

(THE COMPANIES ACT, 1956)
(Company Limited By Shares)
Articles of Association
OF
SHAKUMBHRI PULP & PAPER MILLS LIMITED
CONSTITUTION

1. No regulations contained in Table A, in the first Schedule to the Companies Act, 1956, shall apply to this Company, but the regulations for the management of the company and/or the observance of the Members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company with reference to the repeal or alternation of, or, addition to, its regulation by the Special Resolution, as prescribed by the said Companies Act, 1956, be such as are contained in the Articles.
- Table 'A' not to apply but Company to be governed by these Articles.

INTERPRETATION

2. In the interpretation of these Articles, unless repugnant to the subject or context
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| "The Company" means SHAKUMBHRI PULP & PAPER MILLS LIMITED | Interpretation clause
"The Company" or
"This Company" |
| "The Act" means "The Companies Act, 1956" or any statutory modification or re-enactment thereof for the time being in force. | "The Act" |
| "Auditors" means and includes those persons appointed as such for the time being by the Company. | "Auditors" |
| "Board" means the Board of Directors of the Company. | "Board" |
| "Capital" means the Share Capital for the time being, raised or authorised to be raised, for the purposes of the Company. | "Capital" |
| "Debenture" includes Debenture Stock. | "Debenture" |
| "Directors" means the Directors for the time being of the Company. | "Directors" |
| "Dividend" includes bonus. | "Dividend" |

'In writing' & 'written'	"In writing" and "written" include printing, lithography and other modes of representing or reproducing words in a visible form.
'Member'	"Member" means a person who agree in writing to become a member of the Company and whose name is entered in its Register of Members.
'Meeting' or 'General Meeting'	"Meeting" or "General Meeting" means a Meeting of members.
'Annual General Meeting'	"Annual General Meeting" means a General Meeting of Members held in accordance with the provisions of Section 166 of the Act.
'Extraordinary General Meeting'	"Extraordinary General Meeting" means an Extraordinary General Meeting of the Members duly convened.
'Month'	"Month" means a calendar month.
'Office'	"Office" means the Registered Office for the time being of the Company.
'Paid up'	"Paid up" include credited as paid up.
'Person'	"Person" include corporations and individual.
'Register of'	"Register of Members" means the Register of Members to be kept pursuant to the Act.
'The Registrar Members'	"The Registrar" means the Registrar of Companies having jurisdiction over the Company.
'Secretary'	"Secretary" include a Temporary or Assistant Secretary and any person or persons appointed by the Board to perform any of the duties of a Secretary.
'Seal'	"Seal" means the Common Seal for the time being of the Company.
'Share'	"Share" means share in the Share Capital of Company, and includes stock except where a distinction between stock and share is expressed or implied.
'Singular Number'	Words importing the singular number include, where the context admits or requires, the plural number and vice versa.
'Gender'	Words importing the masculine gender also include the feminine gender and vice-versa.
'Special Resolution'	"Special Resolution" shall have the meaning assigned thereto by Section 189 of the Act.
'Year' and'	"Year" means the calender year and "Financial year" shall have the meaning assigned thereto by Section 2 (17) of the Act.
'Financial Year'	The Marginal Notes used in these Articles shall not effect the construction hereof.
'Marginal Notes'	Save as aforesaid and words or expression defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

3. The Company shall have among its objective the promotion and growth of national economy through increased productivity, effective utilisation of material and manpower resources and continued application of modern scientific and managerial techniques in keeping with the national aspirations, and the Company shall be mindful of its social and moral responsibilities to the consumer, customer, employees, shareholder, society and the local community.

Social
Responsibilities
of the Company

CAPITAL AND INCREASE AND

REDUCTION OF CAPITAL

4. The Share Capital of the Company is Rs. 4,00,00,000/- (Rupees Four Crore Only) divided into 40,00,000 (Forty Lacs) Equity Shares of Rs. 10/- (Rs. Ten) each with the power to increase and reduce the capital and to divide the share in the capital for the time being into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges and conditions as may be determined by or in accordance with the Companies Act, 1956 for the time being in force.
5. The Company in General Meeting may, from time to time, by an ordinary resolution increase the Share 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 privileges annexed thereto, as the resolution shall prescribe and in particular, such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company, and with a right of voting at General Meeting of the Company in conformity with Sections 87 and 88 of the Act. Whenever the capital of the Company, has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.
6. Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital and shall be subject to the provisions herein contained, with reference to the payment of call and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
7. Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue preference shares which are on at the option of the Company are to be liable to be redeemed and the resolution authorising such issue shall prescribe the terms thereof and the manner and the terms and conditions of redemption. The said Preference Shares including the redeemable on shall confer the right to a fixed preferential dividend cumulative or otherwise as may be decided by the Company at the time of issue.

Amount of
Capital

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

New Capital
same as existing
capital

Redeemable
Preference
Shares

Provisions to apply on issue of Redeemable Preference Shares.

8. On the issue of Redeemable Preference Shares under the provisions of Article 7 hereof, the following provisions shall take effect :-

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

Reduction of Capital.

9. The Company may (Subject to the provisions of Section 78,80,100 to 104 of the Act) from time to time by Special Resolution, its Capital and Capital Redemption Reserve Account and Share Premium Account in any manner for the time being authorised by law, and in particular Capital may be paid off on the footing that it may be called up again or otherwise.

Sub-division and consolidation of Shares.

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

Modification of Rights

11. Whenever the capital, by reason of the issue of the Preference Shares or otherwise, is divided into different classes of share, all or any of the rights and privileges attached to each class may subject to the provisions of Section 106 and 107 of the Act, be modified, commuted affected or abrogated, or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is

ratified in writing by holders of at least three-fourths in nominal value of the issued shares of, that class or is confirmed by 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 (including the provisions relating to quorum at the meeting) shall apply mutandis to every such meeting.

12. The Company shall cause to be kept a Register and an index of Members in accordance with Section 150 and 151 of the Act, provided that Index of Members shall not be kept if the Register of Members is in such a form as in itself to constitute an index. The Register of Members and the Index of Members shall be open to inspection for such period, not being less, in the aggregate, than town hours on each working day as may be determined by the Board from time to time, to any member provided however, that no inspection shall be allowed during the period when the Register of Members is closed. Any such member, debenture holder or other person may make extracts therefrom. The Company shall send to any member, debenture holder or other person on request, extracts of the aforesaid Register or index on payment of 37 Paise for every 100 words or fractional part thereof. The extract shall be sent within a period of 10 days exclusive of non-working debenture holder's or other person's request is received by the Company. The Company may keep in any State or country outside India a branch Register of Members resident in that or Company. Register and index of Members.
13. The Shares in the Capital shall be numbered progressively according to their several denominations, and except in the manner herein-before mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was or finally distinguished. Shares to be numbered progressively and no share to be subdivided.
14. The Board shall observe the restrictions as to allotment of shares to the public as contained in Section 69 and 70 of the Act, and shall cause to be made the returns as to allotment provided for in Section 75 of the Act. Restriction on allotment.
15. (a) Where at any time after the expiry of two years from the date of formation of the Company or at any time after the expiry of one year from the date of allotment of shares in the Company, made for the first time which ever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether of the unissued share capital or out of increased share capital, then such further shares shall be offered to the persons who, at the date of the offer, are holders of equity shares in the Company, in proportion as nearly as circumstances admit, to the capital paid up on those shares at that date. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than 15 days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, Further issue of Capital.

the Board may dispose off such shares in such manner as it thinks most beneficial to the Company.

b. Notwithstanding anything contained in the sub-clause (a) above the Company may:-

- (i) by a special Resolution or
- (ii) by an Ordinary Resolution and with the consent of the Central Government, issue further shares to any person or persons and such person or persons may or may not include the persons who at the date of the offer are the holders of the equity shares in the Company.

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

d. This will not cover the shares pledged to any of the financial institution on Banks etc. to whom shares have been pledged in consideration of any loan or financial assistance of any kind.

Shares under
control of Board

16. Subject to the provisions of these Articles and of the Act, the shares shall be under the control of the Board who may allot or otherwise dispose off the same to such persons on such terms, conditions and at such times as the Board thinks 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 (subject to the provisions of Sections 78 and 79 of the Act) at a premium or at a discount and such option exercisable for such time and for such consideration as the Board thinks fit. The Board shall cause to be made the returns as to allotment provided for in Section 75 of the Act. Provided that option or right to call of shares shall not be given to any person without the sanction of the company in General Meeting.

