passed by the

Company in General Meeting; and

- (ii) the Registrar has been given in advance a copy of the proposed Special Resolution.

**Circulation of Members Resolution and requisition of meetings by members**

93. (1) Subject to the provisions of Section 188 of the Act, the Directors shall, on the requisition in writing of such number of members as is hereinafter specified and (unless the Annual General Meeting has otherwise resolved) at the expense of the requisitionists :
- (a) give to the members of the Company entitled to receive a notice of the next Annual General Meeting, notice of any resolution which may properly be moved and is intended to be moved at that meeting.
  - (b) circulate to members entitled to have notice of any General Meeting to them, any statement of not more than one thousand words with respect to a matter referred to in any proposed resolution or business to be dealt with at that meeting.
- (2) The number of members entitled to requisition a meeting in regard to any matter shall be such number as held at the date of the deposit of the requisition, not less than one twentieth of such of the paid-up capital of the Company as at that date carried the right of voting in regard to the matter.
- (3) Notice of any such resolution shall be given and any such statement shall be circulated to members of the Company entitled to have notice of the meeting sent to them by serving a copy of resolution or statement on each member in any manner permitted by the Act, for service of notice of the meeting and notice of any such resolution shall be given to any other member by giving notice of the general effect of the resolution in any manner permitted by the Act, for giving him notice of meeting. The copy of the resolution shall be served or notice of the effect of the resolution shall be given, and so far as practicable at the same time as notice of the meeting and where it is not practicable for it to be served or given at that time, it shall be served or given as soon as practicable thereafter.
- (4) The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless:
- (a) a copy of the requisition signed by the requisitionists ( or two or more copies which between them, contain the signatures of all the requisitionists ) is deposited at the office of the Company.
    - (i) in the case of a requisition for notice of a resolution, not less than six weeks before the meeting ; and
    - (ii) in the case of any other requisition not less than two weeks before the meeting ; and
  - (b) there is deposited or tendered with the requisition of sum reasonably sufficient to meet the company's expenses in giving effect thereto.
- Provided that if after a copy of requisition requiring notice of a resolution has been deposited at the Office of the Company, and an Annual General Meeting is called for a date six weeks or less after such copy has been deposited within the time required by this clause, the copy ( though not deposited within the time mentioned above ) shall be deemed to have been properly deposited for the purpose thereof.
- (5) The Company shall not also be bound under the Article to circulate any statement, if on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this clause are being abused to secure needless publicity for defamatory matter.
- (6) Notwithstanding anything in these Articles contained, the business which may be dealt with at any Annual General Meeting shall include a resolution of which notice is given in accordance with this Article and for the purpose of this clause notice shall be deemed to have been so given notwithstanding the accidental omission in giving it to one or more members.



**Extra - Ordinary General Meeting by Board and by requisition**

94. The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition by the members of hereinafter provided, forthwith proceed to convene the Extra-Ordinary General Meeting of the Company.

**Contents of Resolution and number of requisitionists required and the conduct of meeting**

95. In case of requisition the following shall have effect:

- (1) The requisition shall set out the matter for the consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the Office of the Company.
- (2) The requisition may consist of several documents in like form each signed by one or more requisitionists.
- (3) The number of members entitled to requisition a meeting in regard to any matter shall be such number as held at the date of the deposit of the requisition, not less than one tenth of such of the paid-up capital of the Company as at that date carries the right of voting in regard to that matter.
- (4) Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (3) shall apply separately in regard to each such matters, and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that such clause is fulfilled.
- (5) If the Board does not, within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed to convene a meeting for the consideration of those matters on a day not later than forty-five days from the date of the deposit of the requisition, the meeting may be called:
  - (a) by the requisitionists, or
  - (b) by such of the requisitionists as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of the paid-up share capital of the Company as is referred to in sub-section (4) of Section 169 of the Act, whichever is less.  

PROVIDED THAT for the purpose of this clause the Board shall, in the case of a meeting at which a resolution is to be proposed as a special resolution, be deemed not to have duly convened the meeting if they do not give such notice thereof as is required by sub-section (2) of Section 189 of the Act.
- (6) A meeting called under clause (5) by the requisitionists or any of them:
  - (a) shall be called in the same manner as nearly possible as that in which meetings are to be called by the Board; but
  - (b) shall not be held after expiration of three months from the date of deposit of the requisition. PROVIDED THAT nothing herein shall be deemed to prevent a meeting duly commenced before the expiry of the period of three months aforesaid, from adjourning to some day after the expiry of that period.
- (7) Where two or more persons hold any shares in the Company jointly, a requisition or a notice calling a meeting by one or some only of them shall for the purpose of this Article have the same force and effect as if it had been signed by all of them.
- (8) Any reasonable expenses incurred by the requisitionists by reasons of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company and any sums so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

**Length of notice of meeting**

96. (1) A General Meeting of the Company, Annual or Extra-Ordinary, and by whomsoever called, may be called by giving not less than twenty-one days notice in writing.

- (2) A General Meeting may be called after giving shorter notice than that specified in clause (1) hereof if consent is accorded thereto (i) in the case of an Annual General Meeting by all the member; entitled to vote thereto; and (ii) in the case of any other meeting by members of the Company holding not less than ninety-five percent of such part of the paid-up share capital of the Company as gives a right to vote at the meeting.

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

#### **Contents of notice**

97. (1) Every notice of a meeting of the Company shall specify the place and the day and hour of the meeting, and shall contain a statement of the business to be transacted thereat. PROVIDED THAT if on account of any unforeseen circumstances or events which are beyond the control of the Directors to prevent including but not limited to earthquake, fire, typhoon, hurricane, flood, cyclone or natural calamities, war, war like events, civil commotion, affray, riots, strike, lock-out, lay-off, go-slow or any other agitation such as ghearao or bundh by any group of people, and that after issuing the notice for holding any General Meeting of the Company the Directors are of the opinion that it will not be possible to hold and or continue the meeting at such place where the meeting shall have been held that meeting may be adjourned and / or reconvened at a new place which the Directors may consider appropriate and for this purpose any notice given by the Directors in any newspaper circulating at the place with the meeting was to be held originally, shall be sufficient compliance in regard to the issuance of any Notice for holding and / or continuing any Meeting of Company at such new place.
- (2) Subject to the provisions of the Act, and subject to Clause (1) of this Article, notice of every General Meeting shall be given;
- (a) to every Member of the Company in the matter authorised by sub-section (1) to (4) of Section 53 of the Act,
- (b) to the persons entitled to a share in consequence of the death, or insolvency of a member, by sending it through the post in a prepaid letter addressed to them by name or by the title of representatives of the deceased, or the assignee of the insolvent, or by like description, at the address, if any, in India supplied for the purpose by the persons claiming to be entitled, or until such an address has been so supplied by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred; and
- (c) to the Auditor or Auditors for the time being of the Company, in any manner authorised by Section 53 of the Act, in the case of any Member of the Company.
- PROVIDED THAT where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the Office of the Company under sub-section (3) of Section 53 of the Act, the statement of material facts referred to in Section 173 of the Act, need not be annexed to the notice as required by the section, but it shall be mentioned in the advertisement that the statement has been forwarded to the members.
- (3) Every notice convening a meeting of the Company shall state that a member entitled to attend and vote at the meeting is entitled to appoint a proxy to vote and attend instead of himself and that proxy need not be member.

#### **Special and Ordinary business and explanatory statement**

98. (1) (a) in the case of an Annual General Meeting, all business to be transacted at the meetings, shall be deemed special with the exception of business relating to-
- (i) the consideration of the accounts, balance sheet and reports of the Directors and Auditors;
- (ii) the declaration of dividend;

- (iii) the appointment of Directors in the place of those retiring; and
  - (iv) the appointment of, and the fixing of the remuneration ;
- (b) in the case of any other meeting, all business shall be deemed special.
- (2) Where any items of business to be transacted at the meeting of the Company are deemed to be special as aforesaid there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business including in particular the nature of the concern or interest if any, therein of every Director.

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

#### **Omission to give notice not to invalidate proceedings**

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

#### **Notice of business to be given**

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

#### **Quorum of General Meeting**

101. Five members entitled to vote and present in person shall be quorum for a General Meeting. No business shall be transacted at the General Meeting unless the quorum requisite be present at the commencement of the meeting. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with section 187 of the Act. The President of India or the Governor of a State being a member of the Company shall be deemed to be personally present if he is represented in accordance with Section 187 A of the Act.

#### **If quorum not present meeting to be dissolved or adjourned**

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

#### **Resolution passed at adjourned meeting**

103. Where a resolution is passed at an adjourned meeting of the Company, the resolution shall for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

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

104. (1) The Chairman of the Board shall be entitled to take the chair at every General Meetings, whether Annual or Extra-Ordinary.
- (2) If there be no such Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting, or shall decline to take the chair, the Vice-Chairman, if any shall be entitled to take the chair. If the Vice-Chairman is also not present or is and unwilling to take the chair, the Directors present shall elect one of them as Chairman and if no Director be present or if the Directors present decline to take the Chair, then the members present shall elect one of their members to be the Chairman.

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

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

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

**Chairman may adjourn meeting with consent**

106. (1) The Chairman may, with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (3) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (4) Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at an adjourned meeting:

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

107. At any General Meeting, a resolution put to vote at the meeting shall, unless a poll is demanded, be decided, on a show of hands.

