

## THE COMPANIES ACT, 2013

### COMPANY LIMITED BY SHARES (Incorporated under the Indian Companies Act 1956)

#### ARTICLES OF ASSOCIATION

#### OF

#### SIMPLEX MILLS COMPANY LIMITED

The following regulations comprised in these Articles of Association to be adopted pursuant to a Special Resolution passed at the 18<sup>th</sup> Annual General Meeting of the Company held on 9<sup>th</sup> August, 2016 in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company.

#### Table 'F' Excluded

1. The regulations contained in Table F in the First Schedule to the Companies Act, 2013 shall not apply to this Company, but the regulations for the management of the Company and for the observance by the Members thereof and their representative shall, subject to any exercise of the statutory powers of the Company in reference to the repeal or alteration of, or addition to its regulations 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 the Companies Act, 2013. Table F not to apply but Company to be governed by these Articles

#### DEFINITIONS AND INTERPRETATION

2. In the interpretation of these Articles, the following words and expression shall have the following meanings, unless repugnant to the subject or context:  
  
"The Act" or "The said Act" means the Companies Act, 2013 as amended upto date or other Act or Acts for the time being in force in India containing the provisions of the legislature in relation to Companies. Interpretation Clause  
The Act or The said Act  
  
SMCL means SIMPLEX MILLS COMPANY LIMITED a Company incorporated under the Indian Companies Act 1956 and having its Registered Office in the State of Maharashtra. SMCL  
  
"The Board" or "The Board of Directors" means a meeting of the Directors duly called and constituted or, as the case may be, the Directors assembled at a Board or the requisite number of The Board or The Board of Directors

Directors entitled to pass a Circular Resolution in accordance with these Articles.

The Company	"Company" means Simplex Mills Company Limited	
Director	"Directors" means the Directors for the time being of the Company or as the case may be, the Directors assembled at a Board.	
Alter	"Alter" and "Alteration" shall include the making of additions, omissions, insertion, deletion and substitutions	
Month and Calendar month	"Month" means a period of thirty days and a "Calendar month" means an English Calendar Month.	
Independent Directors	"Independent Directors" shall have the meaning assigned thereto by Section 149 (6) of the Act.	
Office	"Office" means the registered office for the time being of the Company.	
Ordinary Business	"Ordinary Business" means business to be transacted at an Annual General Meeting relating to (i) the consideration of financial statements, consolidated financial statements, if any, and the reports of the Board of Directors and Auditors; (ii) the declaration of any dividend; (iii) the appointment of Directors in the place of those retiring; and (iv) the appointment or ratification thereof and Fixing of remuneration of the Auditors.	
Special Business	"Special Business" means business other than the Ordinary Business to be transacted at an Annual General Meeting and all business to be transacted at any other General Meeting.	
These Presents or Regulations	"These Presents" or "Regulations" means these Article of Association as originally framed or altered from time to time and includes the Memorandum where the context so requires.	
Seal	"Seal" means the Common Seal for the time being of the Company.	
	"Rules" means the applicable rules for the time being in force as prescribed under relevant Sections of the Act.	Rules
	Words imparting the masculine gender include the feminine gender.	Gender
	Words imparting the singular number include the plural number.	Singular Number
	Subject aforesaid, any words and expressions defined in the	Words and Expressions

said Act as modified up to the date on which these Articles become binding on the Company shall, except where the subject or context otherwise require, bear the same meanings in these Articles.

defined in the Act

“Writing” shall include printing and lithography and any other mode or modes representing or reproducing words in visible forms.

Writing

3. The Marginal Notes hereto shall not affect the construction hereof.

The Marginal notes

### **SHARE CAPITAL**

- 4\*. The Authorised Share Capital of the Company shall be as per the Clause V (a) of the Memorandum of Association of the Company, with the rights, privileges and conditions attaching thereto as provided by the Articles of Association of the Company for the time being. The Company has power from time to time to increase or reduce its Capital and to divide the shares in the Capital for the time being into other classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such right, privilege, conditions or restrictions in such manner as may for the time being be permitted by the Articles of Association of the Company or the legislative provisions for the time being in force in that behalf.

5. Subject to the provisions of the Act and these Articles, the shares in the Capital of the Company for the time being (including any share forming part of any increased capital of the Company) shall be under the control of the Directors who may allot or otherwise dispose of the same or any of them to such person in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and proper, and with full power to give to any person the option to be allotted shares of the Company either at par or at a premium, such option being exercisable at such time and for such consideration as the Directors think fit. Provided that the option or right to call on shares shall not be given to any person or persons without the sanction of the Company in Board meeting.

Shares under the control of the Directors

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\* Amended vide special resolution passed at the Annual General Meeting held on 6th July 2021

Power of General Meeting to offer shares to such persons as the Company may resolve

6. Subject to Section 62 and 42 of the Act, and without derogating from the power for that purpose conferred on the Directors under Article 7, the Company in general meeting may, by special resolution, determine to issue further shares out of the authorised but unissued capital of the Company and may determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or holders of debentures of the Company or not) in such proportions and on such terms and conditions and either at a premium or at par, as such general meeting shall determine and with full power to give any person (whether a member or holder of debentures of the Company or not) option to be allotted shares of any class of the Company either at a premium or at par. , Such option is exercisable at such general meeting of the Company and the Company may make any other provisions whatsoever for the issue, allotment or disposal of any shares, subject to any direction given by the general meeting as aforesaid and the provisions of Article 79 hereof shall apply to any issue of new shares.