Directors may
allot shares as
fully paid

17. Subject to the provisions of the Act and these Articles the Directors may allot and issue shares in the Capital of the Company as payment or part, payment for any property or assets of any kind whatsoever (including goodwill of any business) sold or transferred, goods or machinery or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid up or partly paid up otherwise than in cash, and if so issued shall be deemed to be fully paid up or partly paid up shares as aforesaid. The Directors shall cause returns to be filed of any such allotment as provided, by Section 75 of the Act.

18. In addition to and without derogating from the powers for that purpose conferred on the Board under Article 16 and 17, 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 increase capital of the Company) shall be offered to such persons (whether Members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Section 78 and 79 of the Act) at a premium or at par or at discount, as such General Meeting shall determine. Power also to Company in General Meeting to issue shares.
19. Any application signed by or on behalf of an applicant for shares as in the Company followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall for the purpose of these Articles, be Member. Acceptance of Shares
20. The money (if any) which the Board shall, on 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 shall immediately on the inscription of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly. Deposit and calls etc. to be a debt payable immediately.
21. Every member, his heirs, executors or administrators, shall pay to the Company the portion of the capital represented by his share or shares which may for the time being remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations require or fix for the payment thereof. Liabilities of Members.
22. (a) Every Member or allottee of shares shall be entitled, without payment, to receive one or more certificate in the marketable lot specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered Powers of Attorney and the Secretary or some other person appointed by the Board for the purpose, and the two Directors or their attorneys and the Secretary or other person shall sign the share Certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole time Director. Particulars of every share Share Certificate

certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating the date of issue.

- (b) Any two or more joint allottees of a share shall, for the purpose of this Article be treated as a single Member, and the certificate of any share, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them.
- (c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

Renewal of Share Certificate

23. (a) No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn-out, or where the cages on the reverse for recording transfers have been duly utilised, unless the certificate in lien of which is issued is surrendered to the Company. The Company shall be entitled but shall not be bound to charge such fees as the Board may prescribe, not exceeding Rupees Two per certificate issued on splitting or consolidation of Share Certificates or any replacement of Share Certificates that are defaced or torn. Provided, however, that no fee shall be charged for sub-division or consolidation of a Share Certificate or that of letter of allotment into denominations corresponding to market units or trading. No fees shall be charged for issue of new certificates in replacement of those which are old, decrepit or worn-out or where the cage on the reverse for recording transfers have been fully utilised.
- (b) When a new Share Certificate has been issued in pursuance of clause (a) of this Article, it shall state on the face of it and against the stub or counterfoil that it is-"Issued in lien of Share Certificate No. (s) sub.divide/replaced/on consolidations of shares."
 - (c) If Share Certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board and on payment of such fees not exceeding Rupees Two as the Board may, from time to time, fix, and on such terms, if any, as to evidence indemnity and payment of out-of-pocket expenses incurred by the Company in advertising and investigating evidence, as the Board thinks fit.

- (d) When a new Share Certificate has been issued in pursuance of clause (c) of the Articles, it shall state on the face of it and against the stub or counterfoil that it is "Duplicate issued in lieu of the Share Certificate No." The word "duplicate" shall be stamped or punched in bold letters across the face of the share certificate.
- (e) Where a new Share Certificate has been issued in pursuance of clause (a) or clause (c) of the Articles, particulars of every such Share certificate shall be entered in Register of Renewed and Duplicate Certificate indicating the name of the persons to whom the certificate is issued, the number and date of issue of Share Certificate in lieu of which the new certificate is issued, and the necessary changes shall be indicated in the Register of Members by suitable cross reference in the "Remarks" column.
- (f) All blank forms to be issued for issue of Share Certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or such other person as the Board may appoint for the purpose and the Secretary or the other persons aforesaid shall be responsible for rendering an account of these forms to the Board.
- (g) The Managing Director of the Company for the time being or, if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of Share Certificates except the blank forms of Share Certificates referred to in sub-article (f).
- (h) All books referred to in sub-article (g) shall be preserved in good order permanently.
24. Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained in the Articles :-
- (a) The Joint-Holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.
- (b) On the death of any such joint-holder the survivor or survivors shall be the only

Joint Holders

Joint and Several liability for all payments in respect of shares.

Title of survivors.

person or persons, recognised by the Company as having any title to the share but the Directors may require such evidence of death as that may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

Receipt of one sufficient.

(c) Only the person whose name stands first in the Register of Members may give effectual receipts of any dividends or other money payable in respect of such share.

Delivery of certificate and giving of notices to first named holders.

(d) Only the person whose name stands first in the Register of Members as one of the joint-holders of any shares shall be entitled to delivery of the certificate relating to such share or to receive document from the Company and any documents served on or sent to such person shall be deemed service on all the joint-holders.

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

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

Funds of Company may not be applied in purchase of shares of the Company.

26. None of the funds of the Company shall be applied in the purchase of any shares of the Company and it shall not give any financial assistance for or in connection with the purchase or subscription of any shares in the Company or in its holding Company save as provided by Section 77 of the Act.

UNDERWRITING AND BROKERAGE

Commission may be paid.

27. Subject to the provisions of Section 76 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in or debentures of the Company, or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares or debentures in the Company, but so that the commission shall not exceed in the case of shares five percent of the price at which the shares are issued and debenture are issued. Such commission may be satisfied by payment in cash or by allotment of fully or partly paid shares/or debentures or partly in one way and/or partly in the other.

Brokerage

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

INTEREST OUT OF CAPITAL

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

Interest may be paid out of capital.

CALLS

30. The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by Circular all moneys unpaid on the shares held by them respectively and each Member shall pay the, amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by instalments Thirty day's notice, in writing, of any call, shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.
31. A call shall be deemed to have been made at the time while the resolution authorising such call was passed at a meeting of the Board.
32. The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
33. The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the Members who for 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.
34. If any Member fails to pay any call due from him on the day appointed for payment thereof or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the time to time be fixed by the board not exceeding 10 per cent per annum, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member.
35. Any sum, which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be call duly made and payable on the date on which by the terms of issue, the same become 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.
36. "The Directors may agree with any Central of State Financial Institution, Banks State or other body that in consideration of any loan, financial assistance of any kind whatsoever which may be rendered by any one of them severally or jointly with any other or others. They shall have power to nominate one or more Directors on the Board of the Company during the currency of loan or any other financial assistance and from time to time appoint or remove them of any one of them any fill any vacancy caused by death,

Directors may make calls.

Calls to date from resolution.

Liability of joint-holders

Directors may extend time.

Calls to carry interest.

Sums deemed to be calls.

resignation or removal of any such Directors or otherwise ceasing to hold office by any of them. Provided that nominee Director will not be required to hold any qualification shares and shall not be subject to retirement."

Proof of trial of
suit for money
due on shares.

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

Partial payment
no to preclude
forfeiture.

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

Payment in
anticipation of
calls.

39. (a) The Board may, if it thinks fit, agree to and receive from any Member willing to advance the same, all or any part of the amount of his 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 call, then made upon and due in respect of the shares on account of which such advances are made, the Board may pay or allow interest, at such rate as the Member paying the sum in advance and the Board agree upon, provided that in respect thereof it shall not confer a right to dividend or to participate in profits. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months notice in writing.
- (b) No member paying any such sum in advance shall be entitled to voting right in respect of the money so paid by him until the same would but for such payment become presently payable.

LIEN AND FORFEITURE

40. The Company shall have a first and paramount lien upon all the shares (other than fully paid up shares) registered in the name of each Member, (whether solely or jointly with others) and upon the proceeds of sale, there of for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares, and no equitable interest in any shares shall be created except upon the footing and condition that Article 25 is to have full effect, and such lien shall extend to all dividends from time to time declared in respect of such shares.
41. For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as it shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of the Directors to execute transfer on behalf of and in the name of such Member. No sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such Member or his representatives and default shall have been, made by him or them in payment, fulfilment or discharge of such debts, liabilities or engagement for fourteen days after such notice.
42. The next proceeds of and such sale shall be received by the Company and applied in or towards payment of such of the amount in respect of which the lien exists as it presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.
43. If any Member fails to pay any call or installment of a call on or before the day appointed for the payment of the same or any such extension there of as aforesaid, the Board 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.
44. The notice shall name a day (not being less than thirty days from the date of the notice) and a place or places on and at which such call or instalment and such interest thereon at such rate not exceeding 10 (ten) percent per annum as the Board of 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. 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.
45. If the requirements of any such notice as aforesaid shall not be complied with by any share-holder the share in respect of which such notice has been given, may at

Company's lien on shares.

As to enforcing lien by sale.

Application to proceeds of sale.

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

Terms of notice

In default of payment share to be forfeited.

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

Notice of forfeiture to a Member.

46. When any share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

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

47. 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.

