

September 21, 2016

To,

The General Manager  
Department of Corporate Affairs  
BSE Limited  
P.J. Towers, Dalal Street, Fort,  
Mumbai- 400 001

The Manager  
Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, Bandra-Kurla Complex,  
Bandra – East, Mumbai - 400051

BSE Scrip Code:- 531892

NSE Symbol:- KHANDSE

Dear Sir/Madam,

**Sub: Adoption of New Set of Articles of Association of the Company**

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the new set of Articles of Association of the Company approved by the members at the 23<sup>rd</sup> Annual General Meeting of the Company held on September 19, 2016.

Kindly take the above on records and oblige.

Thanking you,

Yours Faithfully,

For Khandwala Securities Limited



Abhishek Joshi  
Company Secretary & Compliance Officer

Encl: as above

**THE COMPANIES ACT, 2013**  
**COMPANY LIMITED BY SHARES**  
**(Incorporated under the Companies Act, 1956)**

**ARTICLES OF ASSOCIATION \***

**OF**

**KHANDWALA SECURITIES LIMITED**

1. The regulations contained in Table "F" in the First Schedule to the Companies Act, 2013 shall not apply to the Company, but the regulations for the management of the Company and for the observance of the Members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of, or addition to, its Articles by special resolution, as prescribed by the said Companies Act, 2013, be such as are contained in these Articles, unless the same are repugnant or contrary to the provisions of Companies Act, 2013, rules made there under or any amendment or notification thereto.
- Table F not to apply but Company to be governed by these articles

**INTERPRETATION CLAUSE**

2. In the interpretation of these Articles, unless repugnant to the subject of context -
- a) "The Company" or "this Company" means Khandwala Securities Limited. The Company or this Company
- b) "The Act" means the Companies Act, 2013 including the rules made thereunder and any amendments thereto or re-enactments thereof from time to time. The Act
- c) "1956 Act" means the Companies Act, 1956 to the extent not repealed or the provisions of which have not ceased to be effective. 1956 Act
- d) "These Articles" means the Articles of Association for the time being of the Company or the Articles of Association as altered from time to time by Special Resolution. These Articles
- e) "Alter" or "Alteration" shall include the making of addition and deletion, omissions, insertions and substitutions. Alter or Alteration
- f) "Annual General Meeting" means a general meeting of the Members held in accordance with the provision of the Act. Annual General Meeting
- \* Adopted vide Special Resolution passed by the Members at the Annual General Meeting of the Company held on September 19, 2016.

g)	“Auditors” means and includes those persons appointed as such for the time being by the Company.	Auditors
h)	“Board” or “Board of Directors” means the collective body of the Directors of the Company.	Board or Board of Directors
i)	“Beneficial owner” means the beneficial owner as defined in clause (a) of sub-section (1) of section 2(1)(a) of the Depositories Act, 1996.	Beneficial owner
j)	“Capital” means the share capital for the time being raised or authorized to be raised for the purpose of the Company.	Capital
k)	“Depositories Act” means the Depositories Act, 1996 including any statutory modification or re-enactment thereof for the time being in force.	Depositories Act
l)	“Depository” shall mean a Depository as defined under clause (e) of sub section (1) of section 2 of the Depositories Act.	Depository
m)	“Dividend” includes any interim dividend.	Dividend
n)	“Document” includes summons, notice, requisition, order, declaration, form and register, whether issued, sent or kept in pursuance of this Act or under any other law for the time being in force or otherwise, maintained on paper or in electronic form.	Document
o)	“Extra-ordinary General Meeting” means an extra-ordinary general meeting of the Members, duly called and constituted, and any adjourned holding thereof in accordance with the provision of the Act.	Extra-ordinary General Meeting
p)	“In writing” and “written” means written or printed or partly written and partly printed or lithographed or type written or other substituted for writing, and any other form of electronic transmission.	In writing and written
q)	“Independent Director” shall have the same meaning as ascribed to it in the Act.	Independent Director
r)	“Key Managerial Personnel” means (i) Managing Director or Chief Executive Officer (CEO) or Manager, (ii) Company Secretary, (iii) the Whole-Time Director; (iv) Chief Financial Officer (CFO) and (v) such other officers as may be prescribed under the Act and the relevant Rules.	Key Managerial Personnel
s)	“Legal Representative” means a person who in law represents the estate of a deceased or incompetent member.	Legal Representative
t)	‘Member’ means the duly registered holder, from time to time, of the Shares of the Company and includes the subscribers to the Memorandum of Association as also one whose name is entered as	Member

Beneficial Owner in the records of the Depository.

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|-----|---|--|
| u)  | "Month" means a calendar month.   | Month                                      |
| v)  | "Office" means the registered Office for the time being of the Company.   | Office                                     |
| w)  | "Ordinary Resolution" and "Special Resolution" mean an Ordinary Resolution and a Special Resolution of the Company respectively passed in accordance with section 114 of the Act. | Ordinary Resolution and Special Resolution |
| x)  | 'Paid-up' or 'Capital Paid-up' includes capital credited as paid-up.  | Paid-up                                    |
| y)  | "Person" shall be deemed to include corporations and firms as well as individuals.  | Person                                     |
| z)  | "Proxy" means an instrument whereby any person is authorized to vote for a member at general meeting or poll and includes attorney duly constituted under the power of attorney.  | Proxy                                      |
| aa) | "Register of Members" mean the Register of Members / Beneficial owners to be kept pursuant to the Act.  | Register of Members                        |
| bb) | "The Registrar" means Registrar as defined under Section 2(75) of the Act.  | The Registrar                              |
| cc) | "Seal" means the common seal for the time being of the Company.   | Seal                                       |
| dd) | "SEBI" means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992.                                      | SEBI                                       |
| ee) | "Share" means a share in the share capital of a company and includes stock.   | Share                                      |
| ff) | "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.  | These presents                             |
| gg) | "Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by or under the Act.  | Year and Financial Year                    |

The marginal notes are used for convenience of reference only and shall not affect the construction of these Article presents.

Words importing the masculine gender also include the feminine gender.

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

Unless the context otherwise requires, words or expressions contained in

these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force.

#### SHARE CAPITAL AND VARIATION OF RIGHTS

3. The Authorised Share Capital of the Company shall be such amount and of such description as is stated for the time being or at any time, in Clause V of the Memorandum of Association of the Company. Division of Capital
  
4. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provisions of Section 54 of the Act) at a discount and at such time as they may from time to time think fit and with the consent in the general meeting, to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company or payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons, without the consent in the general meeting. Shares under the control of Board
  
5. The Company by passing a resolution in general meeting may, from time to time, increase its share capital by the creation of further shares, such increases to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, the further shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the general meeting resolving upon the creation thereof shall direct, and if no direction be given as Board shall determine; and in particular, such shares may be issued with a preferential or qualified or differential right to dividends and in distribution of assets of the Company, and with a right of voting at general meetings of the Company. Power to Increase Capital
  
6. In addition to and without derogating from the powers for that purpose conferred on the Board under Article 5, the Company in general meeting may determine that any share (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether Members or not) in such proportions and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of the Section 54 of the Act) at a discount, as such general meeting shall determine and with full power to give any person (whether a Member or not) the option to call for or be allotted any class of shares of the Company either at a premium or at par, or (subject to Power to issue shares in general meeting

compliance with the provisions of Section 54 of the Act) at a discount, such option being exercisable at such times and for such consideration as may be directed by such general meeting or the Company in general meeting may make any other provisions, whatsoever for the issue, allotment or disposal of any shares.

7.

(1) Where at the time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by issue of further shares, then such further shares shall be offered to;

Further Issue of Capital

(a) the persons who at the date of the offer are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date;

(b) the offer aforesaid shall be made by a notice dispatched through registered post or speed post or through electronic mode or such other means as may be permitted, to all the existing shareholders at least three days before the opening of the issue, specifying the number of shares offered and limiting a time, not being less than fifteen days but not exceeding thirty days from the date of the offer, within which the offer if not accepted, will be deemed to have declined;

(c) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right.

PROVIDED THAT the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any Member may renounce the shares offered to him.

(d) after the expiry of the time specified in the notice aforesaid, or on the receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the Company and is not disadvantageous to the shareholders. Notwithstanding anything contained in clause (a) of this articles, the further shares aforesaid may be offered in any manner whatsoever and to any person or persons, whether or not such person or persons include persons who, at the date of the offer, are holders of the equity shares of the Company, if such offer is authorised by the Special Resolution of the Company in general meeting or where no such Special Resolution is passed, if the votes cast in favour of the proposal contained in the resolution moved in the general

meeting (including the casting vote, if any, of the Chairman) by the Members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by Members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.

- (e) employees under a scheme of employees stock option, subject to special resolution passed by the Company and subject to such conditions as may be prescribed; or
  - (f) any person, if it is authorized by a special resolution, whether or not those persons include the persons referred to in (a) or (b) above, either for cash or for a consideration other than cash, if the price of such shares is determined by a registered valuer who shall submit a valuation report in that behalf, subject to such conditions as may be prescribed.
- (2) Nothing in sub-clause (d) of Article 7(1) hereof shall be deemed;
- (a) To extend the time within which the offer should be accepted; or
  - (b) To authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
- (3) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares in the Company.

PROVIDED THAT, notwithstanding anything to the contrary contained in these Articles, in event of the exercise of an option in respect of the debentures issued to or loans raised from the Government by the Company and if that Government considers it necessary in the public interest to do so, it may, by order, direct that such debentures or loans or any part thereof be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if the terms of the issue of such debentures or raising of such loans do not include a term providing an option for such conversion. In the event the terms and conditions of such offer are not acceptable to the Company, it shall have the right to appeal to the Tribunal in this regard.