**Chairman's declaration of results of voting on show of hands and on a poll**

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

109. (1) Before or on the declaration of the result of the voting on any resolution on show of hands a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on demand made in that behalf by the person or persons specified below, that is say:
  - (a) by at least five members having the right to vote on the resolution and present in person or by proxy; or
  - (b) by any members present in person or by proxy and having not less than one-tenth of the total voting power in respect of the resolution; or
  - (c) by any member or members present in person or by proxy and holding shares in the company conferring a right to vote on the resolution, being shares on which an aggregate sum has been paid-up which is not less than one tenth of the total sum paid-up on all the shares conferring that right.
- (2) The demand for a poll may be withdrawn at any time, by the person or persons who made the demand.
- (3) A poll demanded on any question of adjournment shall be taken forthwith.
- (4) A poll demanded on any other matter ( not being related to the election of Chairman which is provided for in Article 106 ) shall be taken at such time not being later than forty eight hours from the time when the demand was made and in such manner and place as the Chairman of the meeting may direct.
- (5) The demand for a poll may be withdrawn at any time by the persons who made the demand.

**Chairman's casting vote both on a show hands and on a poll**

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

**Scrutineers at poll and Chairman's power to remove scrutineer**

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

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

112. 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 or any business other than the question on which the poll has been demanded.

**Special notice**

113. (1) Where by any provision contained in the Act, or in these Articles special notice is required for any resolution, notice of the intention to move the resolution, shall be given to the Company not less than fourteen days before the meeting at which it is to be moved exclusive of the day on which the notice is served or deemed to be served and the day of the meeting.
- (2) The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its members notice of the resolution in the same manner as it gives notice of the meeting, or if that is practicable, shall give them notice thereof either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the meeting.

**Resolutions requiring special notice**

114. The following resolution shall require special notice:

- (1) Resolution under Section 225 of the Act, at an Annual General Meeting appointing as Auditor a person other than a retiring Auditor or providing expressly that a retiring Auditor shall not be re-appointed.
- (2) Resolution under Section 284 of the Act, removing a Director before the expiry of his period of office.
- (3) Resolution under Section 284 of the Act, appointing a Director in place of the Director so removed.

**Registration documents with Registrar**

115. A copy of each of the resolutions or agreement shall, if so required under any provisions of the Act, be filled with Registrar.

**VOTING RIGHTS OF MEMBERS**

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

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

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

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

**Number of votes to which member entitled**

118. (1) Subject to the provisions of the immediate preceding Articles, every member of the Company holding any equity share capital and otherwise entitled to vote shall, on a show of hands when present in person ( or being a body corporate present by a representative duly authorised ) have one vote and on poll, when present in person including a body corporate by a duly authorised representative or by an agent duly authorised by proxy, his voting right shall be

in proportion to his share of the paid-up equity share capital in the Company.

PROVIDED HOWEVER, 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 resolutions before the meeting which directly affect the rights attached to his preference shares.

- (2) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote is taken.

#### **Votes of members of unsound mind**

119. 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 of other legal guardian and any such committee or guardian may on a poll vote by proxy.

#### **Votes of joint members**

120. If there be joint registered holders of any shares, anyone of such persons may vote at any meeting personally or by proxy in respect of such shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the meeting, and if more than one of such joint holder be present at any meeting either personally or by proxy that one of the said persons so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares but the other or others of the joint holders shall be entitled to be present at the meeting. PROVIDED ALWAYS THAT, a person present at any meeting personally shall be entitled to vote preference to a person present by proxy although the name of such person present by proxy stands first or higher in the Register in respect of such share. Several executors or administrators of a deceased member in whose name the shares stand shall, for the purpose of these Articles be, deemed joint holder thereof.

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

121. A body corporate ( whether a company within the meaning of the Act or not) may, if it is a member or a creditor of the Company ( including a holder of debentures ), authorise such persons as it thinks fit by a resolution of its Board of Directors or other Governing Body in accordance with the provisions of Section 187 of the Act, to act, as its representatives at any meeting of the members or creditors of the Company or debenture holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and power ( including the right to vote by proxy ) on behalf of the body corporate which he represents as that body could exercise if it were an individual member, creditor or holder of debentures of the Company.

#### **Votes in respect of deceased or insolvent member**

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

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

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

#### **Right of member to use his votes differently**

125. 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.

#### **Appointment of Proxy**

126. Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person ( whether a member or not ) as his proxy to attend and vote instead of himself. PROVIDED ALWAYS THAT, a proxy so appointed shall not have any right

whatever to speak at the meeting. Every notice convening a meeting of the Company shall state that a member entitled to attend and vote is entitled to appoint one or more proxies.

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

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

**Proxy not to vote on a show of hands**

128. No member present only by proxy shall be entitled to vote on a show of hands.

**Deposit of instrument of appointment of proxy**

129. 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 authority, shall be deposited at the office forty eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

**Form of Proxy**

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

**Inspection of Proxies**

131. Every member entitled to vote at a meeting of the Company according to the provisions of these Articles on any resolution to be moved thereat shall be entitled during the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect proxies lodged at any time during the business hours of Company provided not less than three days notice in writing of the intention so to inspect is given to the Company.

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

132. 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, in the case of an individual member, or winding-up in the case of a corporate member or revocation of the proxy or authority under which such proxy was signed, or the transfer of the share in respect of which the vote is given provided that no intimation in writing of the death insanity, winding up, revocation or transfer, as the case may be, shall have been received at the office before the commencement of the meeting, or adjourned meeting at which the proxy is issued.

**Time for objection to the validity of votes**

133. No objection shall be made to the qualification or any voter or to the validity of a vote except at the meeting or adjourned meeting at which the vote except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote, whether given personally or by proxy, not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting.

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

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

**Custody at instrument appointing proxy**

135. If any such instrument of appointment be confined to the object of appointing a proxy for voting at meetings of the Company it shall remain permanently or for such time as the Directors may determine, in the custody of the Company. If embracing other objects, copy thereof verified with the original shall be delivered to the Company to remain in the custody of the Company.

**Minutes of General Meetings and inspection thereof by members**

136. (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 that purpose with their pages consecutively numbered.
- (2) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or liability of that Chairman within the period by a Director duly authorised by the Board for the purpose.
- (3) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (4) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (5) All appointments of Officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
- (6) (i) nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:
- (a) is or could reasonably be regarded as defamatory of any person; or
  - (b) is irrelevant or immaterial to the proceedings; or
  - (c) is detrimental to the interest of the Company;
- (ii) the Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes of the aforesaid grounds.
- (7) Any such minutes shall be evidence of the proceedings recorded therein.
- (8) (i) The book containing the minutes of proceedings of General Meeting shall be kept at the Registered Office of the Company and shall be open, during business hours, for such periods not being less in each day as the Directors determine, to the inspection of any Member without charge.
- (ii) Any member shall be entitled to be furnished, within seven days after has made a request in that behalf to the Company, with a copy of any minutes referred to in sub-clause(1); on payment of thirty seven paise for every one hundred words or fractional part thereof required to be copied.

**DIRECTORS**

137. (a) Unless otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors ( excluding Corporation directors, if any ) shall be not less than 3 and not more than 12.
- (b) The first Directors of the Company shall be the following persons, who shall hold office till the annual general meeting of the Company to be held immediately after the incorporation of the company.
- 1. MR. GAUTAM ATHA
  - 2. MR. TANMAY DATTA
  - 3. MR. RAJIV GOEL
  - 4. MR. ASHOK KUMAR JAIN
  - 5. MR. S.W. KOCCHAR
  - 6. MR. JAGADISH PRASAD SUREKA
  - 7. MR. BALDEV R. TANEJA
138. As long as the Promoters hold not less than ten percent of the Paid Up Capital of the Company, the Promoters shall be entitled to appoint upto one third of the total number of Directors of the Company and in the event Promoters hold 26% or more of the paid up Capital of the Company, the Promoter shall have the right to appoint majority of the Directors on the Board of the Company, (herein referred to as "Promoter Directors") and shall be entitled to remove any or all of them from that office and to appoint any other person(s) thereto from time to time. The Promoter Directors



so appointed shall not be liable to retire by rotation upto 1/3rd of appointed, the Promoter Directors may select three Directors out of the Chairman and Vice Chairman of the board and Managing Director of the Company respectively.

(Substituted vide Special Resolution passed at the Extra Ordinary General Meeting of the Members of the Company held on 1st August 2005)

139. Any Trust Deed for securing debenture or debenture-stocks, may if so arranged provide for the appointment, from time to time by the Trustees thereof or by the holders of debentures or debenture-stocks of some person to be Director of the Company and may empower such Trustees or holders of debentures or debenture stocks, from time to time, to remove and re-appoint any Director so appointed. The Director appointed under this Article is herein referred to as "Debenture Director" The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

#### **Nominee Directors of financial Corporations - Corporation Director**

140. (1) Notwithstanding anything to the contrary contained in these Articles so long as any moneys remain owing by the Company to the Industrial Development Bank of India (IDBI), Life Insurance Corporation of India (LIC), The Industrial Credit and Investment Corporation of India Limited (ICICI), Industrial Finance Corporation of India (IFCI) and Unit Trust of India (UTI) or to any other Finance Corporation or, Credit Corporation or to any other Financing Company, or Body out of any loans granted by them to the-Company or so long as IDBI, LIC, ICICI, IFCI and UTI or any other Finance Corporation or Credit Corporation or any other Financing Company or Body ( which ICICI, LIC, IDBI, IFCI and UTI or any other Finance Corporation or Credit Corporation or any other Financial Company or Body is hereinafter after in this Article referred to as "the Corporation" ) continue to hold debentures in the Company by direct subscription or private placement or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or conversion of the said loans / debentures the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors ( which Director or Directors is / are hereinafter referred to as "Corporation Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their places. At the option of the Corporation, such Corporation Director/s shall not be required to hold any share qualification in the company. Also at the option of the, Corporation, such Corporation Director/s shall not be liable to retirement by rotation of Directors. Subjects as aforesaid, the Corporation Director/s shall be entitled to the same rights and privileges, and be subject to the same obligations as any other Director of the Company.

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

#### **Limit of number or non-rotational Directors that may be appointed**

141. The provision in these Articles empowering the Promoter(s), the Debenture Trustees and the Financial Corporations to appoint non-rotational Directors shall be subject to the provisions of Section 255 of the Companies Act, and the total number of such Directors so appointed shall not, in the aggregate exceed one-third of the total number of Directors for the time being in office.