48. Any Member whose shares have been forfeited shall notwithstanding the forfeiture be liable to pay and shall forthwith pay to the Company, on demand, all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment at such rate not exceeding 10 (ten) percent per annum as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.

Effect of forfeiture.

49. 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.

Evidence of forfeiture.

50. A declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.

Validity of sale under Articles 41 and 47.

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

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| 52. Upon any sale, re-allotment or other disposal under the provision of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto. | Cancellation of share certificates in respect of forfeited shares. |
| 53. The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering of such terms as they think fit. | Surrender of shares. |
| 54. The Board may, at time before any share is so forfeited, have been sold, re-alloted or otherwise disposed of annual the forfeiture thereof upon such conditions as it thinks fit. | Power to annual forfeiture. |

TRANSFER AND TRANSMISSION OF SHARES

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| 55. The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmissions of any share. | Register of Transfers. |
| 56. The instrument of transfer of any share shall be in writing and all the provisions of Section 108 of The Companies Act, 1956, shall be duly complied with. | Form of Transfer. |
| 57. Every such instrument of transfer shall be executed both by the Transferor and the Transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members, in respect thereof. | To be executed by Transferor and Transferee. |
| 58. An application for the registration of a transfer of shares may be made either by the transferor or by the transferee, but when 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 transfer within two weeks from the receipt of the notice. Provided that such notice shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post. | Application for transfer and notice to transferee. |
| 59. The Board shall have power on giving not less than seven days previous notice by advertisement in a newspaper circulating in the district in which the Registered Office of the Company is situated to close the transfer books, the Register of Members or Register Debenture-holders at such time to time 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, provided however that the advertisement in a newspaper for closing the branch Register of Members and/or Debenture-holders shall be inserted in newspaper circulating in the district wherein the branch Register of Members or Debenture-holders is kept. | Transfer Books when closed. |

Directors may refuse to register transfers.

60. Subject to the provisions of Section 111 of the Act, and section 22 A of the Securities Contracts (Regulation) Act, 1956, the Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within one month from the date on which the instrument of transfer was lodged with that company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of 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 when the company has a lien on the shares. Transfer of shares/debentures in whatever lot shall not be refused.

Death of one or more joint holders of shares.

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

Title to shares of deceased Member.

62. The executors or administrators or holders of a succession certificate or the legal representative of a deceased Member (not being one or two or more joint-holders) shall be the only person recognised by the Company as having any title to the shares registered in the name of such Member, and the Company shall not be bound to recognise such executors or administrators or holders of a succession certificate or the legal representative, unless such executors or administrators or legal representatives shall have first obtained Probate of Letters of administration or Succession Certificate, as the case may be, from a duly constituted Court in the Union of India, provided that in any case where, the Board in its absolute discretion thinks fit, the Board may dispense with production of probate of Letters of Administration or Succession Certificate upon such terms as to indemnify or otherwise and under Article 65 register the name of any person who claims to be absolutely entitled to the shares standing, in the name of a deceased Member, as a Member.

No transfer to insolvent etc.

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

Compliance with the Estate duty Act, 1953.

64. If any Member of the Company dies, and the Company through any of its Principal Officers within the meaning of Section 18 of the Estate Duty Act, 1953, has knowledge, of the death it shall not be lawful for the Company to register the transfer of any shares standing in the name of the deceased Member unless the Company is satisfied that the transferee has acquired such shares for valuable consideration or

a certificate from the Controller or Deputy Controller or Assistant Controller of Estate Duty that either the Estate Duty in respect thereof has been paid or will be paid or none is due as the case may be, is produced.

65. Subject to the provisions of Articles 61 and 62, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any Member, or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be, under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder, provided nevertheless then if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained, and, until he does so he shall not be free from any liability in respect of the share.
66. A person entitled to a share by transmission shall, subject to the right of the Directors to remain such dividends or moneys as hereinafter provided, be entitled to receive and may give a discharge for any dividends or other money payable in respect of the share.
67. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transfer for his right to transfer the shares and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.
68. Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company alongwith (save as provided in Section 108 of the Act) a properly stamped and executed instrument of transfer.
69. No fee shall be charged in respect of transfer or transmission of any shares of the Company.
70. The Company except required by Court/Government Authority 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 in the said share, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice referred thereto, in any book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.
- Registration of persons entitled to shares otherwise than by transfer.
- Persons entitled may receive dividends without being registered as member
- Transfer to be presented with evidence of title.
- Conditions of Registration of transfer.
- Fee on transfer or transmission.
- The Company not liable for disregard of a notice prohibiting registration of a transfer.

**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.

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

BORROWING POWERS

Power to borrow.

72. Subject to the restrictions under Sections 58A, 292 of the Act, and regulations made there under directives issued by RBI the Board may, from time to time, at its discretion accept deposits, including calls in advance, raise or borrow money for the company with or without interest.

The Payment or re-Payment of moneys borrowed.

73. The Payment or repayment of money borrowed as aforesaid 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 a resolution passed at a meeting of the Board (and not by a Circular Resolution) by the issue of debentures or debenture stock of the Company charged upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being, and debentures, debenture-stock and other securities which may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Terms of issue debentures.

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

Register of Mortgages, etc. to be kept.

75. The Company shall keep at its registered office a register of charges and enter therein all charges specifically affecting the property of the, company giving in each case the particulars required under section 143 of the Act.

Register & Index of Debenture holder.

76. The Company shall if at any time it issues debentures, keep in one or more books a Register of Debenture-holders and shall enter therein such particulars as required under Section 152 of the Act and if the number of Debenture-holders exceeds fifty the Company shall also keep a Register of Index of Debenture-holder unless the Register of Debenture-holder is in such a form as in itself to constitute in Index. The Company may keep in any State or Country outside India a branch Register of Debenture-holders resident in that State or Country.

CONVERSION OF SHARES INTO STOCK

AND RECONVERSION

77. The Company in General Meeting may convert any fully paid up shares into stock, and, when any Shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interest therein, or any part of such interest, in the same manner as and subject to the same regulation under which the shares from which the stock arose might have been transferred, in no such conversion has taken- place, or as near thereto as circumstances will admit. The Company may at any time reconvert any stock in to paid-up shares of any denominations.

Shares may be converted into stock.

78. 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.

Rights of stock-holders.

MEETING OF MEMBERS

79. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any Meeting in that year. All General Meetings other than Annual General Meeting shall be called Extra- ordinary General Meeting. Subject to any extension of time that may be granted by the Registrar under Section 166 of the Act, the Annual General Meeting shall be held within six months after the expiry of each financial year, and not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. Every Annual General Meeting shall be called for a time during business hours, on a day that is not a public holiday, and shall be held at the Registered Office of the Company or at some other place within the city where the Registered office of the company is situate as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting. Every Member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attend on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Directors Report and Audited Statement of Accounts, the Proxy Register with proxies and the Register of Directors Shareholdings. The Register of Directors Shareholdings shall remain open and accessible during the continuance of the Meeting. The Board shall prepare and file with Registrar the Annual Return, Balance Sheet and Profit and Loss Account in accordance with Sections 159 and 220 of the Act.

Annual General Meeting and Annual return.

Extraordinary
General Meeting.

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

Requisition of
Members to state
object of
Meeting.

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

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

82. Upon the receipt of any such requisition, the Board shall forthwith call Extraordinary General Meeting, and if they do not proceed within twenty-one days from the date of the requisition being deposited at the office to cause a meeting to be called on a day not later than 45 (Forty five) days from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid-up share capital of Company as is referred to in Section 169 (4) of the Act, whichever is less, may themselves call the Meeting, but in either case any Meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

Meeting called by
requisitionists.

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

Twenty-one
day's notice of
meeting

84. Every General Meeting, Annual or extraordinary and by whomsoever called may be called by giving not less than twenty-one days notice in writing, specifying the day, place and hour of meeting, and the general nature of the business to be transacted thereat, in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company provided that in the case of an Annual General Meeting, with the consent in writing of all the members entitled to vote thereat, and in case of any other meeting, with the consent of Members holding not less than 95 percent such part of the paid-up share capital convened by a shorter notice. In the case of an Annual General Meeting, if any business other than (i) the consideration of the accounts, balance sheet and reports of the Board of Directors and Auditors, (ii) the declaration of dividend, (iii) the appointment of Directors in place of those retiring, (iv) the appointment of, and fixing of the remuneration of the Auditor is to be transacted, and in the case of any other meeting in any event, there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest, if any, therein of every Director, and the Manager (if

any) Where any such item of business relates to or affects any other company, the extent of shareholding interest in that other company of every Director, and the Manager, if any, of the Company shall also be set out in the statement if the extent of such shareholding interest is not less than twenty percent of the paid share capital of that other company, where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected, shall be specified in the statement aforesaid.