8. Subject to the provisions of Section 55 of the Act and the Rules made pursuant thereto and this Article, the Company shall have the power to issue preference shares, either at premium or at par which are or, Power to Issue Redeemable Preference Shares

at the option of the Company, are liable to be redeemed within a period not exceeding twenty years from the date of issue; and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption, subject however to the following conditions:

- (i) no such shares shall be redeemed except out of profits of the Company which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption;
- (ii) no such shares shall be redeemed unless they are fully paid;
- (iii) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed;
- (iv) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and
- (v) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specified terms and conditions in that behalf, in such manner as the director may think fit. The reduction of preference shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital.

9. Subject to the provisions of the Act, the Company shall have the power to issue cumulative convertible preference shares to which the following provisions shall apply: **Cumulative Convertible Preference Shares**

- (i) The dividend payable on the said shares shall be payable on a preferential basis and shall be at such rate as may be prescribed or permitted under the applicable rules and regulations prevailing at the relevant time.
- (ii) The dividend shall be cumulative and arrears shall be payable to the shareholders registered with the Company on the date fixed for determining to whom the dividend then declared is paid.
- (iii) All such shares shall be converted into equity shares as per the Companies Act, 2013 and necessary regulations as may be



amended from time to time and decided by the Board subject to any applicable regulations or sanctions that may be in force at the time. Upon conversion into equity shares the right to receive arrears of dividend, if any, on the preference shares upto the date of conversion shall devolve on the holder of the equity shares registered with the Company on the date prescribed in the declaration of the said dividend.

(iv) Such conversion shall be deemed to be redemption of the preference shares out of the proceeds of a fresh issue of shares.

10. The Company may (subject to the provisions of Sections 52, 55 and 66 and other applicable provisions, if any, of the Act), from time to time, by special resolution, reduce its capital in any manner for the time being authorized by law, and, in particular, capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted. **Reduction of Capital**

11. The Company may issue sweat equity shares of a class of shares already issued subject to such conditions as may be prescribed by the law. **Issue of sweat equity shares**

12. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise expressly provided by the terms of the issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking pari passu therewith. **Issue of shares on pari passu basis**

13. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. The issue and/or allotment of debentures or right to convert debentures into shares shall be made only with the consent of the Company in the general meeting by a special resolution. **Debentures**

14. a) The Company shall not have the power to buy its own shares, unless the consequent reduction of capital is effected and sanctioned in accordance with Article 10 and in accordance with Section 66 or other applicable provisions (if any) of the Act. **Restrictions on purchase by Company of its own shares**

b) Except to the extent permitted by Section 67 or other applicable provisions (if any) of the Act, the Company shall not give whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purchase of, or in connection with the purchase or subscription made or to be made by any person or for any

shares in the Company.

- c) Nothing in this Article shall affect the right of the Company to redeem any redeemable preference shares issued under these Articles or under Section 55 or other relevant provisions (if any) of the Act.

- 15. The Company may issue shares to employees including its directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a special resolution of the Company in general meeting subject to the provisions of the Act, the rules and applicable guidelines made there under, by whatever name called.

**Employee Stock Options**

- 16. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 and 70 and rules made thereunder and any other applicable provisions of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

**Buy Back of shares**

- 17. The Company may, subject to the provision of Section 61 of the Act, from time to time, by an ordinary resolution in general meeting:

**Sub-division and Consolidation of Capital**

- a) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;
- b) convert all or any of its fully paid-up shares into stock and reconvert that stock into fully paid-up shares of any denomination;
- c) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
- d) cancel shares which, at the date of the passing of the resolution in that behalf, 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.

- 18. If and whenever as a result of issue of new shares or of any consolidation or sub-division of shares, any share becomes held by members in fractions, the Board shall, subject to the provisions of the Act, and the Articles and to the directions of the Company in general meeting, if any, sell those shares which members hold for the best price reasonably obtainable and shall pay and distribute amongst the members entitled to such shares in due proportions the net proceeds of the sale thereof. For the purpose of giving effect to any such sale, the Board may authorise any person to transfer and the purchaser shall not be bound to see to the application of the

**Sale of Fractional Shares**

purchaser money nor shall his title to the shares be affected any irregularity or invalidity, in the proceedings with reference to the sale.

19. Subject to the provisions of the Act, the Board shall have power to issue or re-issue equity shares with differential rights as to dividend, voting or otherwise in accordance with the provisions of the Act and rules made thereunder.
- Power to issue equity shares with differential voting rights**

20.

- a) Whenever the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound up, be varied, 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 normal value of the issued shares of the class or with the sanction of special resolution passed at a separate meeting of the holders of the issued shares of that class.
- Modification of Rights**

Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.

- b) To every such separate meeting all the provisions of these Articles relating to meetings shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class in question. This Article is not by implication to curtail or derogate from any power the Company would have if this article were omitted.
- c) The rights conferred upon the holders of shares of any class, issued with preferred or other rights, shall not, unless otherwise expressly provided by the terms of issue of shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

#### SHARES AND CERTIFICATES

21. The shares in the capital shall be numbered progressively according to their several denominations provided however that the provision relating to progressive numbering shall not apply to the shares of the Company which have been dematerialized and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished
- Shares should be numbered progressively and no share to be subdivided**

22. Subject to the provisions of these Articles, an application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall for the purposes of these Articles, be a Member. **Acceptance of Shares**
23. Notwithstanding anything contained in these Articles, the Board may, in its absolute discretion, refuse applications for the subdivision or consolidation of share, debenture or bond certificates except when such subdivision or consolidation is required to be made to comply with a statutory provision or an order of a competent court of law. **Discretion to refuse subdivision or consolidation of certificates**
24. The money (if any) which the Board of Directors shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee in the Register as 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**
25. **Share Certificates**
- (a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, subdivision, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the common seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the common seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other

person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.

- (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 anyone 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.

26. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

#### Renewal of Certificates

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

27. Every Member, or his heirs, executors, administrators, or legal representatives, 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

#### Liability of Members

in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.

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| 28. The Company may issue such fractional certificates as the Board of Directors may approve in respect of any of the shares of the Company on such terms as the Board of Directors think fit as to the period within which the fractional certificates are to be converted into share certificates.   | Fractional Certificates  |
| 29. If any share stands in the names of two or more persons, the person first named in the Register shall as regard to receipt of dividend or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed to be the sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations. | The first named joint holder deemed sole holder  |
| 30. Save as otherwise provided by Section 67 of the Act, none of the funds of the Company shall be applied in the purchase of or in lending on security of any shares of the Company.  | Funds of the Company may not be applied in purchase of or lending on shares of the Company |
| 31. In making allotment of any share Capital of the Company, the Company shall comply with Section 39 and 40 of the Act and the rules framed thereunder.   | Restriction on allotment or return as to allotment   |
| 32. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.                     | Company not bound to recognize any interest in share other than registered holder          |

#### COMMISSION AND BROKERAGE

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| 33. The Company may, subject to the provisions of Section 40(6) of the Act, at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful. | Commission and Brokerage |
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## JOINT HOLDERS

34. Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-holders with benefit of survivorship, subject to the provisions following and to other provisions of these Articles relating to joint-holders:-
- Joint Holders**
- (a) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and **Sole recipient to be sufficient**
- (b) The joint-holders of a share shall be liable severally as well as jointly in respect of all payment, which ought to be made in respect of such shares. **Joint and several liabilities for all payments in respect of shares**
- (c) On the death of any one of such joint-holders, the survivor or survivors shall be the only person or persons recognised by the Company as having any title to or interest in such shares but the Board may require such evidence of death as it may deem fit. **Title of survivors**
- (d) Only the person, whose name stands first in the Register as one of the joint-holders of any share, shall be entitled to delivery of the certificate relating to such share and a receipt of dividends and notice, and other communications from the Company. **Delivery of certificate and giving of notices to first named holders**
- (e) Any one or two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he was solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the Register of Members in respect of such shares thereof but the others of the joint holders shall be entitled to be present at the meeting; provided always personally shall be entitled to vote in preference to a joint holder present by attorney or by proxy although the name of such joint holder present by an attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares. Several executors or administrators of a deceased Member in whose (deceased member's) sole name any share stands shall, for the purpose of this Article be deemed joint holders. **Vote of joint holders**

## CALLS ON SHARES

35. The Board may, from time to time and subject to the terms on which shares have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, make such call as it thinks fit upon the Members in respect of all moneys unpaid on the shares held by them respectively, and each Member shall pay the amount of every call so made on him to the person or persons and at **Board may make calls**

the times and places appointed by the Board. A call may be made payable by installments.

36. A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board of Directors. **Calls to date from resolution**
37. Not less than 30 days' notice of any Call shall be given by the Company specifying the time and place of payment and to whom such call shall be paid. Provided that, before the time for payment of such call, the Board may by notice in writing to the members revoke the same or extend the time for payment thereof. **Notice of Calls**
38. Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class. **Calls on uniform basis**
39. The Board of Directors may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which 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. **Directors may extend time**
40. If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board and nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member. **Calls to carry interest**
41. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. **Sums deemed to be calls**
42. In case of non-payment of such sum, 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. **Effect of non-payment of sums**
43. 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 subsequent



to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

44. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of 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 forfeiture of such shares as hereinafter provided. **Partial payment not to preclude forfeiture**

45.

(a) The Board:

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

- (i) may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him beyond the sums actually called for; and
- (ii) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the Member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.
- (b) The Members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.
- (c) The provisions of this Article shall mutatis mutandis apply to the calls on debentures of the Company.

#### **TRANSFER AND TRANSMISSION OF SHARES**

46. Subject to the provision of the Act, and these Articles, no transfer of shares in, or debentures of the Company shall be registered, unless a proper instrument of transfer duly stamped and in the form as prescribed under the rules made under sub-section (1) of section 56 of the Act and has been delivered to the Company alongwith the certificate relating to the shares or debentures or if no such **Execution of transfer**

certificate is in existence, along with the letter of allotment of the shares or debentures. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the register in the respect thereof. Shares for different classes shall not be included in the same instrument of transfer.