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

142. (1) The Board may appoint an Alternate Director to act, for a Director ( hereinafter called "the Original Directors" ) during his absence for a period not less than three months from any State in India in which meetings of the Board are ordinarily held.
- (2) Every such Alternate Director shall, subject to his giving to the Company an address in India

at which notice may be served on him, be entitled to notice of meeting of Directors and to attend and to vote as a Director and be counted for the purpose of a quorum and generally at such meetings to have and exercise all the powers and duties and authorities of the Original Director.

- (3) The Alternate Director appointed under this Article shall vacate office as and when the Original Director returns to such State.
- (4) If the term of office of the Original Director is determined before he returns to that state, any provisions is the Act, or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and to the Alternate Director.
- (5) An Alternate Director shall not hold office as such for a longer period than that permissible to the Original Director in whose place he has been appointed.

#### **Director may fill casual vacancies**

143. (1) The Board shall have power at any time and from time to time to appoint any qualified person to be a Director to fill a casual vacancy arising out of the office of any Director appointed by the Company in General Meeting being vacated before his return of office expires in the normal course.
- (2) Such casual vacancy shall be filled by the Board at a meeting of the Board.
- (3) Any person so appointed shall hold office only upto the date which the director in whose place he is appointed would have held office, if it had not been vacated as aforesaid but he shall then be eligible for re-election.

#### **Additional Directors**

144. (1) The Board of Directors shall also have power at any time and from time to time to appoint any other qualified person to be an Additional Director but so that the total number of Directors shall not at any time exceed the maximum strength fixed for the Board by the Articles.
- (2) Any person so appointed as an Additional Director shall retain his office only upto the date of the next Annual General Meeting but shall be eligible for election at such meeting subject to the provisions of the Act.

#### **No share qualification for Directors**

145. A Director shall not be required to hold any qualification shares.

#### **Remuneration of Directors**

146. The remuneration of a Director for his services shall be such sum as may be fixed by the Board not exceeding Rupees Two Hundred and Fifty for each meeting of the Board or a Committee thereof attended by him. The Directors may subject to the sanction of the Central Government ( if any required ) be paid such further remuneration as the Company in General Meeting shall, from time to time, and determine and such further remuneration shall be divided among the Directors in such proportion and manner as the Board may from time to time determine and any default of such determination shall be divided among the Directors equally.

#### **Extra-remuneration of Directors performing extra services**

147. Subject to the provisions of the Act, if any Director being willing, shall be called upon to perform extra services ( which expression shall include work done by the Director as a member of any Committee formed by the Director or in relation to signing share certificates ) or to make special exertions in going or residing out of this usual place of residence or otherwise for any of the purposes of the Company, the Company shall remunerate the Director so doing either by a fixed sum or otherwise as may be, determined by the Directors and such remuneration may be, either in addition to or in substitution for his share in the remuneration above provided.

#### **Travelling expenses incurred by Directors on Company's business**

148. The Board may subject to the limitation provided by the Act, allow to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting,

such sum as the Board may consider fair compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.

**Directors may act, notwithstanding vacancy**

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

**Disqualification of Directors**

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

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

**Vacation of office by Director**

151. (1) The office of a Director shall become vacant if-

- (a) he is found to be of unsound mind by a court of competent jurisdiction; or
- (b) he applies to be adjudged an insolvent ; or
- (c) he is adjudged an installments or he is convicted by a court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months ; or
- (d) he is convicted by a court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months; or
- (e) he fails to pay call in respect of shares of the Company held by him, whether alone or jointly with others within six months from the last date for the payment of the call unless the Central Government has by Notification removed the disqualification incurred by such failure; or
- (f) he absents himself from three consecutive meetings of the Board or from all meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board; or
- (g) he ( whether by himself or by any person for his benefit or on his account ) or any firm in which he is a partner or any private company of which he is a Director accepts a loan, or any guarantee or security for a loan from the Company in contravention of Section 295 of the Act ; or
- (h) he being in any way, whether directly or indirectly concerned or interested in a contract or arrangement or purposed contract or arrangement, entered into by or on behalf of the Company fails to disclose the nature of his concern or interest at a meeting of the Board as required by Section 299 of the Act, or
- (i) he becomes disqualified by an order of the court under Section 203 of the Act; or
- (j) he is removed by an Ordinary Resolution of the Company before the expiry of his period

of office; or

- (k) if any notice writing, to the company, he resigns his office; or
  - (l) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company.
- (2) Notwithstanding any thing contained in sub-clause (c), (d) and (i) hereof, the disqualification referred to in these clauses shall not take effect -
- (a) for thirty days from the date of adjudication sentence or order.
  - (b) where any appeal or petition is preferred within the thirty days aforesaid against the adjudication sentence or conviction resulting in the sentence or order, until the expiry of seven days from the date on which such appeal or petition disposed of, or
  - (c) where within the seven days aforesaid any further appeal or petition is preferred in respect of the adjudication, sentence, conviction of order and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed of.

### **Removal of Directors from office**

152. (a) The Company may, ( subject to the provisions of Section 284 and other applicable provisions of the Act, and the these Articles ) by Ordinary Resolution remove any Director before the expiry of his period of office.
- (b) special notice as provided by Section 284 or Section 190 of the Act, shall be required of any Resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.
  - (c) on receipt of notice of a Resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director ( whether or not he is a member of the company ) shall be heard on the Resolution at the meeting.
  - (d) where a notice is given of a Resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company ( not exceeding a reasonable length ) and request their notification to members of the Company, the Company shall, unless the representations are received by it too late for it to do so, (i) In the notice of the Resolution given to members of the Company, state the fact of the representations having been made, and (ii) Send a copy of the representations to every members of the Company to whom the notice of the meeting is sent ( before or after the representations ) by the Company and if a copy of the representations is not sent as aforesaid because they were received too late or because of the Company's default, the Director may ( without prejudice to his right to be heard orally ) require that the representations shall be read out at the meeting. Provided that copies of the representations need not be sent or read out at the meeting if on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter.
  - (e) a vacancy created by the removal of a Director under these Article may, if he had been appointed by the Company in General Meeting or by the Board is pursuance of Article 146 or Section 262 of the Act, be filled by the appointment of another Director in his stead by the meeting at which he is removed; provided special notice of the intended appointment has been given. A Director so appointed shall hold office until the date upon which his predecessor would have held office if he had not been removed as aforesaid.
  - (f) if the vacancy is not filled under sub-clause (e), it may be filled as a casual vacancy in accordance with the provisions of Article 146 in so far as they are applicable to and all the provisions of that Article shall apply accordingly.
  - (g) nothing contained in this Article shall be taken:
    - (i) as depriving a person removed here under of any compensation or damages payable to him in respect of the termination of his appointment as Director; or

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

**Directors may hold office of profit under a contract with the Company**

153. Subject to compliance with the provisions, if any, of the Act, and save as therein provided under a Director shall be disqualified by his office from contract with holding any office or place of profit under the Company or under any Company interested, or from contracting with the Company either as vendor, purchaser, agent, broker or otherwise, nor shall any such contract or any arrangement entered into by or on behalf of the Company in which any Director shall be in any wise interested be avoided nor shall any Director be liable to account to the Company for profit arising from any such contract or any arrangement entered into by or on behalf of the Company in which any Director shall be in anywhere interested be avoided, nor shall any Director be liable to account to the Company for profit arising from any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established.

**Disclosure of Director's interest**

154. (1) If so required by any of the provisions of the Act, a Director of the Company who is in anyway, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed to be entered into by or 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.
- (2) (a) in case of proposed contract or arrangement, the disclosure required to be made by a Director under Clause (1) shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration or if the Director was not, at the date of that meeting, concerned or interested in the proposed contract or arrangement at the first meeting of the Board held after he becomes so concerned or interested.
- (b) in the case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.
- (3) (a) for the purpose of Clause (1) and Clause (2), a general notice given to the Board by a Director to the effect that he is a director or a member of specified body corporate or is a member of a specified firm and is to be regard as concerned or interested in any contract or arrangement which may, after the date of the notice be entered into with that body corporate or firm shall be deemed to be sufficient disclosure or concern or interest in relation to any contract or arrangement so made.
- (b) any such general notice, shall expire at the end of the financial year in which it is given, but may be renewed for 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.
- (c) no such general notice, and no renewal thereof shall be of effect unless either it is given at a meeting of the Board, or the Director concerned takes responsible steps to secure that it is brought up and read at the first meeting of the Board after it is given.
- (4) Nothing in this Article shall apply to any contract or arrangement entered into the Company and any other Company where anyone or more of the Directors of the Company together holds or hold not more than two percent of the paid-up share capital in the other company.

**Directors may contract with the Company**

155. (1) A Director or his relative, a firm in which such Director or relative is a partner, any other partner in such firm or a Private Company of which the Director is member or Director, may enter into contract with the Company of 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 the sanction of the Board is obtained before or within three months of the date on which the contract is entered into, in accordance with Section 297 of the Act.
- (2) No sanction however shall be necessary for:
- (a) any purchase of goods and material from the Company, or the 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 contracts or contract 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 trade or does business provided, however, that the value of the goods and materials or the cost of such services do not exceed Rs. 5,000/- in the aggregate in any year comprised in the period of the contract or contracts.

Provided that in circumstances of urgent necessity a Director, relative, firm, partner or private company as aforesaid may, without obtaining the consent of the Board, enter into any such contract with the Company, for such purchase or supply of any goods, materials or 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 at a meeting within three months of the date on which the contract was entered into.