85. The accidental omission to give any such notice as aforesaid to the Members, or the non-receipt thereof by any of the members shall not invalidate and resolution passed at any such meeting. Omission to give notice not to invalidate a resolution passed.
86. The requirements laid down in Section 190 of the Act shall be complied with in all cases in which special notice is required of any resolution under the provisions of the Act, including the following, viz. : Resolution requiring special notice.
- (a) A resolution of the nature mentioned in sub-section (1) of Section 225, relating to the appointment as auditor of a person other than a retiring auditor, or to the effect that a retiring auditor shall not be appointed.
- (b) A resolution of the nature mentioned in sub-section (2) of Section 284, relating to the removal of a Director or the appointment, at the meeting at which a Director is removed, of some person to fill the vacancy caused by his removal.
87. No General Meeting, Annual or Extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice upon which it was convened. Notice of business to be given.
88. Five Members present in person shall be a quorum for General Meeting. A Corporation being a member shall be deemed to be personally present if it represented in accordance with Section 187 of the Act, When more than one of the joint holders of a share are present not more than one of them shall be counted for ascertaining the quorum. Several executors or administrators of a deceased person in whose sole name shares stand shall for the purpose of this clause be deemed jointholders there of. Quorum at General Meeting.
89. If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, the meeting, if convened by or upon the requisition of Members, shall stand dissolved, but in any other case: If quorum not present meeting to be dissolved or adjourned.
- (a) in case of the Annual General Meeting, the meeting shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or

to such other day and at such other time and place in the city where the Registered Office of the Company is situated as the Board may determine and.

(b) in case of a General Meeting other than the Annual General meeting the meeting shall stand adjourned to same day in the next week at the time and place or to such other day and at such adjourned Meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the Members present shall be quorum and may transact the business for which the meeting was called.

Chairman of
General Meeting.

90. The Chairman (if) of the Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there be no such Chairman of the Directors, or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he shall be unable or unwilling to take the chair then the Members present shall elect any other Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair, then the Members present shall choose one amongst them to be the Chairman of the meeting.

Business confined to
election of Chairman
Whilst Chair vacant.

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

Chairman with
consent may
adjourn Meeting.

92. The Chairman may with the consent of the meeting and shall if so directed by the meeting may adjourn any meeting from time to time and from place to place provided the Annual General Meeting to the adjourned Annual General Meeting can be adjourned to be held on a day which is not a public holiday, during business hours, and in the city where the Registered Office of the Company is situate, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which adjournment took place.

Questions at
General Meeting
how decided.

93. At any General Meeting a resolution put to the vote of the Meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the results on show of hands) demanded by (a) at least five Members having the rights to vote on the resolution and present in person or by proxy or (b) by the Chairman of the meeting or (c) by any Member or Members present in person or by proxy holding not less than one-tenth of the total voting power in respect of the resolution or (d) by any Member or Member 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. Unless a poll is demanded a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, without proof of the numbers or proportion of the votes recorded in favour of or against that resolution.

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| 94. In the case of an equality of votes, the Chairman shall both on a show of hands and at a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled, to as a member. | Chairman's casting vote. |
| 95. If a poll is demanded as aforesaid, the same shall subject to Article 97 be taken at such time (not later than forty-eight hours from the time when the demand was made) and place and either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand. | Poll to be taken, if demanded. |
| 96. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a Member (not being an officer or employee of the Company) present at the meeting, provided such a Member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from such removal or from any other cause. | Scrutineers at poll |
| 97. Any poll duly demanded on the election of a chairman of a meeting or on any question of adjournment shall be taken at the meeting forthwith. | In what case poll taken without adjournment. |
| 98. The demand for a poll except on the questions of the election of the Chairman and of adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which to poll has been demanded, | Demand for poll not to prevent transaction of other business. |

VOTES OF MEMBERS

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| 99. No Member shall be entitled to vote either personally or by proxy at any General Meeting or meeting of a class of shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised, any right of lien. | Member in arrears not to vote. |
| 100. Subject to the provisions of these Articles, every Member, not disqualified by the last preceding Article shall be entitled to be present and to speak and vote at such meeting, and on a show of hands every Member present in person shall have one vote and upon a poll every Member present in person or by proxy shall have voting right in proportion to his share of the paid up equity capital of the Company held by him, either alone or jointly with any other person or persons, provided, however, if any preference share-holder be present at any meeting of the Company, save as provided in clause (b) of sub-section (2) of Section 87, of the Act he shall have a right to vote only on resolutions placed before the meeting which directly affect the right | Number of votes to which Member entitled. |

attached to his preference shares.

Number of votes
by member
entitled to more
than one vote.

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

How Member
non
composmentis
may vote.

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

Votes of Joint
members.

103. Where there are joint holders of any shares any one of such persons may vote at any meeting either personally or by proxy or by agent duly authorised under a power of Attorney in respect of such share as if he were solely entitled thereto; and if more than one of such joint holders be present at any meeting personally or by proxy or by an agent duly authorised under a Power of Attorney, that one of the said persons so present whose name stands first or higher as the case may be on the Register of Members in respect of such share alone shall be entitled to vote in respect thereof but the other or others of the joint holder shall be entitled to be present at the meeting, provided always that a person present at any meeting personally shall be entitled to vote in preference to a person present by proxy although the name of such person present by an agent or by proxy stands first or higher in the Register of Members in respect of such shares. Provided further that if all such joint holders are present at any meeting by their respective agents or proxies the agent or proxy of such of the joint holders whose name stands first or higher in the Register of Members in respect of such share, shall be entitled to vote in preference to the other person or persons.

Voting in person
or by proxy.

104. Subject to the provisions of these Articles, votes may be given either personally or by proxy, provided that where any shares are held in trust by any person, the voting rights and powers in respect of such shares including right to vote by proxy shall be exercisable in accordance with the provisions of Section 187-B of the Act. A body corporate being a Member may vote either by a Proxy or by a representative, duly authorised in accordance with Section 187 of the Act and such representative shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual Member. The President of India or the Governor of a State if he is a member of the Company may appoint such person as he thinks fit to act as his representative at any meeting of the Company or at any meeting of any class of the members of the Company and a person appointed to as aforesaid shall be deemed to be a member of the Company and shall be entitled to exercise same rights and powers including the right to vote by proxy as the President or the Governor as the case may be could exercise as the member of the Company.

105. Any person entitled under Article 62 to transfer any shares any vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting as the case may be, at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.
106. Every proxy (whether a Member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the common seal of such corporation or be signed by an officer or attorney duly authorised by it. The proxy so appointed shall not have any right to speak at the meetings.
107. 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 of the Company, or, of every meeting and every adjournment of any such meeting to be held before a date specified in the instrument.
108. No Member present by proxy shall be entitled to vote on a show of hands.
109. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the office not later than forty eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, in default the, instrument of proxy shall not be treated as valid.
110. Every instrument of proxy whether for a 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. Every Member entitled to vote at meeting or 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 the proxies lodged at any time during the business hours of the Company, provided not less than three days notice in writing of the intention so to inspect is given to the Company.
111. A vote given in accordance with the terms of an instrument or proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed the transfer of the share in respect of which the vote is given provided that no intimation in writing of the death, revocation or transfer shall have been received at the Office of the Company before the meeting.

Votes in respect of shares of deceased and insolvent Members.

Appointment of proxy.

Proxy either for specified meeting or for a period.

Proxy cannot vote on show of hands.

Deposit of instrument of Appointment.

Form and inspection of Proxy.

Validity of votes given by proxy notwithstanding death of Member.

Time for objections to votes.

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

Chairman of any Meeting to be the judge of validity of any vote.

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

Minutes of General Meeting and inspection thereof by Members.

114. (1) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within 30 days of the conclusion of every such Meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.
- (2) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of 30 days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board, for the purpose.
- (3) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (4) The minutes of proceedings of each meeting shall contain a fair and correct summary of the proceedings mater in thereat.
- (5) All appointments 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. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.
- (7) Any such minutes shall be evidence of the proceedings recorder therein.
- (8) The books containing the minutes of proceedings of General Meetings shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate that during business hours for such periods not being less in the aggregate that two hours in each day as the Directors determine, to the inspection of any Member without charge.
- (9) Any member shall be entitled to be furnished within 7 day after he has made a request to the Company, with a copy of minutes of the proceedings of any General Meeting on payment of 37 paise of every 100 words or fractional part thereof required to be copied.

DIRECTORS

115. Until otherwise determined by the Company in a General Meeting and subject to the provisions of Sections 252 of the Act, the number of Directors shall not be less than three and more than twelve including ex-officio Director and nominee directors of the financial corporation but excluding alternate Directors.