47. The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 of the Act and any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and of the registration thereof. However the provisions relating to instrument of transfer shall not apply to the shares/debentures of the Company which have been dematerialised. **Transfer Form**

Provided that in respect of shares held in dematerialised form, the Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of shares on behalf of the Beneficial Owner.

48. Application for the registration of the transfer of a share may be made either by the transferee or the transferor. No registration shall, in the case of the partly paid shares, be effected unless the Company gives notice of the application to the transferee subject to the provisions of these Articles and Section 56 of the Act, the Company shall unless objection is made by the transferee within 2 (two) weeks from the date of receipt of the notice, enter in the Register the name of the transferee in the same manner and subject to the same conditions as it the application for registration of the transfer was made by the transferee. **Application by transferor**

Provided that nothing contained in these Articles shall apply to transfer of shares effected by the transferor and the transferee, both of whom are entered as Beneficial Owners in the records of the Depository.

49. (1) Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Board may, decline to register - **Board may refuse to register transfer**
- (a) any transfer of shares on which the company has a lien.
  - (b) any transfer of shares not being a fully paid up shares, to a person of whom they do not approve.
- (2) Registration of a transfer shall not be refused on the ground of the transferor being, either alone or jointly with any other person or persons indebted to the Company on any account whatsoever, except a lien or shares.

50. No shares shall in any circumstances be allotted or transferred to any minor, insolvent or person of unsound mind. **No allotment / transfer to a person of unsound mind, etc**

- 51.
- (a) An application for the registration of transfer of shares may be made either by the transferor or by the transferee. **Transfer of Shares**
  - (b) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.
  - (c) For the purpose of clause (b) hereof notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.
52. If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within 30 days from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply. **Notice of refusal to be given to transferor and transferee**
53. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document. **No fee on transfer**
54. The Board may after giving not less than seven days previous notice by advertisement in some newspaper circulating in Mumbai as required by Section 91 of the Act, close the Register of transfer and Register of Members or the Register of Debenture Holders for any period or periods not exceeding in the aggregate, 45 (forty-five) days in each year, but not exceeding 30 days at any one time. **Closure of register of members or debenture holder**
55. The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. All instruments of transfer which are registered shall be retained by the Company, but any instrument of transfer which the Board declines to register shall on demand be returned to the person depositing the same. The Board may cause to be destroyed all transfer deeds lying with the Company after such period as may be prescribed. **Transfer to be retained**
56. For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in **Notice to transferee**

the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

57. In the case of death of any one or more of the persons named in the Register of Members as joint shareholders of any share, the survivor(s) shall be the only persons recognized by the Company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estates of a joint shareholder from any liability to the Company on shares held by him jointly with any other person. **Death of one or more joint holders of shares**
58. Except where a deceased member had made a nomination in respect of the shares held (in which case such shares shall be dealt with in the manner prescribed by the Act and the Rules thereunder), the Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. **Title to shares of deceased holder**
59. The Company shall keep a book to be called the Register of Transfers and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share. **Register of Transfer**
60. Subject to the provisions of the Act and these Articles, any person becoming entitled to a share in consequence of the death, bankruptcy or insolvency of any Member, or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence as the Board thinks sufficient, either be registered himself as the holder of the share or elect to have some person nominated by him, and approved by the Board, registered as such holder provided nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing to his nominee an instrument of transfer of the share in accordance with the provisions herein contained and until he does so he shall not be freed from any liability in respect of the share. **Transmission of Shares**

61. Subject to the provisions of the Act and these Articles, the Board shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration. **Board may refuse to transmit**
62. Every transmission of shares shall be verified in such manner as the Board may require and, if the Board so desires, be accompanied by such evidence as may be thought necessary and the Company may refuse to register any such transmission until the same be so verified or requisite evidence produced or until or unless an indemnity be given to the Company with regard to such registration which the Board at its absolute discretion shall consider sufficient, provided nevertheless, that there shall not be any obligation on the Company or the Board to accept any indemnity. **Board may require evidence of transmission**
63. A transfer of a share in the Company of a deceased Member thereof made by his legal representative shall, although the legal representative is not himself a Member be as valid as if he had been a Member at the time of the execution of the instrument of transfer **Transfer by legal representative**
64. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer or transmission of shares made or purporting to be made by any apparent legal owner thereof as shown or appearing in the Register of Members to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares, notwithstanding that the Company may have had notice of such equitable right, title or interest, or notice prohibiting registration of such transfer and may have entered such notice or referred thereto in any book of the Company, and the Company shall not be bound or required to regard or attend or to give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some books 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. **Company not liable for disregard of a notice prohibiting registration of transfer**

#### FORFEITURE AND SURRENDER OF SHARES

65. If any Member fails to pay any call or installment of a call in respect of any share on or before the day appointed for the payment of the same, the Board may, at any time thereafter, during such time as the call or installment remains unpaid or a judgment or a Decree in respect thereof, remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the share by transmission requiring him to pay the same, together with any interest that may have accrued and all reasonable expenses that may have been incurred by the Company by reason of such non-payment. **Notice to be given to members, if call or installment on share not paid**

66. The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or installment and such interest 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 installment is payable, will be liable to be forfeited **Terms of notice**
67. If the requisitions of any such notice as aforesaid are not complied with, any shares in respect of which such notice has been given may, at any time thereafter and before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture. **Shares may be forfeited in default of payment**
68. When any shares 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. **Notice of forfeiture to a member**
69. Any share so forfeited, shall be deemed to be the property of the Company, and may be sold, re-allotted or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board of Directors may think fit. **Forfeited shares to be property of the Company and may be sold etc.**
70. The Board of Directors may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit. **Power to annul forfeiture**
71. Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the forfeited shares. **Member liable to pay money owing at the time of forfeiture and interest**
72. 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 presents are expressly saved. **Effect of forfeiture**

73. A duly verified declaration in writing that the declarant is a Director, Manager or Secretary of the Company and that share(s) in the Company have been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. **Evidence of forfeiture**
74. The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares. **Title of purchaser and allottee of forfeited shares**
75. The net proceeds of any such sale shall be applied in or towards satisfaction of the said debt, liabilities or engagements and the residue (if any) be paid to such Member, his heirs, executors, administrators or assigns. **Proceeds how to be applied**
76. The Company may receive the consideration, if any, given for the share on any sale, reallotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and the person to whom such share is sold, reallotted or disposed of may be registered as the holder of the share. Any such purchaser or allottee shall not (unless by express agreement to the contrary) be liable to pay any calls, amounts, installments, interest and expenses owing to the Company prior to such purchases or allotment, nor shall he be entitled (unless by express agreement to the contrary) to any of the dividends, interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment. Such purchaser or allottee shall not be bound to see to the publication of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings with reference to the forfeiture, sale, reallotment or disposal of the share. **Title of Purchaser and Allottee**
77. Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided. **Partial payment not to Preclude Forfeiture**
78. The provisions of these Articles as to forfeiture shall apply to the **Forfeiture shall apply to the case**

- case of non-payment of any sum which by the terms of issue of a share becomes payable at a fixed time, whether on account of nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified. of non-payment of any sum
79. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. Validity of sale
80. Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate(s) originally issued in respect of the forfeited 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 duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto. Cancellation of share certificate in respect of forfeited shares
81. In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable. Forfeiture may be remitted
82. The Board may at any time, subject to the provisions of the Act, accept the surrender of any share from or by any Member desirous of surrendering the same on such terms as the Board may think fit. Board may accept surrender of shares
83. Any money due from the Company to a Member may, without the consent and notwithstanding the objection of such Member, be applied by the Company in or towards the payment of any money due, from him to the Company for calls or otherwise. Money due from the Company may be set off against money due to the Company

#### LIEN

84. 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 thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividend and bonuses from time to time declared in respect of such shares. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the Company's lien if any, on such shares. The Directors may at any time declare any shares wholly or in part to be exempt from the provisions of this clause. Company to have lien on shares



85. For the purpose of enforcing such lien the Board may sell the shares subject thereto in such manner as they shall think fit, but 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 the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorize some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall 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 lieu thereof to the purchaser or purchasers concerned. **Enforcing lien by sale**
86. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to 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. **Application of sale proceeds**

#### NOMINATION OF SECURITIES

87. Notwithstanding anything contained in these Articles, every holder of securities of the Company may at any time nominate in the prescribed manner another person to whom the securities held by him shall vest in the event of his death and the provisions of Sections 72 and 56 of the Act shall apply in respect of such nomination. **Nomination of Securities**

It is clarified that where the securities are held by more than one person jointly, the joint holders may together nominate, in the manner prescribed under the Act, a Person to whom all the rights in the securities of the Company shall vest in the event of death of all the joint holders. The nominee shall, on the death of the Member of the Company or, on the death of the joint holders become entitled to all the rights in the securities of the Company or, as the case may be, all the joint holders, in relation to such securities of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner under the Act.

#### CONVERSION OF SHARES INTO STOCK

88. Subject to the provisions of the Act, the Company may, by ordinary resolution in general meeting: **Conversion of shares into stock or reconversion**
- a) convert any fully paid-up shares into stock; and
  - b) re-convert any stock into fully paid-up shares of any denomination.

89. The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that, the Board may, from time to time, fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose. **Transfer of stock**
90. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage. **Rights of stockholders**
91. Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words "share" and "shareholders" in those regulations shall include "stock" and "stockholders" respectively. **Regulations**

#### DEMATERIALIZATION OF SECURITIES

92. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996 and regulations made thereunder. **Dematerialization of Securities**

#### SHARE WARRANTS

93. The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant. **Power to issue share warrants**
94.  
a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share include in the deposit warrant. **Deposit of share warrants**

- b) Not more than one person shall be recognized as depositor of the Share warrant.
- c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor

95.

- a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company. **Privileges and disabilities of the holders of share warrant**
- b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.