156. No Director shall as a Director, take any part in the discussion of, or vote on, any contract or arrangement entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangement; nor shall his presence 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 or indemnity against any loss which the Directors, or anyone or more of them suffer by reason of becoming or being sureties or a surety for the Company;
- (b) any contract or arrangement into or to be entered into with a public company or private company which is a subsidiary or a public company in which the interest of the Director consists solely.
  - (i) in his being
    - (a) a Director such Company; and
    - (b) the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by the Company; or
  - (ii) in his being a member holding not more than two percent of its paid-up share capital.

**Register of contracts in which Directors are interested**

157. (1) The Company shall keep one or more registers in accordance with Section 301 of the Act, and shall within the times specified therein such other particulars of all contracts of arrangements to which Section 297 or Section 299 of the Act, applies including the following particulars to the extent they are applicable in each case, namely;
- (a) the date of the contract or arrangement;
  - (b) the names of the parties thereto;
  - (c) the principal terms and conditions thereof;
  - (d) the date of which it was placed before the Board in the case of a contract to which Section 297 applied or in the case of a contract or arrangement to which sub-section (2) of Section 299 applies;
  - (e) the names of the Directors voting for and against the contract of arrangements and the names of those remaining neutral.
- (2) Particulars of every such contract of arrangement to which Section 297 or as the case may be sub-section (2) of Section 299 applies, shall be entered in the relevant register aforesaid.
- (a) in the case of contract or arrangement requiring the Board's approval, within seven days

( exclusive of public holidays ) of the meeting of the Board at which the contract or arrangement is approved;

- (b) in the case of any other contract or arrangement, within seven days of the receipt at the Registered Office of the Company of the particulars of such other contract or arrangement.
- (3) The Register aforesaid shall also specify in relation to each Director of the Company the names of the firms and bodies corporate of which notice has been given by him under Section 299(3) of the Act.
- (4) The Register shall be kept at the Registered Office of the Company and shall be open to inspection at such office and extracts may be taken there from 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**

158. A Director may be or become a Director of any company promoted by the Company or in which it may be interested as a vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as Director or shareholder of such company.

#### **Appointment of Directors and liability to retire by rotation**

159. Not less than two thirds of the total number of Directors shall (a) be persons whose period of the office is liable for determination by retirement of Directors by rotation and (b) save as otherwise expressly provided in the Articles be appointed by the Company in General Meeting.

#### **Retirement of Directors by rotation**

- 160. (1) At every Annual General Meeting of the Company one third of such of-the Directors for the time being as are liable to retire by rotation or if their number is not three or multiple of three the number nearest to one third, shall retire from office.
- (2) In these Articles a "Retiring Director" means a Director retiring by rotation.

#### **Ascertainment of Directors to retire by rotation and filling of vacancies.**

161. The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between those who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement amongst themselves be determined by lot.

#### **Eligibility of retiring Directors for re-appointment.**

162. A retiring Director shall be eligible for re-appointment.

#### **Company to fill vacancies at General Meeting**

- 163. (1) The Company may, at the General Meeting at which a Director retires in manner aforesaid fill up the vacancy by appointing the retiring Director or some other person thereto.
- (2) If the place of retiring Director is not so filled up the Meeting has not expressly resolved not to fill the vacancy, the Meeting shall stand adjourned to the same day in the next week, at the same time and place, or if that day is public holiday to the next succeeding day which is not a public holiday, at the same time and place.
- (3) If at the adjourned meeting also the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless;
  - (i) at that meeting or the previous meeting a Resolution for the re-appointment of such Director has been put to the meeting and lot;
  - (ii) the retiring Director has, by a notice in writing addressed to the Company or its Board expressed his unwillingness to be so re-appointed ;
  - (iii) he is not qualified or is disqualified for appointment;
  - (iv) a resolution, whether Special or Ordinary, is required for his appointment or re-

appointment by virtue of any provisions of the Act; or

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

164. Subject to the provisions of the Act, the Company may, by ordinary resolution, from time to time, increase or reduce the number of Directors and may alter the qualifications for becoming a Director.
165. (1) No motion at any General Meeting shall be made for the appointment of two or more persons as Director by a single Resolution unless that it shall be so made has been first agreed to by the Meeting without any vote being given against it.
- (2) A Resolution moved in contravention of clause (1) hereof shall be void, whether or not objection was taken at the time of its being so moved, provided where a resolution so moved is passed, no provision for the automatic re-appointment of the retiring Director in default of another appointment as herein before provided shall apply.
- (3) For all purpose of this Article, a motion for approving a person's appointment or for nominating a person for appointment, shall be treated as a motion for his appointment.
166. (1) No person, not being a retiring Director shall be eligible for election to the office of Director at any General Meeting unless he or some other member intending to propose him has, at least fourteen days before the meeting, left at the office a notice in writing under his hand signifying his candidature for the office of a Director or the intention of such member to propose him as a Director for that office, as the case may be.
- (2) The Company shall inform its members of the candidature of a person for office of Director or the intention of a member to propose such person as a candidate for that office by serving individual notices and the members not less than seven days before the meeting. Provided that it shall not be necessary for the Company to serve individual notices upon the members as aforesaid if the Company advertises such candidature or intention not less than seven days before the meeting in at least two news papers circulating in the place where the Registered Office is located, of which one is published in the English language and the other in the regional language of that place.
- (3) Every person ( other than a Director retiring by rotation or otherwise or a person who has left at the office a notice under Section 257 of the Act, signifying his candidature for the office of a Director ) proposed as a candidate for the office of a Director shall sign and file with the Company his consent in writing to act, as a Director if appointed.
167. A person other than
- (a) a Director re-appointment after retirement by rotation or immediately on the expiry of his term of office, or
- (b) an Additional or Alternate Director or a person filling casual vacancy in the office of a Director under Section 262 of the Act, appointed as Director re-appointed as an Additional Director or Alternate Director immediately on the expiry of his term of office, or
- (c) a person named as a Director of the Company under its Articles as first registered, shall not act, Director of the Company unless he has within thirty days of appointment signed and filed with the Registrar his consent in writing to act, as such Director.
168. (1) Every Director ( including a person deemed to be a Director by virtue of the expansion to sub-section (1) of Section 303 of the Act, ) Managing Director, Manager or Secretary of the Company shall, within twenty days of his appointment to any of the above offices in any other body corporate, disclose to the Company the particulars relating to his office in the other body corporate which are required to be specified under sub-section (1) of Section 303 of the Act.
- (2) Every Director and every person deemed to be a Director of the Company by virtue of sub-section (10) of Section 307 of the Act, shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of the Section.
169. (1) The Company shall keep at its Registered Office a Register containing the particulars of its Directors, Managers, Secretaries and other persons mentioned in Section 303 of the Act, and shall send to the Registrar a Return containing the particulars of specified in such



Register and shall otherwise comply with the provisions of the said Section in all respects.

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

### **MANAGING DIRECTOR / WHOLE-TIME DIRECTOR**

#### **Appointment of Managing Director and or Whole - Time Director by Promoter**

170. (1) Any Director on the Board whose name shall have been advised to the Board, by a letter in writing addressed to the Board, by the Promoter(s) to be appointed as the Managing Director(s), as the Managing Director or Whole-time Director(s), as the case may be of the Company, for such term not exceeding five years at a time to manage the affairs and business of the Company and the Promoter(s) may, from time to time, require the Board to remove such Managing Director and / or Whole-time Director(s) from the office and appoint any other person(s) in his / their place and upon receipt of such intimation from the Promoter(s) the Board shall remove from office the Managing Director or Whole - time Director, as the case may be, in his or their place(s) , whose name shall have been advised to the Board by the Promoter(s) for being appointed as Managing Director or Whole-time Director(s) as the case may be, shall be entitled to act, as such forthwith upon receipt of the letter by the Company at its office notwithstanding that the Board may appoint such person as Managing Director or Whole-time Director(s) as the case may be, at a meeting of the Board to be convened after the receipt of such intimation.
- (2) Subject to the provisions of the Act, and approvals of any authority required under any law for the time being in force in India, the terms and conditions of the appointment of the Managing Director and / or whole-time Director as the case may be, shall be such as may have been set forth in the letter addressed to the Board by the Promoter(s) and in particular that the appointee shall be liable to be removed from office at any time before the expiry of his term, if so desired by the Promoter(s).
- (3) The powers and authorities to be exercised by the Managing Director and the Whole - time Director(s), shall be such as may be specified by the Promoter(s) in its / their letter addressed to the Board and Board shall take all such steps as may be necessary to delegate the powers to the Managing Director and / or Whole-time Director(s), as the case may be, in conformity with the intimation given in that letter addressed by the Promoter.

#### **Power and Authorities of the Managing Director and / or Whole-time Director**

171. Subject to the provisions of the Act, and if no name for appointment of the Managing Director and / or Whole-time Director(s) shall have been intimated by the Promoter(s) under the provisions of the preceding Article or if the Promoter shall so inform, the Board may, from time to time, appoint one or more of their body to be Managing Director or Whole - time Director or Whole - time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

#### **Appointment of Managing Directors and / or Whole-time Director(s) by the Board**

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

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

of Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being.

**Remuneration of Managing or Whole-time Director(s)**

173. The remuneration of the Managing Director shall, subject to Section 309 and other applicable provisions of the Act, and of these Articles and of any contract between him and the Company, be fixed by the Directors, from time to time, and may be by way of fixed salary and / or perquisites or commission on profits and the Company or by participation in such profits, or by fee for each meeting of the Board or by and / or all these modes or any other mode not expressly prohibited by the Act.