Number of
Directors.

The following shall be the First Directors of the Company :-

1. **Shri Ashok Kumar**
2. **Shri Pradeep Kumar**
3. **Shri Praveen Kumar**

The Company shall subject to the provisions of the section 255 of the Act, appoint at a General Meeting of the Company not more than one-third of the total number of directors of the Company to hold office of a Director whose period of office will not be liable to determination by retirement of Directors by rotation.

The appointment of Directors shall be made in accordance with and subject to the provisions of Section 255 and 256 of the Act and not less than two-third of total number of directors shall be persons whose period of office is liable to retirement by rotation.

116. The Board may appoint an Alternate Director to act for a Director (hereinafter called the "Original Director") during his absence for a period of not less than three months from the State in which meeting of the Board are ordinarily held. An Alternate Director appointed under this article shall not hold office as such for a longer period than that permissible to the original Director in whose place he has been appointed and shall vacate of the office the original directors is determined before he so returns to the said State, any provision in the Act or in these Articles for the automatic re-appointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the Alternate Director.

Appointment of
Alternate
Directors.

117. Subject to the provisions of Section 260, 261, 262, 264 and 284 (6) of the Act, the Board shall have power, at any time, and from time to time to appoint any person not disqualified to be a Director, either to fill a casual vacancy or as an addition to the Board, but so that the total number of Directors shall not at any time exceed the maximum fixed as above.

Directors may fill
up vacancies
and add to their
number.

118. Where the Company borrows moneys or receives any financial or technical assistance or collaboration from any government, institution or any other person, such government, institution or person may be given a right to appoint one or more persons as directors on the Board of Directors of the Company and to remove such Directors from office and on a vacancy being caused in the directors so appointed whether by resignation, death, removal or otherwise fill up such vacancy. Such appointment or removal shall, however, be in writing duly signed by the authorised officer of the government,

Special Director.

institution or other person. A director appointed under this Article shall be known as Special Director and he shall not be known as special Director and he shall not be subject to retirement by rotation.

Qualification
Shares of
Directors.

119. A Director of the Company shall not be required to hold any qualification share.

Sitting Fee.

120. Every Director shall be paid out of the funds of the Company by way of remuneration for his services not exceeding Rs. 250/- as the Board may determine for each meeting or the Board or committee thereof attended by him, subject to the provisions of Companies Act and Rules thereunder.

Commission to
Directors.

121. The Directors who are neither Wholetime Directors nor Managing Directors may be paid remuneration by way of commission in any financial year upto one percent of the net profit of the Company if the Company at the relevant time has Managing Director or Wholetime Director or Manager and in any other case upto three percent of the net profit of the Company, computed in the manner referred to in the Section 198 of the Act and the said commission shall be divided amongst the Directors entitled to such commission equally, provided, however, that Special Director shall not be entitled to participate in Commission aforesaid.

Directors to get
Travelling
expenses.

122. The Board may allow and pay to any Director who is not a bonafide resident of the place at which a Board or Committee meeting is held and who shall come to such place for the purpose of attending such meeting such sum as the Board may consider fair compensation for travelling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as specified in Article 120 and if any Director be called upon to go or reside out of the place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any travelling or other expenses shall be entitled to be repaid and reimbursed any travelling or other expenses incurred in connection with the business of the Company.

Extra Services
from directors.

123. If any Director being willing shall be called upon to render any extra services to the Company the Board may arrange with such Director for special remuneration subject to the provisions of Section 198/309 and 314 of the Act, for such services or exertions either by way of a daily allowance or payment of a lump sum of money or otherwise as it may think fit.

Directors may
act notwith-
standing any
vacancy.

124. The continuing Directors may act notwithstanding any vacancy in their body but if and so long as their number is reduced below the minimum number fixed by Article 115 hereof, the continuing Directors may act for the purpose of increasing the number of Directors to that number fixed for the quorum but for no other purpose.

125. Subject to the provisions of the Act, a Director may at any time resign his office by notice in writing addressed to the Company.

Directors may resign.

126. Subject to Section 283 (2) and 314 of the Act the office of a Director shall become vacant if :

When Office of Directors to be vacated.

(a) he is found to be of unsound mind by a Court of competent jurisdiction; or,

(b) he applies to be adjudicated an insolvent; or,

(c) he is adjudged an insolvent; or,

(d) he is convicted by a Court of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months; or

(e) he fails to pay any call made on him in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the date fixed for the payment of such call unless the Central Government has by notification in the Official Gazette removed the disqualification incurred by such failure; or,

(f) he absents himself for three consecutive meetings of the Directors or from all meetings of the Directors for a continuous period of three months, whichever is longer, without 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 from the Company in contravention of Section 295 of the Act; or,

(h) he acts in contravention of Section 299 of the act; or;

(i) he becomes disqualified by an order of the Court under Section 203; or,

(j) he is removed in pursuance of Section 284.

127. (1) A Director or his relative, a firm in which such Director or relative is a partner, or any other partner, of such firm or a private Company of which the Director if a member or Director may enter into any contract with the Company for the sale, purchase or supply of any goods, materials or services of 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.

Director may contract with Company.

(2) No sanction however shall be necessary to :-

(a) any purchase of goods and material from the Company, or the sale of

goods or materials to the Company by any such Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices or

(b) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other for sale, purchase or supply of any goods material and services in which either the Company or the Directors, relative, firm partner or private company, as the case may be, regularly trades or does business, where the value of the goods and materials or the cost of such services 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 the Company may without obtaining the consent of the Board enter into any such contract or contracts with the Director, relative, firm, partner or private company even if the value of such goods or materials or the cost of such services exceeds Rs.5,000/- in the aggregate in any year comprised in period of the contract if the consent of the Board is obtained to such contract or contracts at a meeting within three months of date on which the contract was or contracts were entered into.

Disclosure of interest.

128. A Director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 2999 (2) of the Act; provided that it shall not be necessary for a Director to disclose his concern or interest in any such contract or arrangement where the concern, or interest consists only in holding together with his co-directors in the aggregate not more than 2% of the paid-up share capital in the other Company. A general notice given to the Board by the Director, to the effect that he is a director or a member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time by a fresh notice given in the last month of the financial year in which it would have otherwise expired. No such general notice and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

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

Interested Director not to participate or vote in Board's proceeding.

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

(b) any contract or arrangement entered into or to be entered into with a public company in which the interest of director consists solely:

(i) in his being :—

(a) a director of such company and

(b) the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a

(ii) in his being a member holding not more than 2% of its paid-up share capital of the other company.

130. The Company shall not, except as provided in Section 295 of the Act, make any loan or guarantee a Director of the Company or to a firm of which such Director is a partner or to a private Company of which such Director is a director.

Loans/guarantees to Directors.

131. No Director of the Company, no partner or relative of such Director on firm in which such a Director is a director or a member and no director or manager of such a private company shall hold any office or place of profit in relation to the Company carrying a total monthly remuneration of Rs. 500 or more. Except that of a Managing Director, Manager, legal or technical adviser and except as provided in Section 314 of the Act.

Holding office of profit by Directors.

132. The Company shall keep a register in accordance with Section 301 (1) and shall within the time specified in Section 301 (2) enter therein such of the Particulars as may be relevant having regard to the application thereto of specified in the section 297 or section 299 of the Act as the case may be. The register aforesaid shall also specify, in relation to each Director of the Company, the names of the bodies corporate and firms of which notice has been given by him under Section 299. The register shall be kept at the Registered Office of the Company and shall be open to inspection

Register of contracts in which Directors are interested.

at such office and extracts may be taken therefrom and copies thereof may be required by any Member of the Company to the same extent in the same manner at the same hours and on payment of 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.

133. A Director may be or become a Director of a company promoted by the Company, or in which it may be interested as a vendor, shareholder or otherwise, and subject to the provisions of Section 309 (6) and Section 314 of the Act, no such Director shall be accountable for any benefits received as Director or shareholder of such Company.

Retirement of Directors by rotation.

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

Ascertainment of Directors liable to retire by rotation and filling up of vacancies.

135. Subject 284 (5) of the Act the Directors to retire by rotation under Article 134 at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day, those who are to retire shall, in default of or subject to any agreement among themselves, be determined by lot.

Eligibility for re-appointment.

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

Company to appoint successors.

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

Provision in default of appointment.

138. (a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to filled the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.

(b) If at the adjourned meeting also, the place of the retiring expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless .-

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

(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; or,

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

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

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

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

Company may increase or reduce the number of Directors.