- 96. The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction. **Issue of new share warrant coupons**

#### **BORROWING POWERS**

- 97. Subject to the provisions of the Sections 179 and 180 of the Act, the Board may, from time to time at its discretion accept deposits from Members or from the public, either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. Provided, however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans in the ordinary course of business) exceed the aggregate of the paid-up capital of the Company and its free reserves, the Board shall not borrow such money's without the consent of the Member in General Meeting. **Power to borrow**
- 98. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit and in particular by a resolution passed at a meeting of the Board (and not by a circular resolution) including 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 debenture-stock and other securities may be assignable free from any equities between the Company and the person to whom the same may be issued. **Payment or repayment of moneys borrowed**
- 99. Any debentures, debenture stock, bonds or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to **Debentures and securities to be under the control of the directors**

be for the benefit of the Company.

100. Debentures, debenture stock, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued. **Debentures and securities to be assigned free from equities**
101. Any debentures, debenture stock or other securities may be issued at a premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending general meetings of the Company and the right to appoint Directors and otherwise. Debentures carrying the right of conversion into or allotment of shares shall be issued only with the consent of the Company in general meeting. **Terms of Issue of debentures and securities**
102. If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Board of Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed or, if permitted by the Act, may, by instrument under the Company's seal, authorise the person in whose favour such mortgage or security is executed or any other person in trust for him, to make calls on the members in respect of such uncalled capital, and the provisions hereinbefore contained in regard to calls shall, mutatis mutandis apply to calls made under such authority, and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Board's power or otherwise, and shall be assignable if expressed so to be. **Mortgage of uncalled Capital**
103. Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability. **Indemnity may be given**

#### MEETINGS OF MEMBERS

104. a) Subject to Section 96 of the Act, the Company shall in each year hold in addition to any other meetings a general meeting as its annual general meeting and shall specify the meeting as such in the notices calling it, and not more than fifteen months shall lapse between the date of one annual general meeting of the Company and that of the next, subject however to the right of the Registrar **Annual General Meeting**

under the Act to extend the time within which any annual general meeting may be held.

- b) Every annual general meeting shall be called for at a time during business hours i.e. between 9:00 am and 6:00 pm on any day that is not a national holiday and shall be held either at registered office of the Company or at some other place within the city or town or village in which the registered office of the Company is situated.

105. Every Director of the Company shall be entitled to attend every general meeting. The members of the Company shall be entitled to attend every general meeting either in person or by proxy, and the Auditor of the Company either by himself or through his representative, who shall also be a qualified chartered accountant, shall have a right to attend and to be heard at any general meeting on any part of the business which concerns him as Auditor. **Right to attend the General Meeting**
106. All General Meetings other than Annual General Meeting shall be called Extra-Ordinary General Meeting. **Extra-Ordinary General Meeting**
107. The Board may, whenever it thinks fit, call an Extra-ordinary General Meeting. If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any Director or any 2 (two) Members of the Company may call an Extraordinary General Meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board. **Powers of the Board to call Extra-ordinary General Meeting.**
108. The Board of Directors of the Company shall, on the requisition of such number of members of the Company who, on the date of the receipt of requisition hold not less than one tenth of such of the paid up share capital of the Company, as on that date carries a right of voting, may call an Extraordinary General Meeting of the Company, and in respect of any such requisition and of any meeting to be called pursuant thereto, all the other provisions of Sections 100 and 111 of the Act and of any statutory modification thereof for the time being shall apply. **Calling of Extraordinary General Meeting on requisition**
109. A general meeting of the Company may be called by giving not less than twenty one days' notice in writing. However, a general meeting may be called after giving a shorter notice than of twenty one days, if consent is accorded in writing or through electronic means by not less than ninety five per cent of the members entitled to vote at the meeting. **Notice of Meeting**
110. Every notice of a meeting of the Company shall specify the place, the day, date and hour of the meeting, and shall contain a statement of the business to be transacted thereat. No general meeting, annual or extraordinary, shall be competent to enter upon, discuss or transact any business which has not been specially **Contents of Notice**

mentioned in the notice or notices upon which it was convened.

111. All business to be transacted at an annual general meeting with the exception of business relating to (i) the consideration of the financial statements and the reports of the Board of Directors and auditors, (ii) the declaration of the dividend, (iii) the appointment of directors in place of those retiring, (iv) the appointment of and the fixing of remuneration of auditors, and all, business to be transacted at any other meetings of the Company shall be deemed 'Special'.
- Special Business**
112. Where any items of business to be transacted at the meeting are deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts regarding each such item of business including in particular, the nature and extent of the interest, if any, therein of every director, of every key managerial personnel and relatives of directors and of the key managerial personnel of the Company; and (b) any other information that may enable members to understand the meaning, scope and implementation of the items of business and to take a decision thereon.
- Explanatory statement to be annexed to notice**
- Provided, however, that where any item of special business as aforesaid to be transacted at a meeting of the Company relates to, or affects any other company, the extent of shareholding interest in that other company, of every promoter, director, manager and every other key managerial personnel of the Company shall also be set out in the explanatory statement, if the extent of such shareholding interest is not less than two per cent of the paid-up share capital of that other company.
113. No general meeting, annual or extraordinary shall be competent to enter upon, discuss or transact any business which has not been specifically mentioned in the notice or notices upon which it was convened.
- Meeting not competent to discuss or transact any business not mentioned in notice**
114. Notice of every meeting of the Company shall be given to the Auditor or Auditors for the time being of the Company, and all the Directors on the Board in any manner authorized by Section 20 and Section 101 of the Act for giving notice to any member or members of the Company
- Notice to be given to the Auditors and Directors**
115. Any accidental omission to give notice of any meetings to or the non-receipt of any notice by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.
- Omission to give notice not to Invalidate meeting**
116. Where by any provision contained in the Act or in these Articles, special notice is required of any resolution, notice in respect of the same shall be given to the Company and the Company shall give notice to its members as provided in Section 115 of the Act.
- Resolution requiring special notice**

## PROCEEDINGS AT GENERAL MEETINGS

117. Quorum for a General Meeting of the Company shall be:

**Quorum to be present when  
business commenced**

- (i) five Members personally present if the number of Members as on the date of meeting is not more than one thousand;
- (ii) fifteen Members personally present if the number of Members as on the date of meeting is more than one thousand but up to five thousand;
- (iii) thirty Members personally present if the number of Members as on the date of the meeting exceeds five thousand;

No business shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the business. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with the provisions of the Act.

118. If within half an hour from the time appointed for the meeting of the Company a quorum is not present, the meeting if convened upon the requisition of members as aforesaid shall stand dissolved, but in any other case it shall stand adjourned to the same day in the next week, at the same time and place or to such other day, time and place as the Board may determine. The Company shall give not less than three days notice of the adjourned meeting to the members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the Company is situated. If at such adjourned meetings a quorum is not present within half an hour from the time appointed for holding the meeting those members who are personally present shall be a quorum.

**If quorum not present, meeting  
when to be dissolved and when to  
be adjourned.**

119. The Chairman of the Board and in his absence the Vice Chairman or a Director who has been longest in office, or the Managing Director if any of the Board shall, if willing, preside as Chairman at every general meeting, annual or extra-ordinary. If there be no such Chairman or Vice Chairman, or a Director who has been longest in office, Managing Director or if at any meeting neither of them shall be present within fifteen minutes after the time appointed for holding such meeting or being present declines to take the chair, the Directors present may choose one of their number to be Chairman and in default of their taking the chair in doing so the Members present shall choose one of the Directors to be chairman and if no Director present be willing to take the Chair shall, on a show of hands elect one of their number to be Chairman of the meeting. If a poll is demanded on the election of the Chairman it shall be taken forthwith in accordance with the provisions of the Act and these Articles, and the chairman elected on a show of hands shall exercise all the powers of the Chairman

**Chairman of General Meeting**

under the said provisions. If some other person is elected Chairman as a result of the poll, he shall be the Chairman for the rest of the meeting. No business except the election of the Chairman shall be discussed at any general meeting whilst the chair is vacant.

120. A declaration by the Chairman that on a show of hands, a resolution has or has not been carried or has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution. **Chairman declaration to be conclusive**
121. (a) The Chairman of the General Meeting may adjourn the Meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. **Power to adjourn General Meeting**  
(b) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an Original Meeting.  
(c) Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned meeting.
122. a) Before or on the declaration of the result of the voting on any resolution on show of hands, a poll may be ordered to be taken by the Chairman of the Meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than Rupees five lakh or such higher amount as may be prescribed has been paid up. **Demand for Poll**  
b) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
123. Any poll duly demanded on the election may of a Chairman of a meeting or on any question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time not exceeding 48 hours from the time when the demand was made, as the chairman of the meeting may direct. **Time of taking Poll**
124. Where a poll is to be taken, the Chairman of the meeting shall appoint a scrutinizer to scrutinise the votes given on the poll and to report thereon to him. The Chairman shall have power, at any **Scrutinizers at Poll**



time, before the result of the poll is declared to remove a scrutineer from office and to fill vacancies in the office of scrutineer arising from such removal or from any other cause. of the two scrutineers so to be appointed, one 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 is willing to be appointed.

125. The demand for a poll except on the question of the election of Chairman or of an adjournment, shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded. **Business may proceed notwithstanding the demand for poll**
126. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting by show of hands. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. **Chairman's decision conclusive on vote on show of hands or poll**
127. In the case of equality of votes the Chairman shall, both on a show of hands and on poll, have second or casting vote in addition to the vote or votes to which he may be entitled as a Member. **Chairman's casting vote**
128. A resolution shall for all purpose be treated as having been passed on the date on which it was in fact passed and shall be deemed to have been passed on any earlier date. **Resolution passed at adjourned meeting**
- 129.
- (a) The Chairman of the General Meeting may adjourn the Meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. **Power to adjourn General Meeting**
- (b) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an Original Meeting.
- (c) Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned meeting.
130. Notice of resolutions received from members and the resolutions proposed shall be dealt with as provided in Section 111 of the Act and the Rules made pursuant thereto. **Members Resolution**

Where, by any provision contained in the Act or in the Articles of a Company, special notice is required of any resolution, notice of the intention to move such resolution shall be given to the Company by such number of members holding not less than one per cent of total voting power or holding shares on which such aggregate sum not exceeding five lakh rupees, as may be

prescribed, has been paid-up and the Company shall give its members notice of the resolution in such manner as may be prescribed under the Act.