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

174. (1) Subject to the superintendence, control and direction of the Board, the day to day management of the Company shall be in the hands of the Managing Director(s) and the Whole-time Director(s) appointed under these Articles with power to the Board to distribute such day to day management functions among such Director(s) in any manner as deemed fit by the Board and subject to the provisions of the Act, and these Articles the Board may by resolution vest in any such Managing or Whole - time Director or Directors such of the power hereby vested in the Board generally as it thinks fit and such power may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as the Board may determine and the Board may, subject to the provisions of the Act, and these Articles, confer such powers either collaterally with or to the exclusion of or in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

(2) Subject to the provisions of the Act, and subject to the general control, superintendence and directions of the Board, the Managing Director shall have power on behalf of the Company-

(i) to make all sales and purchases and to enter into all contracts and agreements as he thinks proper for the purposes of the Company, execute and sign all dividend warrants and all the documents, instruments, declarations, statements, affidavits, applications, receipts, releases, discharges and papers, on behalf of the Company and to do all other acts, deeds and things, as usual, desirable or expedient in the management of the affairs, purposes and business of the Company and in carrying out its objects and shall have the power to appoint and employ in and for the purpose of the transactions and management of the affairs of the Company or otherwise for the purposes thereof such managers, officers, bankers, secretaries, brokers, exporters, engineers, contractors, assistants, clerks, labourers, workmen, peons and other servants, persons or employees as he shall think proper with such powers and duties and upon such terms as to duration of employment, remuneration or otherwise as he shall think fit and from time to time to remove, suspend or dismiss him or them and appoint other or others of them as he thinks fit and to engage or appoint advocates, legal advisers, chartered accountants or other professional and technical persons on such terms as he considers appropriate for the business or affairs of the Company.

(ii) to borrow, make payments, receive and accept monies and to draw, sign, accept, endorse and negotiate on behalf of the Company all bills of exchange, promissory notes, hundies , cheques, drafts, Government promissory notes, loans or bonds or any other security, debentures, Railway receipts, way bills, consignment notes, lorry receipts, bills of lading and all other negotiable or transferable instruments and receipts signed by the managing Director for any moneys, goods or property lent to payable or belonging to the Company shall be effectual discharge on behalf of and against the Company for the moneys, goods or property which in such receipts shall be acknowledged to be received, and the person paying any such moneys, etc., shall not be bound to see to the application or be answerable for any misapplication thereof;

(iii) to commence, institute, conduct, defend or abandon any action or legal proceedings by or against the Company and shall have, for such purposes, power to sign and verify all plaints, written statements, petitions, appeals, declarations, revisions and applications and shall have power to refer any claims by or against the Company to arbitration and

to perform, observe the challenge the awards.

- (3) The Managing Director may delegate all or any of his powers to such other Directors, Managers, Agents or other persons as he may think fit and shall have power to grant to any such person such power of attorney as he may deem expedient and also to revoke such power at pleasure.

#### **Restrictions or powers of Managing Directors**

175. (1) The Managing Director shall not exercise the power-
  - (a) to make calls on shareholders in respect of money unpaid on their shares in the Company; or
  - (b) to issue debentures;
- (2) Except to the extent mentioned in the resolution passed at the Board Meeting under Section 292 of the Act, the Managing Director shall also not exercise to powers to-
  - (a) borrow moneys;
  - (b) invest the funds of the company;
  - (c) make loans;

#### **Certain persons not to be appointed as Managing Directors**

176. A person shall not be appointed or employed as Managing Director, Whole-time Director of the company, or his appointment or employment as the Managing Director or Whole-time Director shall not be continued, if he-
  - (a) is an undischarged insolvent, or has at any time been adjudged as an insolvent;
  - (b) suspends, or has at any time suspended payment to his creditors or makes or has at any time made, a composition with them; or
  - (c) is or has at any time been, convicted by a court of an offence involving moral turpitude.

#### **GENERAL MANAGER**

##### **Appointment of General Managers**

177. (1) The Director may from time to time appoint a duly qualified person to be the General Manager of the Company, or by any other designation as they shall deem fit; and on such terms and conditions as they shall deem fit and may from time to time suspend, remove or dismiss him from office and appoint another in his place.
- (2) Subject to the provisions of the Act, and these Articles, the Directors may delegate to the General Manager such powers and entrust him with such duties as they may deem fit from time to time and revoke cancel, alter or modify the same.
- (3) The remuneration of the General Manager shall be such as may be determined by the Directors from time to time.

#### **SECRETARY**

##### **Appointment of Secretary**

178. (1) The Directors may from time to time appoint a duly qualified person to be Secretary of the Company and on such terms and conditions as they shall deem fit and may from time to time suspend, remove or dismiss him from office and appoint another in his place.
- (2) Subject to the provisions of the Act, and these Articles, the Directors may delegate to the Secretary such powers and entrust him with such duties as they may deem fit from time to time and revoke, cancel, alter or modify the same, and in particular, entrust to him the performance of the functions which by the Act, are to be performed by the Secretary of a Company, and other administrative and ministerial duties.
- (3) The remuneration of the Secretary shall be such as may be determined by the Directors from time to time.

## PROCEEDINGS OF THE BOARD OF DIRECTORS

### Meeting of Directors

179. The Directors may meet together as a Board for the despatch 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 Meeting

180. 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.

### When meeting to be convened

181. A Director may at any time and the Secretary upon the request of a Director made at any time shall convene a meeting of the Board of Directors by giving a notice in writing to every Director for the time being in India and at his usual address in India to every other Director. Notice may be given by telegram to any Director who is not in the State.

### Quorum for a meeting of the Board

182. (a) Subject to the provisions of Section 287 of the Act, the quorum for a meeting of the Board of Directors shall be one-third of its total strength (excluding Directors, if any, whose 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 greater, and the Managing Director, if one has been appointed, unless he has stated his inability to attend the meeting PROVIDED that where at any time the number of interested Directors at any meeting exceeds or is equal to two-thirds of the total strength, the number of 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 quorum during such time.

(b) For purpose of clause (a) -

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

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

### Adjournment of meeting for want of Quorum

183. If a meeting of the Board could not be held for want of quorum then the meeting shall stand adjourned to such other date, time and place, as the Director or Directors present at the meeting may decide.

### Chairman and Vice-Chairman

184. Chairman and Vice-Chairman of the Board shall be nominated by the Promoter(s) by a letter addressed by the Promoter(s) to the Board from the Directors nominated by the Promoter(s). If at any meeting, the Chairman is not present within 15 minutes after time appointed for holding the same the Vice-Chairman shall preside over the meeting. If neither the Chairman nor the Vice-Chairman is present at any meeting of the Board within 15 minutes after the time appointed for holding the same, the meeting shall be adjourned to such time and on such date as may be convenient to the Chairman or the Vice-Chairman. No business shall be transacted at any meeting of the Board if either the Chairman or the Vice-Chairman is not present at such meeting.

### Questions at Board Meetings how decided

185. Subject to the provisions of Sections 316(2), 372(5) and 386(2) of the Act, questions arising at any meeting of the Board shall be decided by majority of votes, and in case of an equality of votes, the Chairman of the meeting shall have a second or casting vote.

### **Powers exercisable at Board Meetings**

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

### **Directors may appoint committees**

187. (1) The Board may subject to the provisions of Section 292 and other relevant provisions of the Act, and of these Articles appoint committees of the Board, and delegate any of the powers, other than the powers to make calls and issue debentures, to such committee or committees and may from time to time revoke and discharge any such committees either wholly or in part and either as to the person or purposes, but every committee so formed shall be in exercise or the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board ..
- (2) The quorum for a meeting of the Committee shall be two persons present in person.

### **Meeting of a Committee how to be governed**

188. The meeting and proceedings of any such committee of the Board shall be governed by the provisions herein contained for regulating meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superceded by any regulations made by the Board under the last preceding article.

### **Circular Resolution**

189. (1) A resolution passed by circulation without a meeting of the Board or of a Committee shall, subject to the provisions of Clause (2) hereof and the Act, be as valid effectual as a resolution duly passed at a meeting of the Board or of a Committee duly called and held.
- (2) A resolution shall be deemed to have been duly passed by a Committee thereof by circulation, if the resolution has been circulated in draft together with necessary papers, if any, to all the Directors or to all the members of the committee then in India (not being less in number than in the quorum fixed for a meeting of the Board or Committee, as the case may be), and to all other Directors or members of the Committee at their usual address in India and has been approved by such of the Directors or members of the Committee as are in India or by a majority of such of them as are entitled to vote on the resolution Acts, of the Board or Committee valid notwithstanding defect in appointment
190. All acts, done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of one or more of such Directors or any person acting as aforesaid, or that they or any of them were disqualified or that the appointment of any of them was terminated by virtue of any provisions contained in the Act, or in these Article, be as valid as if every such person had been duly appointed and was qualified to be a Director.

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 been terminated.

191. (1) The Company shall cause minutes of all proceedings of every meeting of the Board or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting entries thereof in books kept for that purpose with their pages consecutively numbered.
- (2) Each page of every such book shall be initiated or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting of the Board or of the Committee or the Chairman of the next succeeding meeting.
- (3) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (4) The minute of each meeting shall contain a fair and correct summary of the proceedings thereof.

- (5) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
- (6) The minutes shall also contain details of –
  - (a) the names of the Directors present at the meeting;
  - (b) all orders made by the Board and Committee of the Board; (c) all resolutions and proceedings of meetings of the Board; and
  - (c) in the case of each resolution passed at the meeting, the names of the Directors if any, dissenting from or concurring in the resolution.
- (7) Nothing contained in Clause (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 interest of the Company;

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

## **POWER OF THE BOARD**

### **Powers of the Board**

192. The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts, and things as are not, by the Act, or any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting, subject nevertheless to these Articles the provisions of the Act, or any other law and to such regulation ( being not inconsistent with these Articles or the aforesaid 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.