140. No person, not being a retiring Director, shall be eligible for appointment to the office of Director at any General Meeting, unless he or some other Member intending to propose him has, not less than fourteen clear days before the meeting, left at the Registered Office a notice in writing under his hand signifying his candidature for the office of director or of the intention of such Member to propose him as a candidate for the office of a director, and unless he has by himself or by his agent authorised in writing, signed and filed with the company a consent in writing to act as such director, if appointed.

Notice of candidature for office of Directors

141. (a) 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 otherwise comply with the provisions of the said section in all respects.

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

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

Register of shares or debenture held by Directors.

142. (a) Every Director (including a person deemed to be a Director by virtue of the explanation to Sub-Section (1) of Section 303 of the Act), Managing Director, Manager or Secretary of the Company shall within twenty one 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.

Disclosure by Director of appointment to any other body corporate.

Disclosure by a Director of his holdings of shares and debentures of the Company etc.

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

MANAGING AND WHOLE-TIME DIRECTORS

Board may appoint Managing Director.

143. Subject to the provision of the Act and of these Articles, the Board shall have power to appoint from time to time Managing Director or Managing Directors of the Company, for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and subject to the acts which are required to be done at meeting of the Board under the provisions of the Act, the Board may by resolution vest in such Managing Director or Managing Directors such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such conditions and subject to such restrictions as it may determine. The remuneration of a Managing Director may be by way of monthly payment, participation in profits, or by any or all of these modes or any other mode not expressly prohibited by the Act. Further, the Managing Director shall have absolute power to issue notice of every Board meeting with assistance of Company Secretary.

Whole-time Director.

144. Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time a whole time Director or whole time Directors of the Company for the term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit and subject to the acts which are required to be done at a meeting of the Board under the provisions of the Act, the Board may by resolution vest in such whole-time Director or whole-time Directors, such powers as are under the Act not prohibited and as it thinks fit, and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine. Remuneration of a whole-time Director may be by way of monthly payment, participation in profits, or by any or all these modes or any other mode not expressly prohibited by the Act.

Certain persons not to be appointed Managing/Whole time Director.

145. The Company shall not appoint or employ, or continue the appointment or employment of a person as its Managing or whole-time Director who:-
- (a) is an undischarged insolvent, or has at any time been adjudged an insolvent; or,
- (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.

146. If the Managing Director/whole-time Director ceases to hold the office of Director he shall ipso facto to cease to be a Managing/whole-time Director.

Automatic
cessation of
Managing/Whole
time Director.

PROCEEDINGS OF THE BOARD OF DIRECTORS

147. The Directors may meet together as a Board 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 and the Directors may adjourn and otherwise regulate their meetings as they think fit.

Meetings of
Directors.

148. 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.

Notice of
Meetings.

149. Subject to Section 287 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength (excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher, provided that where at any time the number of interested Directors exceeds or is equal to two-third of the total strength the number of the remaining Directors, that is to say, the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time. Further there shall be the two groups in the Board known as Group 'A' and Group 'B'. The directors named under clause 115 of this Articles of Association as first directors or assignees of them shall constitute the Groups. The directors or assignees at Sl. 1 & 2 shall known by Group 'A' and Sl. 3 & 4 shall known as Group 'B' under the Board of the Company and no quorum shall be formed unless at least one director is present from each such Group.

Quorum.

150. If a meeting of the Board could not be held for want of a quorum, then the meeting shall automatically stand adjourned to such other time and date as may be fixed by the Chairman or the other Directors present.

Adjournment of
meeting for want
of quorum.

151. A Director may at any time and the Secretary or any other officer duly authorised by the Board upon the request of a Director shall convene a meeting of the Board 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.

When meeting to
be convened.

152. The Directors may from time to time elect from among themselves a Director to be the Chairman of the Board and determine the period for which he is to hold office as such Chairman. If at any meeting of the Board the Chairman is not present within fifteen minutes after the time appointed for holding the same, the Managing Director; if any, and if there is no Managing Director, any other Director elected from amongst the Directors present shall take the chair.

Chairman.

Questions at Board Meeting how decided.

153. Questions arising at any meeting of the Board shall be decided by a majority of votes, unless otherwise provided in the Act, and in case of an equality of votes, the Chairman shall have a second or casting vote.

Power of Board Meeting.

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

Directors may appoint Committee.

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

Meeting of Committee how to be governed.

156. The Meetings and proceeding of any such Committee of the Board shall be governed by the provision herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.

Resolution by Circulation.

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

Acts of Board or Committees valid notwithstanding Invalid appointment.

158. All acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or and vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles be as valid as if every such person had been duly appointed and was qualified to be a Director and had not

vacated his office or his appointment has not been terminated, provided that nothing in this appointment has been shown to the Company to be invalid or to have terminated.

159. (1) The Company shall cause minutes of all proceedings of every meeting of the Board and committees thereof to be kept by making within thirty days of the conclusion of every such meeting entries thereof in books kept for the purpose with their pages consecutively numbered.
- (2) Each page of every such book shall be initialled or signed on the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
- (3) In no case the minutes of proceedings of each 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 meeting aforesaid, shall be included in the minutes of the meeting.
- (6) The minutes shall also contain :-
- (a) the names of each resolution the names of the directors, if any, dissenting from, or not concurring in the resolution.
- (7) Nothing contained in sub-clauses (1) to (6) shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the 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 minutes on the grounds specified in this sub-clause.
- (8) Minutes of meeting kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

Minutes of Proceedings of meeting of the Board.

POWERS OF DIRECTORS

160. The Board may exercise all such powers if the Company and do all such acts and things as are not, by the Act or any other Act or by the Memorandum or by the Articles of the Company, required to be exercised by the Company in General

Powers of Directors.

Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General meeting but no regulations made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. Provided, that the powers specified in Section 293 of the Act shall be exercised with the consent of the company in General Meeting. Provided further that the powers specified in Section 292 of the Act shall subject to these Articles be exercise only at meetings of the Board, unless the same be delegated to the extend therein stated.

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

Certain powers
of the Board.

- (a) To pay charge to the capital account of the Company any commission or, interest lawfully payable thereon under the provisions of Section 76 and 208 of the Act.
- (b) Subject to Section 292 of the Act to purchase or otherwise acquire for the Company any property, right or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or other acquisition to accept such title as 'the Directors may believe or may be advised to be reasonably satisfactory.
- (c) At their discretion and subject to the provisons of the Act to pay for any property, right 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, or by a mortgage on any of the Company's property and 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.
- (d) To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.
- (e) Subject to the provisions of the Act, to appoint any person (whether incorpo-

- rated or not) to accept and hold in trust for the Company any property belonging to the Company, or in which it is interested, or for any other purpose and to execute and do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustees.
- (f) To institute, conduct, defend, compound or abandon any action, suit or legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of the debts due, and of any claim or demands by or against the Company, and to refer any differences to arbitration and to observe and perform any awards made thereon.
 - (g) To act on behalf of the Company in all matters relating to bankrupts and insolvents,
 - (h) To make and give, release and other discharges for moneys payable to or for goods or property belonging to the Company and for the claims and demands of the Company.
 - (i) Subject to the provisions of Sections 292, 293, 295, 370 and 372 A of the Act, to make advances and loans with or without security for already existing debts and to invest and deal with any moneys of the Company upon such investment (not being shares of the Company), and in such manner 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.
 - (j) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability, whether as principal or surety, for the benefit of the Company, such mortgage, charge or security over or affecting the whole or any part of the Company's property (present and future) as they may think fit; and any such mortgage or charge may contain a power of sale and such other powers, provisions, covenant and agreements as shall be agreed upon.
 - (k) To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsement, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose.
 - (l) To distribute by way of bonus among the staff of the Company such sum as in Law may be required to be distributed or as may be considered expedient by the Board and to give to any officer or other person employed by the Company a

commission on the profits (computed in accordance with Section 349 and 350 of the Act) of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company.