#### VOTE OF MEMBERS

131. Subject to the provisions of the Act and these Articles, votes may be given either personally or by an attorney or by proxy or in the case of a body corporate also by a representative duly authorized under Section 113 of the Act and these Articles.

Votes may be given by proxy or attorney

A person can act as a proxy for not more than fifty members and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights or can be a proxy for a single member holding more than ten percent of the total share capital of the Company carrying voting rights.

- 132.
- a) Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every Member not disqualified by the last preceding Article shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands every Member present in person shall have one vote and upon a poll (including e-voting) the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company. Provided, however, if any preference share holder be present at any meeting of the Company, save as provided in clause (b) of subsection (2) of Section 47, he shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his preferences shares.
- b) Provided that the proportion of the voting rights of equity shareholders to the voting rights of the preference shareholders shall be in the same proportion as the paid-up capital in respect of the equity shares bears to the paid-up capital in respect of the preference shares.
- c) Provided further that where the dividend in respect of a class of preference shares has not been paid for a period of two years or more, such class of preference shareholders shall have a right to vote on all the resolutions placed before the company.

Number of votes to which members entitled

133. A Member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

Voting through electronic means

134. On a poll taken at a meeting of the Company, 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 using all his votes

Casting of votes by a member entitled to more than one vote

or cast in the same way all the votes he uses.

135. If there be joint registered holders of any shares, any one of such persons may vote at any meeting or may appoint another person (whether a Member or not) as his proxy in respect of such shares, as if he were solely entitled thereto, but the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint holders be present at the meeting, that one of the said persons so present whose name stands higher on the Register shall alone be entitled to be present at the meeting. Several executors or administrators of deceased Member in whose name shares stand shall for the purpose of this Article be deemed joint holders thereof. **Vote of Joint Members**
136. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing or, if such appointer is a corporation, under its common seal or the hand of an officer or an attorney duly authorized by it. A person may be appointed a proxy though he is not a member of the Company, but such proxy shall not have any right to speak at any meeting. **Instrument appointing a proxy**
137. A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. **How Members non compos mentis and minor may vote**
138. Every notice convening a meeting of the Company shall state that a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member of the Company. **Members right to appoint a proxy to be stated in the notice**
139. 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 or electronically 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. **Members call in arrears not to vote**
140. No objection shall be made to the validity of any vote except at any meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever. **Time for objection of votes**
141. Subject to the provisions of the Act and other provisions of these Articles, any person entitled to any shares by way of transmission may vote at any General Meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or **Votes in respect of shares of deceased and insolvent Members**

adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

142. A Member present by proxy shall be entitled to vote only on a poll. **Proxy to vote only on poll**  
Provided that a person appointed as proxy shall act on behalf of such member or number of members not exceeding fifty and such number of shares as may be prescribed under the Act. Further, a person can be appointed as a Proxy for only one Member in case the shareholding of that Member exceeds ten percent of the total share capital of the Company.
143. No member shall be entitled in respect of any shares registered in his name to be present or to exercise any voting right on any question at any general meeting or be reckoned in a quorum whilst any call or other sum presently payable to the Company in respect of such shares, remains unpaid. **Restrictions on Voting**
144. 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 of attorney shall be deposited at the Registered Office not later than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution. **Deposit of instruments of appointment of proxy**
145. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, revocation or transfer shall have been received at the Registered Office of the Company or by the Chairman of the meeting before the vote is given. **When vote by proxy valid though authority revoked**
146. Every instrument of proxy whether for a specified meeting or otherwise shall as nearly as circumstances will admit be in any of the forms or to the effect following, or be in the form as may be prescribed under the Chapter VII of the Act. **Form of Proxy**
147. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of the authority under which such proxy was signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the Registered Office before the commencement of the meeting or adjourned meeting at which the proxy is used. **Validity of votes given by proxy notwithstanding death of Member**

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

#### **COPIES OF MEMORANDUM AND ARTICLES TO BE FURNISHED**

149. The Company shall, on being so required by a Member, send to them within seven days of the requirement and subject to the payment such fees as may be prescribed under the Act, a copy each of the following documents as in force for the time being. -  
(a) the Memorandum, (b) the Articles, and (c) any other agreement and every resolution referred to in Section 17 of the Act, if and in so far as they have not been embodied in the Memorandum or Articles. **Copies of Memorandum and Articles to be sent**

#### **MINUTES**

150. (1) The Company shall cause minutes of the proceedings of every General Meeting of any class of Members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within 30 (thirty) days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered. The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein. **Minutes of General Meeting and inspection thereof by members**
- (2) The book containing the minutes of proceedings of General Meetings shall be kept at the office of the Company and shall be open between 11.00 a.m. and 1.00 p.m. (provided the office shall otherwise be open for normal business), to the inspection of any Member without charge.
- (3) Any member shall be entitled to be furnished within 7 (seven) days after he has made a request in that behalf to the Company, with a copy of any such minutes on payment of Rs. 10/- (Rupees Ten) or such higher amount as may be prescribed under the Act, for each page or part of any page.

#### **DIRECTORS**

151. Until otherwise determined by a general meeting of the Company and subject to the provision of Section 149 and Section 151 of the Act, the number of directors shall not be less than three or more than fifteen. Subject to the provisions of Section 149 of the Act, the Company, in General Meeting, may by ordinary resolution, increase or reduce the number of its Directors within the said limits and the Company may appoint more than 15 Directors after **Number of Directors**

passing a special resolution.

152. The First Directors of the Company was :

First Directors

1. Mr. Ashok J. Khandwala
2. Mr. Paresh J. Khandwala
3. Mr. Samir S. Doshi

153. A Director of the Company shall not be bound to hold any qualification shares in the Company.

Qualification shares

154. In the event of the Company raising any loan from any Financial Corporations, Institutions, bodies or Investment Corporation such institutions shall, till the loan granted by the said Institutions is completely discharged, be entitled from time to time to nominate any ex-officio Directors, on such terms and conditions as approved by the Board and such Director shall not be liable to retire by rotation or be required to hold the share qualification. Such Director shall continue to hold office until he is removed by such institutions.

Nominee Directors

Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The Industrial Credit and Investment Corporation of India Limited (ICICI), The Industrial Reconstruction Bank of India (IRBI) Life Insurance Corporation of India (LIC), Unit Trust of India (UTI), General Insurance Corporation of India (QIC), National Insurance Company Limited (NIC), The Oriental Insurance Company Limited (OIC), The New India Assurance Company Limited (NIA), United India Insurance Company Limited (DM), or a State Financial corporation or any Financial Institution owned or controlled by the Central Government or a State Government or the Reserve Bank of India or by two or more of them or by Central Government of a State Government by themselves (each of the above is hereinafter in this Article referred to as "The Corporation") out of any loans/debenture assistance granted by them to the Company or so long as the Corporation holds or continues to hold Debentures/Share in the Company as a result of underwriting or by director subscription or private placement, or so long as any liability of the Company arising out of any Guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, whole-time or non whole-time (which Directors, or Directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or

persons in his or their place/s. The aforesaid right to appoint whole-time Directors shall be exercised by the Corporation only in the event of the Company committing default in the observance of the terms and conditions of the loans agreements between the continued for a period of 30 days after notice in writing thereof shall have been given to the Company by the Corporation.

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

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds or continues to hold Debentures/Share in the Company as a result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the guarantees outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation are repaid or the Corporation ceases to hold Debentures/Share in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation.

The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which the Nominee Director/s is/are member/s as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.

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

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

be paid by the Company directly to the Corporation.

Provided also that in the event of the Nominee Director/s being appointed as whole time Director/s, such Nominee Director/s shall exercise such powers and duties as may be approved by the Corporation and have such rights as are usually exercised or available to a whole time Director in the management of the affairs of the Company. Such whole time Director/s shall be entitled to receive such remuneration, fees commission and moneys as may be approved by the Corporation.

The right reserved to the Corporation to appoint Whole-time Director/s will however be exercisable only in the event of default on the part of the Company in terms of the agreements entered into by the Company with the above Corporation.

155. Any trust deed securing and covering the issue of debentures of the Company may provide for the appointment of a Director (in these presents referred to as "the Debenture Director") for and on behalf of the debenture holders for such period as is therein provided not exceeding the period for which the debentures or any of them shall remain outstanding and for the removal from office of such Debenture Director and on a vacancy being caused whether by resignation, death, removal or otherwise, for appointment of a Debenture Director in the vacant place. The Debenture Director shall not be liable to retire by rotation or be removed from office except as provided as aforesaid. **Debenture Director**
156. The Board of Directors of the Company 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 India and such appointment shall have effect and such appointee, whilst he holds offices as an Alternate Directors shall be entitled to notice of meetings of the Directors and to attend and vote thereat accordingly. An Alternate Director appointed under this Article shall not hold office as such for a period longer than that permissible to the original Director in whose place he has been appointed and shall vacate office if and when the original Director returns to India. If the term of office of the original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic reappointment of retiring Directors in default of another appointment shall apply to the original Director and not to the Alternate Director. **Alternate Director**
157. a) Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an Additional Director, provided the number of the Directors and Additional Directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles. **Additional Director**



b) Such person shall hold office only up to the date of the next Annual General Meeting of the Company but shall be eligible for appointment by the Company as a Director at that meeting subject to the provisions of the Act.