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

193. Without prejudice to the General powers conferred by Article 195 and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers;

#### **To Pay costs for formation of the Company**

- (1) to pay the costs, charges and expenses preliminary and incidental to the formation, promotion, establishment and registration of the Company;

#### **To Pay Commission or interest**

- (2) to pay out of the capital and charge to the capital account of the Company any commission or interest lawfully payable thereout under Section 76 and 208 of the Act;

#### **To acquire any property, rights etc.,**

- (3) subjects to Section 292 and 297 of the Act, to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at or for such price or consideration and generally on such terms and conditions as they may think fit and in such purchase or otherwise acquisition accept such title as the Directors may believe or may be advised to be reasonable satisfactory;

#### **To pay for property**

- (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;

**To secure contracts by mortgage**

- (5) to secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit;

**To accept surrender of shares**

- (6) to accept from any member, so far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed;
- (7) appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and do all such deeds and things as may be required in relation to any such trust and to provide for the remuneration of such trustee or trustees;

**To conduct legal proceedings**

- (8) to institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its officer, or otherwise concerning the affairs of the Company, and also compound and allow time for payment or satisfaction of any debts, due and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or foreign law and either in India or abroad and observe and perform or challenge any award made thereon;

**To act in matters relating to insolvents**

- (9) to act, on behalf of the Company in all matters relating to bankrupts and insolvents;

**To issue receipts and to give discharge**

- (10) to make and give receipts, release and other discharge for moneys payable to the Company and for the claims and demands of the Company;

**To invest moneys of the Company**

- (11) subject to the provisions of Sections 292, 293(1) 295, 370, 372 and 373 of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such security (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time in very 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;

**To give security by way of indemnity**

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

**To determine signing powers**

- (13) to determine from time to time who shall be entitled to sign, on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, Contracts and documents and to give the necessary authority for such purpose, whether by, way of a resolution of the Board or by way of a power of attorney or otherwise.

**To distribute profits of the Company among officers and others**

- (14) to distribute by way of bonus amongst the staff of the Company as a share or shares on the profits of the Company, and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction, and to charge such bonus or commission as a part of working expenses of the Company;

**To provide for provident fund, gratuity etc., to Directors and Employees**

- (15) to provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or by grants of money, pensions, gratuities allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds, or trusts and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit, and subject to the provisions of the Section 292(1) (e) of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason or locality of operation, or the public and general utility or otherwise.

**To provide for reserves, etc.,**

- (16) before recommending any dividend subject to the provisions of Sections 205 of the Act, to set aside out of the profits of the Company such sums as they may think proper for depreciation fund, or to insurance fund, or as a reserve fund or sinking fund any or 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 properties of the Company and for such other purposes (including the purpose 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 may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time to deal with and vary such investments and dispose of and apply and expand 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 interests of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expanded; 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 or a reserve fund to another reserve fund and / or division of a reserve fund with full power to employ the assets constituting all of any of the above funds, including the depreciation fund, in the business of the Company or in purchase or repayment of debentures or debenture stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper, not exceeding nine percent per annum.

**To appoint and remove officers and other employees**

- (17) to appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries, or emoluments or remuneration, and to require security in such instances and for such amounts they may think fit, and also from time to time 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 provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.

**To comply with provisions of local law**

- (18) to comply with the requirement of any local law which in their opinion it would in the interest of the Company be necessary or expedient to comply with.



**To appoint Local Boards**

- (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.

**To delegate power to members of Local Boards**

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

**To appoint Attorneys**

- (21) at any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and any such appointments may (if the Board think 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 shareholder's Directors nominees or manager of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board any powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them;

**To enter into contracts**

- (22) subject to Section 294, 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;

**To make rules**

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

**To effect contract etc.,**

- (24) to effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.

**Restrictions to the powers of the Board**

194. The Board shall not except with the consent of the Company in General Meeting :

- (a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole, or substantially the whole, of any such undertaking;
- (b) remit or give time for the repayment of, any debt by a Director;
- (c) invest, otherwise than in trust, securities, the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in Clause(a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after considerable time;
- (d) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the

ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose;

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

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.

## **THE SEAL**

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

- 195. (1) 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 substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being under such regulation as the Board may prescribe.
- (2) The Seal shall not be affixed to any instrument except by the authority of the Board or a Committee of the Board, previously, given and in the presence of at least one Director of the Company and counter signed by the Secretary or any other officer specifically authorised in this behalf who shall sign every instrument to which the Seal is affixed.
- (3) Debentures may be signed by Directors whose signature, subject to such regulations as may be prescribed by the Board for the purpose, may be reproduced and affixed by mechanical means.
- (4) Any instrument bearing the Seal of Company and issued for valuable consideration shall be binding on the Company notwithstanding irregularity touching the authority of the Board or issue of the same.
- (5) The Certificates of shares of debentures will be sealed in the manner and in conformity with the provisions of the Companies (Issue of Share Certificate) Rules, 1960, and their statutory modifications for the time being in force.
- (6) 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.

## **DIVIDENDS**

### **Division of Profits**

- 196. (1) Subject to the rights of persons, if any, entitled to share with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
- (2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purpose of this Article as paid on the share.

### **The Company in Annual General Meeting may declare dividends**

- 197. The Company in Annual General Meeting may declare dividends to be paid to members according to their respective rights and interest in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 207 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in Annual General Meeting.

### **Dividends only to be paid out of profits**

- 198. No dividend shall be declared or paid otherwise than out of the 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 and the Company for any, previous financial year or years arrived at, after providing for depreciation in accordance with those provisions and remaining undistributed or out of both provided that-

- (a) if the Company has not provided for depreciation for any previous financial year or years, it shall, before declaring or paying dividend for any financial year, provide for such depreciation out of the profits of that 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 any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of Section 205 of the Act, or against both.

#### **Interim dividend**

199. The Board of Directors may from time to time pay to the members such interim dividends as in their judgement the position of the Company justifies.

#### **Capital paid-up in advance at interest not to earn dividend**

200. Where the capital is paid in advance of the calls, upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.

#### **Dividends in proportion to amount paid -up**

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

#### **Retention of dividends until completion of transfer under Article 75**

202. The Board may retain the dividend payable upon shares in respect of which any person under Article 75 has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.

#### **Effect to Transfer of Shares**

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

#### **Dividend etc., of joint holders**

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

#### **Dividend, etc., how remitted**

205. (1) Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant payable only in India, or by a pay slip or receipt having the force of a cheque or warrant sent through post direct to the registered address of the member or person entitled to the payment of the dividend or in case of joint holders to the registered address of that one the members who is first named on the Register of Members in respect of the joint holding or to such person and to such address as the holder or the joint holder may in writing direct.
- (2) Every cheque or warrant shall be crossed and made payable to the order of the person to whom it is sent.
- (3) The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission or for dividend lost, to the member or person entitled thereto by forged endorsement of any cheque or warrant or forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means.

**Unclaimed dividend not to be forfeited**

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

**No member to receive dividend whilst indebted to the Company and the Company's right of reimbursement thereat**

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

**Notice of dividend**

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

**Dividend to be paid within forty-two days**

209. The Company shall pay the dividend or send the warrant in respect thereof to the shareholder entitled to the payment of dividend within forty-two days from the date of the declaration unless:

- (a) where the dividend could not be paid by reason of the operation of any law;
- (b) where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with;
- (c) where there is a dispute regarding the right to receive the dividend;
- (d) where the dividend has been lawfully adjusted by the Company against any sum to it from the shareholder; or
- (e) where for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.

**Unclaimed dividend**

210. Dividends unclaimed until transferred to the unpaid Dividend Account of the Company as hereinafter provided may be invested or otherwise used by the Board of Directors for the benefit of the Company until claimed or so transferred.

**Undisbursed dividend to be special account with a Schedule Bank**

211. (a) where the dividend has been declared but not paid but the warrant in respect thereof has not been posted, within thirty two days from the date of the declaration to any shareholder entitled to the payment thereof, the Company shall within seven days from the date of expiry of the said period of forty two days transfer the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted within the said period of forty two days to a special account to be opened by the Company in that behalf in any Scheduled Bank, to be called 'unpaid dividend' account of Taneja Aerospace and Aviation Limited;
- (b) any money transferred to the unpaid dividend account of the Company in pursuance of Clause (a) hereof which remains unpaid or unclaimed for a period for three years from the date of such transfer, shall be transferred by the Company to the General Revenue Account of the Central Government;
- (c) the Company shall when making any transfer under Clause (b) hereof the General Revenue Account of the Central Government any unpaid or unclaimed dividend furnish to such officer as the Central Government may appoint in this behalf a Statement in the prescribed form setting forth in respect of all sums included in such transfer, the nature of the same, the names and last known addresses of the person entitled to receive the sum, the amount to which each person is entitled and the nature of his claim thereof and such other particulars as may be prescribed.

**Dividend and call together**

212. Any General Meeting declaring a dividend may, on the recommendations of the Directors, make a call on the members of such amount as the meeting fixes but so that the call on each member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend; and the dividend may, if so arranged between the Company and the members be set off against the call.

**No interest on dividends**

213. Except as otherwise provided by law, no unpaid dividend shall bear interest as against the Company.

**CAPITALISATION**

**Capitalisation of undisbursed profits etc.**

214. (1) The Company in General Meeting may, upon the recommendations of the Board, resolve that any moneys, Investments or other assets forming part of the undistributed profits of the Company standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Fund, or any Capital Redemption Reserve Account, or in the hands of Company and available for dividend (or representing premiums received on the issue of shares or debentures and standing to the credit of the Share Premium Account) be capitalised and distributed amongst such of the members as would be entitled to receive that 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 members in paying up in full either at par or such premium as the resolution may provide, any unissued shares of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares partly in one way and partly in the other, and that such distribution or payment shall be accepted by such members in full satisfaction of their interest in the said capitalised sum.
- (2) A General Meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company or any investments representing the same, or any other undistributed profits of the Company not subject to charge for income-tax be distributed among the Members on the footing that they receive the same as capital.
- (3) The Board shall give effect to the resolution passed as aforesaid and for that purpose the Board may settle any difficulty which may arise in regard to the distributions as it thinks expedient and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any Members upon the footing of the value so fixed or that fraction of less value than Rs. 10/- may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalised funds and may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Act, and the Board may appoint any person to sign such contract on behalf of the person entitled to the dividend or capitalised fund, and such appointment shall be effective.