- (m) To open, establish any branch office, sub-office in India or for the purpose of the business of the Company.
- (n) Subject to the provisions of Section 372 of the Act, to incorporate, subscribe and purchase and participate in the share capital of the Company, body corporate, firm in India or abroad, and to nominate any one or more persons either from amongst themselves or otherwise to represent the Company's interest on the Board and/or Management Committee of such company, body corporate or firm.
- (o) To enter into partnership, whether in India or abroad, with any body corporate, firm or other person to carry on any of the business authorised by the Memorandum.
- (p) To negotiate, sell, purchase technical know-how and to collaborate in any manner whatsoever in India or abroad, so as to do any business, authorised by the Memorandum.
- (q) To revalue the Company's assets (movable and immovable) land, buildings, premises, plant and machinery, patent rights, goodwill, leases and other assets from time to time as they may consider proper and to utilise appreciation in such manner save and except by way of distribution of dividend till such appreciation is realised on sale of any or all of such assets, as the Directors think proper in the interest of the Company.
- (r) Insure against fire or other loss or other accident all or any of the properties of the Company as the Directors may from time to time think fit. But it is hereby declared that the Directors unless specifically enjoined by any resolution of the shareholders which may from time to time be passed so to do shall not be under any obligation to insure any property of the Company.
- (s) From time to time to extend the business and undertaking of the Company by adding to altering or enlarging all or any of the buildings, property, premises, plant and machinery for the time being the property of or in the possession of the Company or by purchasing or otherwise acquiring any other buildings, property, plant and machinery or by erecting new or additional buildings and to expend such sums of money for the purposes aforesaid or any of them as may be thought necessary or expedient.
- (t) To undertake on behalf of the Company the payment of all rents and the performance of all covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the

Company and to purchase the reversion or reversions and otherwise acquire the freehold or fee simple of all or any of the lands of the company for the time being held under lease or for estate less than a freehold estate.

- (u) To improve, manage, develop, exchange, lease, sell, resell and purchase, dispose of, deal with or otherwise turn to account any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.
- (v) To open account with any bank or banks with any company, firm or individual for the purpose of the Company's business and to pay moneys in to and draw moneys from any such account from time to time as the Directors may think fit.
- (w) To appoint and nominate any person or persons to act as proxy or proxies for the purpose of attending or voting on behalf of the Company at a meeting of any company or association.
- (x) Subject to section 294 of the Act to appoint purchasing and selling agent for the purchase and sale of Company's requirement and products respectively.
- (y) Subject to section 293 (1) (e) of the Act to give away in charity money received from any sources whatever or from any assets of the company for any charitable purposes.
- (z) To provide for the welfare of the employees or ex-employees of the Company and the wives, widows and families or the dependants or connection of such persons by building or contributing to the building of houses, dwellings or chawls, or by grants of money, pension, gratuities, allowances, bonus or other payments; or by creating and from time to time subscribing or contributing to provident and other associations, institutions funds or trusts and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Board shall think fit; and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise and for the purposes to set aside as the Directors

may think fit, such portion of the profit of the Company before recommending any dividend to form a fund.

- (aa) Before recommending any dividend, to set aside, out of the profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund subject to the provisions of Section 205 of the Act, or to Insurance Fund or as a Reserve Fund or Sinking Fund or any special fund to meet contingencies or to repay debentures or debenture stock or for dividend on preference shares, if any, or special dividend or bonus or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purpose referred to in the receding clause), as the Board may; in their absolute discretion, think conducive to the interest of the Company. and subject to the Section 292 of the Act, to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, notwithstanding that the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund into such special funds as the Board may think fit, with full power to transfer the whole or any portion of a Reserve Fund or division of a Reserve fund to another Reserve Fund division of a Reserve fund and with full power to employ the assets constituting all or any of the above Funds, including the Depreciation Fund, in the business of the Company or in the purchase or repayment of debentures or debentures stock, and without being bound to keep the same separate from other assets and without being bound to pay interest on the same with power however to 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.
- (bb) To appoint and at their discretion remove or suspend such managers, secretaries, experts, engineers, accountants, agents, sub-agents, bankers, brokers, mukadams, solicitors, officers, assistants, supervisors, clerks and servants and other employees on permanent, temporary or social service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries, wages or emoluments or remuneration, and to require secu-

ity in such instances and for each amount as they may think fit; and also from time to time to provide for management and conduct of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit; and to insure and arrange for guarantee for fidelity of any employee of the Company and to pay such premium on any place of guarantee as may from time to time be payable.

- (cc) 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 and persons to be Members of such Local Boards, and to fix their remuneration and 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, issue debentures and investment in shares in other bodies corporate, and to authorise the Members for the time being of any such Local Board, or any of them to fill up any vacancies there and to act notwithstanding vacancies; and any such appointment or delegation may be made on such terms, and subject to such conditions as the Board may at time remove any person so appointed and may annul or vary any such delegation.
- (dd) 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 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, issue debentures and invest in shares in other bodies corporates, 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 appointment 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 shareholders, directors, nominees or managers of any company or firm or otherwise, in favour of fluctuating body of persons whether nominated directly or indirectly by the Board an any such power of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

- (ee) 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.
- (ff) From time to time to make, vary and repeal bye-laws for the regulation of the Company, its officers and servants.
- (gg) To reimburse expenses by way of preliminary or otherwise incurred in connection with formation, in corporation and so whether prior to incorporation or after to the promoters/Directors or to any other person authorised by the Board.

PROHIBITION OF SIMULTANEOUS APPOINTMENT

OF DIFFERENT CATEGORIES OF MANAGERIAL PERSONNEL

Prohibitions of simultaneous appointment of different categories of Managerial Personnel.

162. The Company shall not subject to Section 197-A of the Act, at the same time appoint more than one of following categories of managerial personnel, namely :-

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

THE SECRETARY

Secretary.

163. The Directors may, from time to time, appoint and at their discretion remove any individual, as Secretary to perform any functions, other purely ministerial or administrative duties which may from time to time be assigned to the Secretary,

THE SEAL

The Seal and its custody.

164. (a) The Board shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of a Board previously given.

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

Seal how to use.

165. Every Deed or other instrument, to which the Seal of the Company is required to be affixed, shall unless the same is executed by a duly constituted Attorney be signed

by one Director and countersigned by another Director or the Secretary or some other person appointed by the Board for the purpose. However the share certificates shall be sealed and signed in accordance with Rule '6' of companies (issue of share certificate) Rules 1960.

DIVIDENDS

- | | |
|---|--|
| 166. The profits of the Company subject to any special rights relating thereto created or authorised to be created by these Articles and subject to the provisions of these Articles, shall be divisible among the Members in proportion to the amount of capital paid-up on the shares held by them respectively. | Division of profit. |
| 167. Subject to the provisions of section 205 of the Companies, Act. 1956, The Company in General Meeting may declare dividends to be paid to Members according to their respective rights but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend. | The Company in General Meeting may declare dividend. |
| 168. No dividend shall be declared or paid otherwise than out of profits of the financial year or any other undistributed profit of the Company arrived at after providing for depreciation in accordance with the provisions of Section 205 of the Act. | Dividends only to be paid out of profits. |
| 169. The Board may, from time to time, pay to the Members such interim dividend as in their judgement the position of the Company justifies. | Interim dividend. |
| 170. Where capital is paid in advance of calls the same shall not whilst carrying interest confer a right to participate in profits. | Capital paid-up in advance at interest not to earn dividend. |
| 171. The Company shall pay dividends in proportion to the amount paid up or credited as paid up on each share, where a larger amount is paid up or credited or paid up on some shares than on others. | Dividends in proportion to amount paid-up. |
| 172. The Board may retain the dividends payable upon shares in respects of which any person is, under Article 65 entitled to become a Member, person shall become a Member, in respect of such shares or shall duly transfer the same. | Retention of dividends until completion of transfer under Article 65. |
| 173. Any one of several persons who are registered as the Joint holders of any share may give effectual receipts for all dividends or bonus and payment on account of dividends or bonus or other moneys payable in respect of such shares. | Dividend, etc. to joint holders. |
| 174. No member shall be entitled to receive payment of any interest or dividend in respect of his shares or share, whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever, either alone or jointly with any other person or persons; and the Board may deduct from the interest or dividend payable to any Member all sums of money so due from him to the Company. | No Member to receive dividends whilst indebted to the Company's right of reimbursement thereout. |
| 175. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer. | Transfer must be registered to pass right to dividend. |

Dividends how
remitted.

176. Unless otherwise directed any dividend may be paid by cheque or warrant or by slips or receipt having the force of a cheque or warrant sent through the post to the registered address of the Member or person entitled or in case of Joint-holders to that one of them first named in the Register in respect of the Joint holding. Every such cheque or warrant shall be made Payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, or for any dividend lost to the Member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay-slip or receipt or the fraudulent recovery of the dividend by any other means. If two or more persons are registered as joint-holders of any share or shares any one of them can give effectual receipt for any moneys payable in respect thereof.

Unclaimed
dividends.

177. Provisions of section 205 A & 205 B of the Companies Act, 1956 shall apply for dividends unpaid or unclaimed.

No interest on
dividends.

178. No unpaid dividend shall bear interest as against the Company.

Dividend and call
together.

179. Any General Meeting declaring a dividend may on the recommendation of the directors make a call on the Members of such amount as the meeting fixes, but so that the call on each Member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend; and the dividend may, if so arranged between the Company and the Members, be set off against the calls.