158. Subject to the provisions of Sections 161 of the Act, the Board of Directors shall have power, at any time and from time to time, to appoint any person to be a Director either as an addition to the Board or to fill casual vacancy occurring on account of the office of any Director appointed by the Company in general meeting being vacated before his term of office would expire in the normal course, but so that the total number of Directors shall not at any time exceed the maximum fixed as above. Any person so appointed as an addition to the Board shall retain his office only upto the date of the next Annual General Meeting but shall be eligible for re-election at such meeting. Any person appointed to fill a casual vacancy as aforesaid shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid.

**Directors may fill up vacancies and add to their numbers**

159.

1) Subject to the provisions of the Act, a Director, who is neither in the whole-time employment nor a Managing Director, may be paid remuneration :

**Remuneration of Director**

- (a) by way of monthly, quarterly or annual payment with the approval of the Central Government, or
- (b) by way of commission if the Company by a ordinary resolution authorises such payments.

2) Until otherwise determined by the Company in General Meeting, each Director other than the Managing / Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof

160. If any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as Member of any committee formed by the Directors), the Board may arrange with such Directors for such special remuneration for such extra services or special exertions either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration above provided in accordance with proviso to sub-section 4 of section 197 of the Act.

**Remuneration for extra service**

161. The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of

**Travelling and other expenses**

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

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

163.

- 1) Subject to the provisions of Section 167 of the Act the office of a Director shall become vacant if:
- When office of Director to be vacated**

- (i) he is of unsound mind and stands so declared by a competent Court ; or
- (ii) he is an undischarged insolvent; or
- (iii) he applies to be adjudicated an insolvent and his application is pending ; or
- (iv) he is convicted by a Court of any offense whether involving moral turpitude, or otherwise (Section 164(1)(d) of the Act), and sentenced in respect thereof to imprisonment for not less than six months. Provided that the office shall be vacated by the Director even if he has filed an appeal against the order of such Court ; or
- (v) he becomes disqualified by an Order of the Court or Tribunal and the order is in force ; or
- (vi) 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, and six months have elapsed from the last date fixed for the payment of the call ; or
- (vii) he has been convicted of the offence dealing with related party transactions under Section 188 of the Act at any time during the last preceding five years; or
- (viii) he has not complied with Section 152(3) of the Act; or
- (ix) he absents himself from all meetings of the Board of Directors held during a period of twelve months with or without obtaining leave of absence from the Board of Directors; or
- (x) he acts in contravention of Section 184 of the Act relating to

entering into contracts or arrangements in which he is directly or indirectly interested; or

- (xi) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of Section 184; or
- (xii) he having been appointed a Director by virtue of his holding any office or other employment in the holding, subsidiary or associate company, ceases to hold such office or other employment in that company; or
- (xiii) he having been appointed a Director by virtue of his holding any office or other employment in the Company ceases to hold such office or other employment in the Company, as the case may be; or
- (xiv) he is removed in pursuance to the provisions of the Act;

2) Subject to the provisions of the Act, a Director may resign his office at any time by notice in writing addressed to the Company or to the Board of Directors.

164.

- 1) Every Director or Key Managerial Personnel of the Company who is in any way, whether directly or indirectly concerned or interested in any 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 first meeting of the Board of Directors in which he participates as a Director and thereafter at the first board meeting in every financial year or wherever there is a change in the disclosure already made then at the first board meeting held after such change disclose his concern or change.
- 2) In the case of a proposed contract or arrangement the disclosure required to be made by a Director under clause (1) shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration or if a Director was not, at the date of that meeting concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he becomes so concerned or interested.
- 3) In the case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.
- 4)
  - a) For the purpose of clauses (1) and (2) hereof, a general notice

**Disclosure of Interest of Directors**

given to the Board by a Director to the effect that he is a director or a Member of a specified body corporate or is a Member of a specified firm and is to be regarded as 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.

- b) No such general notice and no renewal thereof shall be effective 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.
- c) Nothing in this Article shall apply to any contract or arrangement entered into between two companies when any of the Directors of the Company or two of them together holds or hold not more than two percent of the paid up share capital in the other Company.

165. No Director of the Company shall, as 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 the contract or arrangement, nor shall his presence count for the purpose of forming quorum at the time of any such discussion or vote and if he does vote his vote shall be void, provided however, that a Director may vote on any contract of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming of sureties or surety for the Company.

**Interested Director not to participate or vote on Board's proceedings**

166. A Director of the Company or his relative, a firm in which such a Director or relative is partner, any other partner in such firm or a private Company of which the Director is a Member or Director shall not enter into any contract with the Company, except to the extent and subject to the provisions of the Act.

**Board's sanction to be required for certain contracts in which particular Director is interested**

#### RETIREMENT AND ROTATION OF DIRECTOR

167. Subject to the provisions of Section 152 of the Act, 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, then the number nearest to one-third, shall retire from office.

**Retirement of Directors by rotation**

168. Subject to Section 152 of the Act, the Directors to retire by rotation under the foregoing Articles at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. A retiring Director shall retain office until the conclusion of the meeting at which his re-appointment is decided or his successor is

**Ascertainment of directors retiring by rotation and eligibility for reappointment**

appointed. The retiring Director shall be eligible for re-appointment.

169. Subject to the provisions of Section 152 of the Act, the Company at the Annual General Meeting at which a Director retires in manner aforesaid, may fill up the vacated office by electing the retiring Director or some other person thereto. **Company to appoint successors**
170. **Provision in default of appointment**
- (1) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place, or if that day is a national holiday till the next succeeding day which is not a holiday at the same time and place.
  - (2) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless-
    - (a) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;
    - (b) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;
    - (c) he is not qualified or is disqualified for appointment;
    - (d) a resolution whether special or ordinary, is required for the appointment or re-appointment in virtue of any provisions of the Act; or
    - (e) Section 162 of the Act is applicable to the case.
171. The Company shall keep at its registered office a register of Directors and Key Managerial Personnel and their Shareholding containing the particulars as required by Section 170 of the Act, and shall send the Registrar a return in prescribed form containing the particulars specified in the said register and shall notify to the Registrar any change among its Directors and Key Managerial Personnel and their Shareholding or any of the particulars contained in the register as required by Section 170 of the Act. **Register of Directors and notification of change to Registrar**
172. At a general meeting of the Company, a motion for the appointment of two or more persons as Directors of the Company by a single Resolution shall not be moved unless a proposal to move such a motion has first been agreed to at the meeting without any vote cast against it. **Single resolution for appointment of several directors prohibited**
173. Subject to Section 152 of the Act, the Company may, by ordinary resolution, from time to time, increase or reduce the number of Directors within the limits fixed in that behalf by these Articles, **Company may increase or reduce the number of directors**

and may alter their qualification

174. Subject to the provisions of Section 169 of the Act, the Company may remove any Director before the expiration of his period of office and appoint another person in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

**Removal of Directors**

175. A Director may at any time give notice in writing of his intention to resign by addressing it to the Board of Directors of the Company and delivering such notice to the Secretary or leaving the same at the Registered office of the Company, and thereupon his office shall be vacated.

**Resignation of Director**

Provided that a Director shall also forward a copy of his resignation along with detailed reasons for the resignation to the Registrar within thirty days of resignation in such manner as may be prescribed. The resignation of a Director shall take effect from the date on which the notice is received by the company or the date, if any, specified by the director in the notice, whichever is later.

176.

a) Subject to the provisions of the Act and these Articles, any person who is not a retiring Director shall be eligible for appointment to the Office of Director at any general meeting if he or some member intending to propose him has at least fourteen clear days before the meeting left at the Office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office as the case may be along with a deposit of Rupees one lakh or such amount as may be prescribed which shall be refunded to such person or, as the case may be, to such member, if the person succeeds in getting elected as a Director or gets more than twenty-five percent of total valid votes cast either on show of hands or on poll on such resolution.

**Notice of candidature for office of directors**

b) Every person other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 160 signifying his candidature for the office of a Director proposed as a candidate for the office of a Director shall sign and file with the Company, his consent in writing to act as a Director if appointed.

c) A person other than -

- (i) Director re-appointed after retirement by rotation or immediately on the expiry of his term of office; or
- (ii) an additional or alternate Director or a person filling a casual vacancy in the office of a Director under Section 161 of the Act, appointed as a Director or re-appointed as an additional or

- alternate Director, immediately on the expiry of his term of office; or
- (iii) a person named as a Director of the Company under its Articles as first registered, shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.

177.

- a) The Board shall appoint at least such number of Independent Directors as may be specified under the Act. Independent Directors shall hold office for a term upto five consecutive years on the Board but shall be eligible for reappointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report. An Independent Director shall hold office for not more than two consecutive terms but shall be eligible for appointment after the expiry of three years of ceasing to be an Independent Director. Provided that an Independent Director, during the said period of three years, be appointed in or be associated with the Company in any other capacity, directly or indirectly. The appointment of an Independent Director shall be approved by the Company in General Meeting and where two or more Independent Directors are proposed to be appointed at the same time, separate resolutions shall be passed for their appointment. **Independent Directors**
- b) Any vacancy of an Independent Director on the Board of Directors shall be filled up by the Board at the earliest but not later than immediate next Board Meeting or three months from the date of such vacancy whichever is later. An Independent Director shall not be liable to retire by rotation. Terms and conditions relating to remuneration applicable to other Directors set out in Article 155 shall mutatis mutandis apply to Independent Directors except that an Independent Director shall not be eligible for stock options.

#### MANAGING OR WHOLE-TIME DIRECTORS

178.