**Fractional Certificates**

215. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall-
- (a) make all appropriations of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares; and
- (b) generally do all acts, and things required to give effect there to;
- (2) The Board shall have full power-
- (a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise it thinks fit, in the case of shares becoming distributable in fractions; and also
- (b) to authorise any person to enter on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation,

or (as the case may require) for the payment by the Company on their behalf, by the application there to their respective proportions of the profits resolved to be capitalised of the amounts of any part of amounts remaining unpaid on their existing shares.

- (3) Any agreement made under such authority shall be effective and binding on all such members.
- (4) That for the purpose of giving effect to any resolution, under the preceding clause of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.

## **ACCOUNTS**

### **Directors to keep true accounts**

216. (1) The Company shall keep at the office or at such other place in India as the Board thinks fit, proper books of account in accordance with Section 209 of the Act, with respect to-
- (a) all sums of money received and expended by the Company and the matters in respect of which the receipts and expenditure take place;
  - (b) the assets and liabilities of the Company;
  - (c) all sales and purchases of goods by the Company;
- (2) Where the Board decides to keep all or any of the books of account at any place other than the office of the Company the Company shall within seven days of the decision, file with the Registrar a notice in writing giving the full address of that other place. The books of account other books and papers shall be open to inspection by any Director during business hours and shall also be open to inspection by the Registrar or by any officer of Government authorised by the Central Government in this behalf if in the opinion of the Registrar or such officer sufficient cause exists for the inspection of books of account.
- (3) The Company shall preserve in good order the books of account relating to a period of not less than eight years preceding the current year together with the vouchers relevant to entries in such books of account.
- (4) When the Company has a branch office, whether in / or outside India, the Company shall be deemed to have complied with this Article if proper books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarised returns, made-up-to-date at intervals of not more than three months, are sent by the branch office to the Company at its Registered Office or other place in India, at which Company's books of account are kept as aforesaid.
- (5) The books of account shall give a true and fair view of the state of the affairs of the Company or branch office, as the case may be, and explain its transactions.

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

217. The Board of Directors shall from time to time determine whether and to what extent and at what times and place and under what conditions or regulations of accounts and books of the Company or any of them shall be open to inspection of Members not being Directors, and no Member not being a Director, shall have a any right of inspecting any account or document of the Company except as conferred by law, or authorised by the Board of Directors or by the Company in General Meeting.

### **Profit and Loss Account and Balance Sheet**

218. The Board of Directors shall from time to time in accordance with the provisions of the Act, cause to be prepared and to be laid at the General Meeting of the Company a Profit and Loss Account and a Balance Sheet, containing a summary of Property and Assets and of the Capital and Liabilities of the Company, made up to a date not earlier than the date of the meeting by more than six months or such extended period as may be permitted under the Act.

**Profit and Loss Account shall give a true and fair view**

219. The Profit and Loss Account of the Company shall give a true and fair view of the profit and loss of the Company for the financial year and shall comply with the requirements of Part II of Schedule VI of the Act, so far as they are applicable thereto.

**Board's Report**

220. (1) Every Balance Sheet laid before the Company in Annual General Meeting shall be accompanied by a Report of the Board of Directors as to the state of the Company's affairs and as to the amounts, if any, which it proposes to carry to any reserves in such Balance Sheet and the amount if, any, which it recommends should be paid by way of dividend and material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company for which the balance relates and the date of the report.
- (2) The Board's Report shall, so far as is material for the appreciation of the state of affairs by its Members and is not in Board's opinion harmful to the business of the Company, deal with any changes which have occurred during the financial year in the nature of the Company's business and generally in the classes of business in which the Company has an interest.
- (3) The Board shall also give the fullest information and explanations in its Report aforesaid, or in an addendum to the Report on every reservation, qualification or adverse remark contained in the Auditor's Report.
- (4) The Board's Report and any addendum then to shall be signed by not less than two Directors or by the Chairman of the Board of Directors if authorised in that behalf of the Board.
- (5) The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of Clause (1) to (3) of this Article are complied with.

**Balance Sheet and Auditor's Report**

221. (1) The Profit and Loss Account and Balance Sheet shall be signed by two Directors and by the General Manager or Manager or Secretary or Chief Accountant, if any, of the Company, provided that if there is only one Director present in India at time or that the other Directors are not available for any reason, the Profit and Loss Account and Balance Sheet shall be signed by the such Director but in such a case there shall be sub-joined to the Profit and Loss Account and Balance Sheet, a statement signed by such Director explaining the reason for non-compliance with the aforesaid provision requiring the signature of two Directors.
- (2) The Profit and Loss Account and Balance Sheet shall be audited by the Auditor and the Auditor's Report ( including this Auditor's separate, special or supplementary report, if any ) shall be attached thereto, and such Report shall be read before the Company in General Meeting and shall be open to inspection by any Member.

**Accounts etc., shall be sent to each Member**

222. A copy of every such Profit and Loss Account and Balance Sheet so audited, ( including the Auditor's 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:
- (a) to the Members of the Company;
- (b) to the holder of debentures issued by the Company ( not being debenture which ex-facie are payable to the bearer thereof );
- (c) to trustees for the holder of such debentures; and
- (d) to any persons entitled to receive notices of General Meeting of the Company;

**AUDIT**

**Accounts to be Audited**

223. Once at least in every year the account of the Company shall be examined, and correctness of the Profit and Loss Account and Balance Sheet ascertained by an Auditor or Auditors.

**First Auditors to be appointed by the Board**

224. (1) The first Auditor or Auditors of the Company shall be appointed by the Board of Directors within one month of the date of registration of the Company; and Auditor or Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.
- (2) 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 and of whose nomination notice has been given to the Members of the Company not less than fourteen days before the date of the meeting.
- (3) If the Board fails to exercise its powers under this Article, the Company may in General Meeting appoint the first Auditor or Auditors.

**Appointment of Auditors**

225. (1) The Company shall, at each Annual General Meeting, appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusion the Annual General Meeting and shall within seven days of the appointment give intimation thereof to every auditor so appointed, unless he is a retiring Auditor.
- (2) Every Auditor so appointed, unless he is a retiring Auditor, shall within thirty days of the receipt from the Company of the intimation of his appointment, inform the Registrar in writing that he has accepted or refused to accept, the appointment.
- (3) In addition, the following provisions shall have effect, that is to say, at any Annual General Meeting, a retiring Auditor or Auditors, by whatsoever authority appointed, shall be re-appointed unless -
  - (a) he is or they are not qualified for appointment;
  - (b) he has or they have given the Company notice in writing of his or their unwillingness to be re-appointed;
  - (c) a resolution has been passed at that meeting appointing somebody instead of him or them or providing expressly that he or they shall not be re-appointed; or
  - (d) where notice has been given of an intended resolution to appoint some other person or persons in the place of a retiring Auditor or Auditors, and by reason of the death, incapacity or disqualification of that person or of all those persons or winding up in case of Company, or firm or other body corporate, as the case may be, the resolution cannot be proceeded with.
- (4) Where at an Annual General Meeting, no Auditors are appointed or re-appointed, the Central Government may appoint a person to fill the vacancy.
- (5) The Company shall, within seven days of the Central Government's power as aforesaid becoming exercisable, give notice of that fact to the Government.
- (6) The Board may fill any casual vacancy in the office of an Auditor or Auditors, but whilst any such vacancy continues, the remaining Auditor or Auditors, if any, may act, provided that where such vacancy is caused by the resignation of an Auditor or Auditors, the vacancy shall only be filled by the Company in General Meeting.
- (7) Any Auditor or Auditors appointed in a casual vacancy shall hold office until the conclusion of the next Annual General Meeting.
- (8) Any Auditor or Auditors appointed may be removed from office before the expiry of his or their term only by the Company in General meeting, after obtaining the previous approval of the Central Government in that behalf.
- (9) The remuneration of the Auditors of the Company, in the case of an Auditor appointed by the Board or the Central Government, may be fixed by the Board or the Central Government, as the case may be.  
In other cases it shall be fixed by the Company in General Meeting or in such manner as the Company in general may determine.



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

**Qualifications and disqualifications of Auditors**

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

**Company's book etc., shall always be open to Auditors**

227. (1) Every Auditor or Auditors of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company, whether kept at the office of the Company or elsewhere and shall be entitled to require from the Directors and Officers of the Company such information and explanations as the Auditor or Auditors may think necessary for the purpose of his or their duties as Auditor or Auditors.
- (2) The Auditor or Auditors shall make a report to the Members of the Company on the accounts examined by him or them and on every Balance Sheet and Profit and Loss Account and on every other document declared by the Act, to the part of or annexed to the Balance Sheet or Profit and Loss Account, which are laid before the Company in General Meeting during his or their tenure of office and the report shall, state whether in his or their opinion and to the best of his or their information and according to the explanations given to him or them the said accounts give the information required by the Act, in the manner so required and give a true and fair view-
- (a) in the case of the Balance Sheet, of the State of Company's affairs as at the end of its financial year; and
- (b) in the case of the Profit and Loss Account of the Profit and Loss for its financial year;
- (3) The report of the Auditor or Auditors shall also state -
- (a) whether he or they has or have obtained all the information and explanations which to the best of his or other knowledge and behalf were necessary for the purpose of the audit;
- (b) whether in his or their opinion, proper books of account as required by law have been kept by the Company so far as appears from his or their examination of those books and proper returns adequate for the purpose of his or their audit have been received from branches not visited by him or them;
- (c) whether the report on the accounts of any branch office audited under Section 228 of the act, by a person other than the Company's auditor has been forwarded to him or them as required by Clause (C) of sub-section (3) of that Section and how he has or they have dealt with the same in preparing the Auditor's Report; and
- (d) whether the Company's Balance Sheet and Profit and Loss Account dealt with by the Report are in general agreement with the books of account and returns;
- (4) Where in respect of any of the matters referred to above the answer of the Auditor or Auditors is in the negative or with a qualifications the Report of the Auditor or Auditors shall state the reason for the answer.
- (5) The accounts of the Company shall not be deemed as not having been and the Auditor's report shall not state that these accounts have not stated that those accounts have not been, properly drawn up on the ground merely that the Company has not disclosed certain matters if -
- (a) these matters are such as the Company is not required to disclose by virtue of any provisions contained in the Companies Act, 1956 of any other Act;
- (b) those provisions are specified in the Balance Sheet and Profit and Loss account of the Company;
- (6) The Auditor's report shall be read before the Company in General Meeting and shall be open to inspection by any Member of the Company.