CAPITALISATION

Capitalisation

180. (a) The Company in General Meeting may, upon the recommendations of the Board, resolve that any moneys, investments or other assets forming part of the undivided profits of the Company and standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Fund, or in the hands of the Company and available for dividend (or representing) premium received on the issue of shares, Debentures or debenture stock and standing to the credit of the Share or Debenture Premium Account) be capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such shareholders paying up in full either at par or at such premium as the resolution may provide, and unissued shares of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issue shares and that such distribution or payment shall be accepted, by such shareholders in full satisfaction of their interest in the said capitalised sum, provided that a Share or Debenture Premium Account and a Capital Redemption Reserve Fund may, for the purpose of this Article, only be applied in the paying up of unissued shares to be issued to Member of the, Company as fully paid bonus shares.

- (b) A General Meeting may, upon the recommendations of the Board, resolve that any Surplus moneys arising from the realisation of any capital assets of the company, or any investment representing the same, or any other undistributed profits the Company not subject to charge for income-tax be distributed among the Members on the footing they receive the same as capital.
- (c) For the purpose of giving effect to any resolution under the different paragraph of this Article the Board may settle any difficulty which may arise in regard to the distribution as they think expedient and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets, and generally may make such arrangement for the acceptance, allotment and sale of such shares or fractional certificate or otherwise as they may think fit and may make cash payment so any holder of shares on the footing of the value so fixed in order to adjust rights and may vest any shares, cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalised fund as may seem expedient to the Board.

ACCOUNTS

181. 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 :

Directors to Keep true accounts.

- (a) all sums of money received and expended by the Company and the matters in respect of which the receipts and expenditure take places.
- (b) all sales and purchases of goods by the Company;
- (c) the assets and liabilities of the Company;
- (d) such particulars as are required by Section 209 (1) (d) of the Act. 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 notice in writing giving the full address of that other place.

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

When the Company has a branch office, whether in or outside India the Company shall be deemed to have complied with this Articles, 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 the Company's Books of Account are kept as aforesaid.

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 transaction and shall be open to inspection by any Director during business hours.

Statement of
Accounts to be
furnished to
General Meeting

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

Members etc.
entitled to
receive Balance
Sheet.

183. A copy of every such Profit and Loss Account, Balance Sheet (including Auditors' Report and every other document required by law to be annexed or attached to the Balance sheet), shall at least twenty-one day before the Meeting at which the same are to be laid before the Members, be sent to the Members of the Company, and all persons entitled to receive notices of General Meeting of the Company.

184. The books of account and other books and papers of every company shall be open to inspection during business hours:-

- (i) by the Registrar or
- (ii) by such office of govt. as may be authorised by the Central Govt. in behalf.

Provided that such inspection may be made without giving any previous notice to the company or any officer thereof,

AUDIT

Accounts to be
audited.

185. Auditors shall be appointed and their rights and duties regulated in accordance with Section 224 to 231 of the Act.

Registers, Books
and Documents.

186. The Company shall maintain Registers, Books and Documents as required by the Act or these Articles including the following namely :-

- a. Register of Investment not held in Company's name according to Section 49 of Act.
- b. Register of Mortgages, Debentures and Charges according to Section 143 of Act.
- c. Register of Members and an Index of Members according to Section 150 and 151 of the Act.
- d. Register and Index of Debenture-holders according to Section 152 of the Act.
- e. Register of Contracts, Companies and Firms in which Directors are interested according to Section 301 of the Act and shall enter therein the relevant particulars contained in Section 207 and 299 of the Act.

- f. Register of Directors and Managing Directors according to Section 303 of the Act.
 - g. Register of Shareholdings and Debenture-holding of Directors according to Section 307 of the Act.
 - h. Register of investments in shares or debentures of bodies corporate according to Section 372 of the Act.
 - i. Copies of Instruments creating any charge requiring registration according to Section 136 of the Act
 - j. Copies of Annual Returns prepared under Section 159 of the Act; together with the copies of certificate required under Section 161.
 - k. Register of Renewed and Duplicate Certificates according to Rule, 7(2) of the Companies (Issue of Share Certificates) Rules, 1956.
- II. The said Registers, books and Documents shall be maintained in conformity with the applicable provisions of the Act and shall be kept open for inspection by such persons as may be entitled thereto respectively, under the Act. On such days and during such business hours as may, in that behalf be determined in accordance with the provisions of the Act, or these Articles and extracts shall be supplied to the persons entitled thereto in accordance with the provisions of the Act or these Articles.
- III. The Company may keep a Foreign Register of members in accordance with Sections 157 and 158 of the Act subject to the provisions of sections 157 and 158 the Directors may from time to time make such provisions as they may think fit in respect of the keeping of such Branch Registers of members and/or Debenture-holders.

Service of documents
and notice on
Members by Company

DOCUMENTS AND NOTICES

187. (i) A document or notice may be served or given by the Company on any Member either personally or by sending it by post to him to his registered address or (if he has no registered address in India) to the address: if any in India supplied by him to the Company for serving documents or notices on him.
- (ii) Where a document or notice is sent by post, service of the documents or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a Member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post, with or without acknowledgment due, and has deposited with the

Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless the contrary is proved, such service shall be deemed to have been effected in the case of a notice of a Meeting at the expiration of forty eight hours after the letter containing the document or notice is posted and in any other case, at the time at which the letter would be delivered in the ordinary course of post.

By Advertisement.

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

On Joint-holders.

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

On personal representatives etc.

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

To whom documents or notices must be served or given.

191. Documents or notices of every General Meeting shall be served or given in the same manner as herein before authorised on or to:

- a. every Member
- b. every person entitled to a share in consequence of the death or Insolvency of a Member, and
- c. the auditor or auditors for the time being of the Company,

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

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

Document or notice by Company or signature thereto.

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

contract of sale, agreement for the allotment to the members direct of the proceeds of sale in proportion to their respective interest in the Company and in case the shares of this Company shall be different classes, may arrange for the allotment in respect of Preference Shares, of the Company, or obligations of the purchasing company or of shares of the purchasing company with preference or priority over with a larger amount paid-up than the shares allotted in respect, of Equity Shares of the Company and may further by the contract, limit a time at the expiration of which shares obligations or other interest not accepted or required to be sold, shall be deemed to have been refused and be at the disposal of the liquidator.

INDEMNITY

INDEMNITY

200. Subject to the provisions of section 201 of the Act every Director, Auditor, Manager, Secretary and other officer shall be indemnified by the Company from all losses and expenses incurred by them respectively in or about the discharge of their respective duties, except such as may happen from their own respective wilful acts and defaults. Every director, Manager or officer of the Company or any person (whether an Officer of the Company or not) employed by the Company as an Auditor, shall be indemnified out of the funds, assets of the Company against all liability incurred by him as such Director, Manager, Officer or Auditor in defending any proceedings whether Civil or Criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application under section 633 of the Act in which relief is granted to him by the Court.

Individual responsibilities of Directors.

201. Subject to the provisions of section 201 of the Companies Act, 1956 no Director, auditor or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer, or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors, for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any moneys, securities or affects shall be deposited or for any loss occasioned by any error of judgement, omission, default or oversight on his part or for any other loss, damage or misfortune, whatever, which shall happen in relation to the execution of the duties of his office or in relation to the execution of the duties of his offices or in relation thereto unless the same shall happen through his own dishonesty.

Secrecy

SECRECY CLAUSE

202. No member shall be entitled to visit or inspect any words of the Company without the permission of the Directors 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 or secret process or which may relate to the conduct of the business of the Company and which in the opinion of the Directors, will be inexpedient in the interest of the members of the Company to communicate to the public.

Secrecy

203. Every Director, Manager, auditor, treasurer, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company, shall, if so required by the Directors, before entering upon his duties sign a declaration pledging himself to observe a strict secrecy respecting all transactions and affairs of the Company with the customers, and the state of the accounts with individuals and in matters thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

Name, Addresses, occupations and descriptions of the Subscribers	Signature of Subscriber	Signature & Address of the witness
<p>1. Ashok Kumar S/o Shri Rameshwar Dass 189/5, South Civil Lines Muzaffamagar (Business)</p> <p>2. Pradeep Kumar Gupta S/o Shri Basheshwar Dayal 189/4, South Civil Lines Muzaffamagar (Industrialist)</p>	<p>Sd/- Ashok Kumar</p> <p>Sd/- Pradeep Kumar Gupta</p>	<p>Witness to both the Subscribers Sd./- (Musaffat Jamal) S/o Shri Iqbal Ahmed 351-Laddhawala, MUZAFFARNAGAR (Audit Clerk)</p>

Date : 25-1-1986

Place : Muzaffamagar