- a) Subject to the provisions of the Act, the Board of Directors may from time to time appoint one or more of their body to be a Managing Director or Managing Directors (in which expression shall be included a Joint or Deputy Managing Director) or a Whole-time Director or Whole-time Directors of the Company for a term not exceeding five years at a time for which he or they is or are to hold such office and may from time to time remove or dismiss him or them from office and appoint another or others in his or their place or places. **Power to appoint Managing Director / Whole-Time Director and liable to retire by rotation**
- b) Provided that no re-appointment shall be made earlier than one year before the expiry of his term. Such a Managing Director can also act as chairperson of the Company.

c) Subject to the provisions of the Act and these Articles, a Managing Director or a Whole-time Director shall not, while he continues to hold that office, be subject to retirement by rotation under Article 169 but he shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company and he shall ipso facto and immediately cease to be a Managing Director or Whole-time Director if he ceases to hold the office of Director for any cause, provided that if at any time the number of Directors (including the Managing Director) as are not subject to retirement by rotation shall exceed one-third of the total number of the Directors for the time being, then such Managing Director or Managing Directors or Whole-time Director or Whole-time Directors, as the Directors may from time to time select, shall be liable to retirement by rotation in accordance with Article 169 to the intent that the Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being.

179. Subject to the provisions of the Act and to the approval of the Company in General Meeting, the remuneration of a Managing Director or Whole-time Director shall from time to time be fixed by the Directors in accordance with Section 197 of the Act, and Schedule V, and may be by way of fixed salary, or commission on profits of the Company, or by participation in any such profits or by any or all of those modes. **Remuneration of Managing Director / Whole-Time Directors**
180. The Directors may, subject to the provisions of the Act and these Articles, from time to time entrust to and confer upon a Managing Director/ Whole-time Director for the time being such of the powers exercisable under these Articles by the Directors as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient, and they may confer such powers either collaterally with or to the exclusion of and in substitution for, all or any of the powers of the Directors in that behalf; and may from time to time revoke, withdraw, alter or vary all or any of such powers. Unless otherwise determined, a Managing Director/Whole-time Director may exercise all the powers exercisable by the Directors, save such powers as by the Act or by these Articles shall be exercisable by the Directors themselves. **Power and Duties of Managing Director / Whole-Time Director**
181. The Company shall not appoint or employ or continue the employment of any person as its Managing Director or Whole-time Director who: **Certain persons not to be appointed Managing Director/Whole - Time Director**
- a) is an undischarged insolvent or has at any time been adjudged an insolvent;



- b) suspends or has at any time suspended, payment to his creditors or makes or has at any time made composition with them; or
- c) is or has at any time been, convicted by a court of an offence involving moral turpitude.

**KEY MANAGERIAL PERSONNEL**

182.

- a) The Company shall have the following whole-time Key Managerial Personnel: **Appointment of Whole-time Key Managerial Personnel and filling in vacancy**
  - (i) Managing Director or Chief Executive Officer, or Manager, and in their absence a Whole-time Director;
  - (ii) Company Secretary ; and
  - (iii) Chief Financial Officer.
- b) Such individuals shall be identified as whole-time Key Managerial Personnel (whole-time KMP). Every whole-time KMP shall be appointed by means of a resolution of the Board containing the terms and conditions of the appointment including the remuneration. Any Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer so appointed may be removed by means of a resolution of the Board.
- c) A whole-time KMP shall not hold office in more than one company except in its subsidiary company at the same time. Provided that nothing contained herein shall disentitle a KMP from being a director of any company with the permission of the Board.
- d) If the office of any whole-time KMP is vacated the resulting vacancy shall be filled up by the Board at the Meeting of the Board within a period of six months from the date of such vacancy.
- e) A director may be appointed as Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.

**PROCEEDINGS OF THE BOARD OF DIRECTORS**

- 183. The Directors may meet together as a Board for the despatch of business from time to time, and shall so meet at least once in every three months and at least four such meetings shall be held in every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board and they may adjourn and otherwise regulate their meetings and proceedings as they think fit. **Meetings of Directors**
- 184. A Director may at any time, or the Secretary, upon the request of a Director, shall, convene a meeting of the Board of Directors. Notice of every meeting of the Directors shall be given in writing to every **When meeting to be convened**

Director at the address registered with the Company not later than seven days before the meeting and such notice shall be sent by hand delivery or by post or by electronic means.

Provided that a meeting of the Board of Directors may be called at shorter notice to transact urgent business subject to the condition that at least one Independent Director is present at the Meeting. In the absence of an Independent Director from such meeting of the Board, the decisions taken at such meeting shall be circulated to all the Directors and shall be final only on ratification thereof by at least one Independent Director.

185.

- (a) Subject to Section 174 of the Act, the quorum for a meeting of the Board of Directors shall be one-third of its total strength (excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one third being rounded off as one), or two Directors, whichever is higher. **Quorum**
- (b) Provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of Directors who are not interested, and present at the meeting, being not less than two, shall be the quorum during such time.
- (c) Provided also that where the number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company and for no other purpose.
- (d) The Directors who are present by means of video conferencing or other audio visual means shall also be considered for the purpose of quorum. The participation of the Directors through video conferencing or other audio visual means, shall be capable of being recorded or recognized and the proceedings of such meetings shall be recorded and stored along with date and time for a period of one year from the date of the meeting.

186. If a meeting of the Board cannot be held for want of quorum, then the meeting shall stand adjourned to such day, time and place as the Director or Directors present at the meeting may fix. **Adjournment of Meeting for want of quorum**

187. In case there is no permanent chairman is appointed, the Board may elect a Chairman of their meeting and determine the period for which he is to hold office, but if no such Chairman is elected or if at any meeting, the Chairman is not present within thirty minutes after the time appointed for holding the meeting, the Directors present may choose one of the Directors to be Chairman of the Meeting. **Board may appoint Chairman**

188. Questions arising at any Board meeting shall be decided by a majority of votes, and in case of an equality of votes, the Chairman shall have a second or casting vote. **Questions at board meetings, how decided**

189. Subject to the restrictions contained in Section 179 of the Act, the Board of Directors may delegate any of their powers to Committees of the Board consisting of such member or members of its body as it think fit, and it may from time to time revoke and discharge any such Committee of the Board either wholly or in part, and either as to persons or purposes, but every Committee of the Board so formed shall, in the exercise of the power so delegated, conform to any regulations that may from time to time be imposed on it by the Board of Directors. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board. **Directors may appoint Committees and delegate power**

Subject to the provisions of the Act and to the approval of the Company in general meeting, the Board of Directors may from time to time fix the remuneration to be paid to any member or members of their body constituting a Committee appointed by the Board in terms of these Articles, and may pay the same.

190. The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article. **Meeting of Committees**

191. 1) 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, as the case may be at their addresses registered with the Company in India by hand delivery or by post or courier or through electronic means. **Resolution by Circular**

Provided that, where not less than one-third of the total number of directors of the company for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

2) A resolution passed by circular without a meeting of the Board or of a Committee of the Board shall subject to the provision of sub-clause (1) hereof be as valid and effectual as a resolution duly passed at a meeting of the Board or of the committee duly

called and held.

192. Subject to the provisions of the Act, 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 had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director. **Acts of board or committee shall be valid notwithstanding defect in appointment**
193. The Company shall cause minutes of the Meetings of the Board of Directors and of Committees of the Board to be kept in the manner required by the Act and the provisions of the Act will apply accordingly. **Minutes of the Meeting of Directors and Committees to be kept**

#### SECRETARY

194. The Board of Directors may from time to time appoint individual/s who are Members of the Institute of Company Secretaries of India as Secretary of the Company to perform duties which may be performed by a Secretary under the Act and any other purely ministerial and administrative duties as the Board of Directors may from time to time assign to the Secretary including the duty to keep the registers required to be kept under the Act. **Secretary to be appointed**

#### THE SEAL

- 195.
- (a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given. **The Seal, its Custody and use**
- (b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.
- (c) The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of at least one Director and of the Secretary or such other person as the Board may appoint for the purpose; and those one Director and the Secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence. **Deeds how executed**

#### POWERS OF THE BOARD

196. The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles which are required to be exercised by the Company in General Meeting. However no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. **Powers of the Board**
197. Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say: **Certain powers of the Board**
- 1) Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient. **To enter into contracts**
  - 2) To pay and charge to the capital account of the Company, any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents. **To pay commissions and interest**
  - 3) Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy. **To take on Lease**
  - 4) Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of India. **To acquire any property , rights etc.**
  - 5) To appoint any person to accept and hold in trust, for the property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees. **To appoint trustees for the Company**
  - 6) To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, **To erect & construct**

to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.

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| 7)  | At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share 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 or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged. | To pay for property                             |
| 8)  | To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.  | To insure properties of the Company             |
| 9)  | To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.   | To secure contracts by way of mortgage          |
| 10) | To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.   | To accept surrender of shares                   |
| 11) | To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.   | To open Bank accounts                           |
| 12) | To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.   | To assist charitable or benevolent institutions |
| 13) | To act on behalf of the Company in all matters relating to bankruptcy and insolvency.  | Bankruptcy & Insolvency                         |

- 14) To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company. **To issue receipts & give discharge**
- 15) Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name. **To invest and deal with money of the Company**
- 16) 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 as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon; **To give security by way of indemnity**
- 17) To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise. **To determine signing powers**
- 18) To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company. **Commission or share in profits**
- 19) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company. **Bonus etc. to employees**
- 20) To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the **Transfer to Reserve Funds**

several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the 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 debenture stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.