**Auditors to receive notice of certain meetings**

228. All notices if, and other communications relating to, any General Meeting of the Company, which any Member of the Company is entitled to have sent to him, shall also be forwarded to the Auditor or Auditors of the Company; and the Auditor or Auditors shall be entitled to attend any General Meeting and to be heard at any General Meeting which he or they attend on any part of the business which concerns him or them as Auditor or Auditors.

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

229. Every Accounts of the Company when audited and adopted at the General meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period the Account shall forthwith be corrected and henceforth shall be conclusive subject to the approval of the members of the Company in General Meeting.

**DOCUMENTS AND NOTICES**

**Service of documents or notices on members by the Company**

230. A document or notice may be served by the Company on any member thereof either personally or by sending it by post to him at his registered address or if he has no registered address in India, to the address, if any within India supplied by him to the Company for serving document or notice on him.

**Service by post**

231. Where a document or notice is sent by post:

- (a) service thereof shall be deemed to be effected by properly addressing, preparing and posting a letter containing the document or notice;

Provided that where a member has intimated to the Company in advance that documents or notice 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 sum sufficient to defray the expenses of doing so service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member; and

- (b) such service shall be deemed to have been effected:
  - (i) in the case of a notice of meeting at the expiration of forty eight hours after the letter containing the same is posted; and
  - (ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post;

**Service by advertisement**

232. A document or notice advertised in a newspaper circulating the neighborhood of the Registered Office of the Company shall be deemed to be duly served on the Company on which the advertisement appears, on every member of the Company who has no registered address in India and is not supplied to the Company an address within India or servicing of documents or the sending of notices to him.

**Service on joint holders**

233. A document or notice may be served by the Company on or to the joint holder of a share by serving or giving it on or to the joint holder named first in the register in respect of the share.

**Service on Official Receiver or liquidator and person entitled to a share consequent on the death etc., of member**

234. A document or notice may be served by the Company on or to the person entitled to a share in consequence of the death or insolvency of a member by sending through the post in prepaid letter, addressed to them the name or by title of representatives of the deceased, or assignees of the insolvent or by any like description, at the address, if any in India supplied for the purpose by the person to be so entitled, or until such an address has been so supplied by serving the document

or notice in any manner in which it might have been served if the death or insolvency had not occurred.

**Signing of documents and notices to be served or given**

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

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

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

PROVIDED THAT when the notice of the meeting is given by advertising the same in newspaper circulating the neighbourhood of the office of the Company, pursuant to Article 236 a statement of material facts referred to in Article 100 need not be annexed to the notice, as is required by that Article, but it shall merely be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

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

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

**Service of documents on Company**

238. A document may be served on the Company of an Officer thereof by sending it to the Company or office at the Registered Office or by leaving it at its Registered Office.

**Service of documents by Company on the Registrar of Companies**

239. A document may be served on the Registrar of Companies by sending it to him at his office by post under a Certificate of Posting or by Registered Post or by delivering it to or leaving it for him in his office.

**Authentication of documents and proceedings**

240. Same as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the Company may be signed by a Director, the Manager or Secretary or other authorised office of the Company and need not be under the Common Seal of the Company.

**POWER OF PROMOTER TO GIVE DIRECTIVES AND OF CHAIRMAN TO RESERVE IMPORTANT DECISIONS FOR PROMOTER**

**Power of promoter to give directives**

241. Notwithstanding anything contained in any of these Articles, so long as the Promoter(s) hold(s) not less than 10% of the subscribed capital of the Company, the Promoters may, from time to time, issue to the Directors such directives as it may consider necessary in regard to the conduct of the business of the Company and in like manner may vary and annual any such directive. The Directors shall give immediate effect to the directives so issued.

**Chairman to reserve certain important decisions for consideration of Promoters**

242. The Chairman shall reserve for the approval of the Promoter(s) any proposals to or decisions of the Board of Directors in respect of any matter which, in the opinion of the Chairman should be reserved for such approval on the ground that they are likely to affect the Promoter(s) as the shareholder(s) in the Company approval. No action shall be taken by the Company in respect of any proposals or decisions of the Board of Directors reserved for the approval of the Promoter as aforesaid until their approval for the same has been obtained.

## WINDING UP

### Distribution of assets on winding up

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

### Distribution in species or in kind of assets on winding up

244. (1) If the Company shall be wound up whether voluntarily or otherwise, the liquidator may, with the sanction of a special resolution, divide amongst the contributions in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in Trustees upon such trusts for the benefit of the contributories or any of them, as the liquidator, with the like sanction, vest any part of the assets of the Company in Trustees upon such trusts for the benefit of the contributories or any of them, as the liquidator, with the sanction, shall think fit.
- (2) If though expedient any such division may, subject to the provisions of the Act, be otherwise than in accordance with the legal rights of the contributories ( except where fixed by Memorandum of Association ) and in particular any class may be given preference or special rights or may be excluded altogether or in part in case any decision otherwise than in accordance with the legal rights of the contributors shall be determined upon; any contributory who would be prejudiced there by shall have are right to dissent and have ancillary rights as if such, determination were, a special resolution passed pursuant to Section 494 of the Act.
- (3) In case any share to be divided as aforesaid involve a liability to calls or otherwise, any person entitled under such division to any of the said shares may within ten days after the passing of the special resolution by notice in writing direct the liquidator to sell his proportion and pay him the net proceeds and the liquidator shall, if practicable, for accordingly.

### Right of share-holders in case of sale

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

## INDEMNITY

### Indemnity to Director & others

246. (1) Save and except so far as the provisions of this Article shall be avoided by Section 201 of the act, the Board of Directors, Managing Director, Managers, Secretary and other Officers or other employees for the time being of the Company, Auditor and the Trustees, if any, for the time being acting in relation to any of the affairs of the Company, and everyone of them and everyone their heirs, executors and administrators shall be indemnified and secured harmless out of the assets and profits of the company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, or their or any of their executors or administrators shall or may incur or sustain by or by reason of any act done, concurred in or about the execution of their duty, or supposed duty, their respective officers or trusts, except such, if any as they shall incur or sustain through or by their own willful

neglect or default respectively.

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

**Director etc., not responsible for acts of others**

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

**SECRECY**

**Members shall not be entitled to discover information etc.**

248. No member shall be entitled to require discover of or any information respecting any detail of the Company's business or any 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.

**Declaration of fidelity and Secrecy**

249. Every Director, Officer and other employees of the Company shall before entering upon their duties sign a declaration in the form set out hereunder or such other form as the Directors may from time to time direct.

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

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



**DECLARATION OF FIDELITY AND SECRECY**

I .....

on becoming a Director / Officer / Employee of the .....

.....

Limited to do solemnly and sincerely declare that I will faithfully perform the duties of the Director / Officer / Employee and that I will, to the best of my ability, uphold the interest of the said Company and that I will observe strict secrecy respecting all transaction of the company and all matters relating thereto and that I will not directly or indirectly communicate or divulge any of the matters or any information which may come to my knowledge in the discharge of my duties as such Director / Officer / Employee except when required or authorised to do so by the Board a superior authority or by law.

Place .....

Date .....

Signature .....

.

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

Name, address, description and occupation of each Subscriber	Number of equity shares taken by each Subscriber	Signature of Subscriber	Signature of witness and his name address description and occupation
<p><b>BALDEV RAJ TANEJA</b> C/o. Late Shri. T.R. Taneja 23/1, Bundgarden Road, Pune - 411 001. Occupation : Industrialist</p>	100 Equity Shares	Sd/-	<p>Sd/- <b>SANJAY DHRUVA</b> S/o. Girdhar Dhruva 3rd Floor, Flat No. 14, Al Karim Manzil 15, Platon Road, Bombay -460 001. Chartered Accountant</p>
<p><b>JAGDISH PRASAD SUREKA</b> C/o. Parmeswarlal Sureka 64, Beadon Street, Calcutta - 700 006 Occupation: Industrialist</p>	100 Equity Shares	Sd/-	
<p><b>ASHOK KUMAR JAIN</b> C/o. Late Misrilal Jain P.O. No. Chaibasa, Bihar - 833 201 Occupation : Industrialist</p>	100 Equity Shares	Sd/-	
<p><b>TANMAY DATTA</b> C/o. Late B.N. Datta, 63/4, Koregaon Park, Pune - 411 001. Occupation : Company</p>	100 Equity Shares	Sd/-	
<p><b>GAUTAMATHA</b> C/o. Lalji Khatauatha 501, Hill Queen, Pali Mala Road, Pali Hill, Bandra, Bombay - 400 050 Occupation: Industrialist</p>	100 Equity Shares	Sd/-	
<p><b>BALAJI TUBES PRIVATE LTD.</b> 6E Ramabai Ambedkar Road, Pune - 411 001 . Occupation: Company Executive</p>	100 Equity Shares	Sd/-	
<p><b>RAJIV GOEL</b> C/o. Shivnath Goel, III,1202, Shangrila Apartment, 31, Bundgarden Road, Pune - 411 001. Occupation : Company Executive</p>	100 Equity Shares	Sd/-	
TOTAL :	700 Equity Shares		

Bombay: Dated 30th March 1988.