- 21) To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause. **To appoint and remove officers and other employees**
- 22) At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may **To appoint Attorneys**



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

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| 23) To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.   | To conduct legal proceedings                               |
| 24) From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.   | To make rules  |
| 25) To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.   | To effect contracts etc                                    |
| 26) To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests. | To apply & obtain concessions, licenses etc.               |
| 27) To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by products.  | Sale of Articles, Materials etc.                           |
| 28) To redeem preference shares.  | To redeem preference shares                                |
| 29) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.  | Payment of Rent and to acquire freehold estate or on lease |
| 30) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.  | Payment of Expenses  |

- 31) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise. **Providing for Welfare of Directors**
- 32) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how. **Purchase of Intellectual Property**
- 33) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit. **Sell, Disposition of Property**
- 34) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient. **Adding, altering or enlarging building, factory etc.**
- 35) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested. **Rights and privileges relating to Company's Property**
- 36) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid. **Delegation of Powers**
- 37) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with. **Compliance with requirement of local law**

## DIVIDEND AND RESERVES

198. The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting. **Company in general meeting may declare dividends**
- 199.
- 1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares. **Division of profits**
  - 2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
  - 3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
- 200.
- a) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit. **Transfer to reserves**
  - b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
201. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company. **Interim Dividend**
202. The Directors may retain any dividends on which the Company has **Application of dividend towards**

- a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists. satisfaction of debts, liabilities etc.
203. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share. Capital paid up in advance not to earn dividend
204. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly. Apportionment of Dividends
205. The Board of Directors may retain the dividends payable upon shares in respect of which any person is, under these Articles, entitled to become a member or which any person under that Article is entitled to transfer, until such person shall become a member in respect of such shares or shall duly transfer the same. Retention of dividends
206. No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company. No member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof
207. A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer. Effect of transfer of shares
208. Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share. Dividend to joint holders
- 209.
- a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. Dividends how remitted
- b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
210. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act. Notice of dividend

211. No unclaimed dividend shall be forfeited and no unpaid dividend shall bear interest as against the Company. **No interest on Dividends**

#### CAPITALIZATION

212.

- 1) The Company in General Meeting may, upon the recommendation of the Board, resolve: **Capitalization**

(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

- 2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards:

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

- 3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares.

- 4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

213.

- 1) Whenever such a resolution as aforesaid shall have been passed, the Board shall: **Powers of the Board on Capitalization**

(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and

(b) generally to do all acts and things required to give effect thereto.

- 2) The Board shall have full power –

- (a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also
  - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.
- 3) Any agreement made under such authority shall be effective and binding on all such members.
- 4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.

#### ACCOUNTS

214. The Company shall prepare and keep proper books of account with respect to: **Books of account to be kept**
- a) all sums of money received and expended by the Company and the matters in respect of which receipts and expenditure take place;
  - b) all sales and purchases of goods by the Company; and
  - c) the assets and liabilities of the Company.
215. The Books of account shall be kept at the Registered Office of the Company or at such other place in India as the Board of Directors may decide and when the Board of Directors so decide, the Company shall within seven days of the decision, file with the Registrar a notice in writing giving the full address of that other place. The books of account shall be open to inspection by any Director during business hours. **Books of accounts where to be kept**
216. The Board of Directors shall from time to time determine whether and to what extent and at what times and place and under what conditions or regulations the documents of the Company or any of them shall be open to the inspection of Member, and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the Board of Directors or by a resolution of the Company in general meeting. **Inspection of books of accounts by members**

217. The books of account of the Company relating to a period of not less than eight financial years immediately preceding a financial year, or where the Company had been in existence for a period less than eight years, in respect of all the preceding years together with the vouchers relevant to any entry in such books of account shall be kept in good order. **Books of accounts to be preserved**
218. The Board of Directors shall lay before each annual general meeting, financial statements for the financial year of the Company which shall be a date which shall not precede the day of the meeting by more than six months or such extended period as shall have been granted by the Registrar under the provisions of the Act. **Financial Statements to be laid before the General meeting**
- 219.
- a) Subject to the provisions of Section 129 and 133 of the Act, the Financial Statement shall be in the form set out in Schedule III of the Act, or as near thereto as circumstances admit. **Financial statements**
- b) The financial statements shall be in accordance with the provisions of the Act, the accounting standards and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and shall give a true and fair view of the affairs of the Company.
- c) If in the opinion of the Board, any of the current assets of the Company have not a value on realization in the ordinary course of business, at least equal to the amount at which they are stated, the fact that the Board is of that opinion shall be stated.
220. The Auditor's Report (including the Auditor's separate, special or supplementary reports, if any) shall be attached to the Financial Statement. **Auditor's report to be attached to the Financial Statements**
- 221.
- (a) A copy of every such Financial Statement so audited (including the auditor's report and every other document required by the Act to be annexed or attached to the balance sheet) shall at least twenty one days before the meeting at which the same are to be laid before the Members be sent to the Members of the Company, to the trustees for the holders of Debentures and to all persons entitled to receive notice of general meetings of the Company. **Financial Statement to each Member**
- (b) If and as long as the Company's shares are listed on a recognized stock exchange and subject to the provisions of Section 136 of the Act, it shall be sufficient compliance with clause (1) of this Article if the copies of documents referred to in clause (1) are made available for inspection at the Company's registered office during working hours for a period of twenty-one days before the date the meeting and a statement containing the salient features

of such documents in the prescribed form or copies may deem fit, is or are sent, not less than twenty-one days before the date of the meeting, to every Member of the Company and to every trustee for the holders of any debentures issued by the Company.

222.

- (a) Once at least in every year the accounts of the Company shall be examined by one or more auditors who shall report to the shareholders as to whether the Balance sheet reflects a true and fair view of the state of affairs of the Company as at that date and profit and loss account discloses a true and fair view of the profit and loss incurred by the Company during the year under review. **Accounts to be audited**
- (b) The appointment, remuneration, rights, powers and duties of the Company's auditors shall be regulated in accordance with the provisions of the Act.
- (c) Every balance sheet and profit and loss account of the Company when audited and adopted by the Company at an annual general meeting, shall be conclusive, provided that such balance sheet and profit and loss account and Board's Report may be amended at any time with the consent of the Company accorded by a special resolution.

#### ANNUAL RETURNS

223. The Company shall make and file the requisite Annual Returns in accordance with the provisions of Sections 92 of the Act. **Annual Return**

#### DOCUMENTS AND NOTICES

224.

- (1) A document or notice may be served by the Company on any Member thereof either personally or by sending it by post/registered post/speed post/courier to him to his registered address or if he has no registered address, in India, the address if any within India supplied by him to the Company for the giving of notices to him. **Service of the documents on Members by Company**
- (2) Where a document or notice is sent by post/registered post/speed post/courier:
- a) service thereof shall be deemed to be effected by properly addressing preparing and posting a letter containing the document or the 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 acknowledgement due and has deposited with the Company a sum sufficient to defray the



expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the Member; and

b) Such service shall be deemed to have been effected -

(i) in the case of notice of a meeting at the expiration of forty eight hours after the letter containing the same is posted; and

(ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.

(3) A document or notice may be served by the Company on the joint holders of a share by serving it on the joint holder named first in the Register of Members in respect of the share.

(4) A document or notice may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of the Member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or assignees 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 address has been so supplied by serving the document or notice in any manner in which it might have been served if the death or insolvency had not occurred.

(5) A certificate in writing signed by the manager, Secretary or other officer or employee of the Company that the notice was properly addressed, prepaid and posted shall be conclusive evidence thereof.

(6) The signature to any document or notice to be given by the Company may be written on printed or lithographed.

225. A document may be served on the Company or an officer thereof by sending it to Company or the officer at the registered office of the Company by post under a certificate of posting or by registered post or by leaving it at its registered office. **Service of documents on Company**

226. Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the Company may be signed by a Director, Managing Director, the Manager, the Secretary, or other authorised officer of the Company and need not be under the common seal of the Company. **Authentication of documents and proceedings**

#### WINDING UP

227. Subject to the applicable provisions of the Act - **Winding Up**

(a) If the Company shall be wound up, the liquidator may, with the

sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

- (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### INDEMNITY

- 228. Subject to the provisions of the Act, every Director, Manager and other officer or servant of the Company shall be indemnified by the Company against, and it shall be the duty of Directors, out of the funds of the Company, to pay all costs, losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into or act or thing done by him as such officer or servant or in any way in the discharge of his duties including expenses, and in particular, and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Manager, officer or servant in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or he is acquitted, or in connection with any application under Section 463 of the Act in which relief is granted by the Court, and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company. Directors' and others right to indemnity
- 229. Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through 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, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty. Liability of officers

#### GENERAL POWER

230. Wherever in the Act, the Rules or other applicable laws, it has been provided that the Company shall have any right privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its Articles, then and in that case, these Articles authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transaction as have been permitted by the Act, without there being any specific Article in that behalf herein provided
- General Powers

#### SECURITY CLAUSE

231. Subject to the provisions of the Act, no member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to require discovery of or any Information respecting any detail of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process, or any other matter which may relate to the conduct of the business of the Company, and which in the opinion of the Directors it would be inexpedient in the interest of the Company to disclose.
- Security Clause

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

Names Address, Description and Occupation of the Subscribers	Signature of Subscriber	Name, Address, Description and Occupation of Witness
<p>PAREKH J. KHANDWALA S/O. JAYANTILAL RANGINDAS KHANDWALA REKHA-2, BLOCK – 36, 46, RIDGE ROAD, MUMBAI – 400 006.</p> <p>OCCUPATION : BUSINESS</p>	<p>Sd/-</p>	<p>WITNESS TO ALL Sd/- SANDEEP S. SHAH Son of SHRISH SHAH 12 B, GANGADAS WADI, BABUNATH ROAD, MUMBAI – 400 007. OCCUPATION: SERVICE</p>
<p>ASHOK J. KHANDWALA S/o. JAYANTILAL RANGINDAS KHANDWALA 4, KRISHNA KUNJ, JUHU SCHEME N. S. ROAD NO. 6, MUMBAI – 400 056.</p> <p>OCCUPATION : BUSINESS</p>	<p>Sd/-</p>	<p>WITNESS TO ALL Sd/- SANDEEP S. SHAH Son of SHRISH SHAH 12 B, GANGADAS WADI, BABUNATH ROAD, MUMBAI – 400 007. OCCUPATION: SERVICE</p>

MUMBAI, Dated this 16<sup>th</sup> Day of December 1992