Directors may allot shares as fully paid up

7. Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company in payment or part payment for any part payment for any property or assets of any kind whatsoever (including the goodwill of any business) sold or transferred or goods or machinery or know-how supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid up or partly paid up otherwise than for cash, and if so issued shall be deemed to be fully paid up or partly paid up shares as aforesaid. The Directors shall cause returns to be filed of any such allotment as provided by Section 39 of the Act.

## SHARES

Kinds of Share Capital

8. The Company may issue the following kinds of shares in accordance with these Articles, the Act and other applicable laws:  
(a) Equity Share Capital:  
(i) with voting rights; and/or  
(ii) with differential rights as to dividend, voting or otherwise in accordance with the Act; and  
(b) Redeemable Preference Share Capital.

9. 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 entered on the Register of Members shall for the purpose of these Articles be a member.

Acceptance of Shares

10. The Company shall be entitled to treat the person whose name

Shareholder

appears on the register of members as the holder of any Shares or other securities or whose name appear as the Beneficial owner of shares or other securities in the records of Depository, as the absolute owner thereof.

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| 11. | The money (if any) which the Directors shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposits, call or otherwise in respect of any shares allotted by them shall, immediately on the insertion of the name of the allottee in the Register of Members as the holders 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   |
| 12. | If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative  | Installments on shares to be duly paid  |
| 13. | Except when required by law and in particular by Section 89 of the Act, or ordered by a Court of competent jurisdiction, the Company shall not be bound to recognize any person 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 Articles or as ordered by a court of competent jurisdiction 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 interests in shares other than that of the registered holder |
| 14. | None of the funds of the Company shall be applied in the purchase of any shares of the Company and itself not give any financial assistance for or in connection with the purchase of subscription of any shares in the Company or its holding Company save as provided by Section 67 of the Act.  | Funds of Company shall not be applied in purchase of shares of the Company                      |

### **UNDERWRITING AND BROKERAGE**

Commission for placing shares debentures etc.

15. The Company may, subject to the provisions of Section 40(6) of and other applicable provisions (if any) of the Act and rules made thereunder, at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or his procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any shares in or debentures of the Company so that the amount or rate of commission does not exceed in the case of shares, 5% of the price at which the shares are issued and in the case of debentures 2 1/2% of the price at which the debentures are issued. The Commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or debentures or partly in the one way and partly in the other. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.

## **CERTIFICATES**

Share  
Certificate

16. The certificates of title to the shares shall be issued under the seal of the Company which shall be affixed in the presence of and signed by (i) two Directors duly authorized by the Board of the Company for the purpose or the committee of the Board, if so authorized by the Board (provided that if the composition of the Board permits one of the aforesaid two Directors shall be a person other than the Managing or Whole-time Director ) and (ii) the Secretary or some other person appointed by the Board for the purpose. Particulars of every share certificate issued shall be entered in the Register of Members against the said person to whom it has been issued indicating the date of issue. A Director shall be deemed to have signed the share certificate if his signature is printed thereon as a facsimile signature by means of any machine, equipment or other mechanical means such as engraving in metal or lithography, or digitally signed, but not by means of a rubber stamp, provided that the Director shall be personally responsible for permitting the affixation of his signature thus and the safe custody of such machine equipment or other material used, for the purpose. Provided always that notwithstanding anything contained in this Article, the certificates of title to shares may be executed and issued in accordance with such other provisions of the Act, or the rules made there under, as may in force for the time being and from time to time.

## **DEMATERIALISATION OF SECURITIES**

17. a Notwithstanding anything contained in these Articles and as provided under Section 29 of the Act, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialized form pursuant to Depositories Act, 1996 and the rules framed thereunder.
- b Securities in depositories to be in fungible form :
- i All securities held by a depository shall be dematerialized and shall be in fungible form.
  - ii Nothing contained in Section 89 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.
- c Section 45 of the Act not apply
- Notwithstanding anything to contrary contained in the Articles:
- i Section 45 of the Act shall not apply to securities held with a depository.
  - ii Nothing contained in the Act or these Articles regarding the necessity of having distinctive number for securities issued by the Company shall apply to securities held in a depository.

18. Subject to the compliance of the relevant provisions of the Act and the Companies (Share Capital and Debentures) Rules 2014 every member or allottee of share(s) shall be entitled without payment to receive at least one or more certificate in the marketable lot under the seal of the Company for all the shares

Member's Right to  
certificate

of each class or denomination registered in his name in such form as the Directors shall prescribe or approve, specifying the number of share or shares allotted to him and the amount paid thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or of its fractional coupons of requisite values, save in case of issues against letters of acceptance or renunciation, or in case of issue of bonus shares. Provided that, if the letter of allotment is lost or destroyed, the Board may impose such reasonable terms, if any, as it thinks fit, as to seek supporting evidence and indemnity and the payment of out of pocket expenses incurred by the Company in investigating such evidence, as it may think fit.

**OPTION TO RECEIVE SECURITY CERTIFICATES OR HOLD SECURITIES WITH DEPOSITORY**

19. a Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or hold securities with a depository.
- b Where a person opts to hold a security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of such information the depository shall enter in its record the name of the allottee as the beneficial owner of that security.
- c Rights of Depositories and Beneficial Owners:
- i Notwithstanding anything to the contrary contained in the Articles, a depository shall be deemed to be registered owner for the purposes of effecting transfer of ownership of security on behalf of a beneficial owner.
  - ii Save as otherwise provided in clause (i) above, the depository as registered owner shall not have any voting rights or any other rights in respect of securities held by it.
  - ii Every person holding securities of the Company and whose name is entered as beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities held by a depository
- d Depository to furnish information:  
Every depository shall, furnish information about the transfer of securities in the name of the beneficial owners at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.
- e Notwithstanding anything to the contrary contained in the Articles, where securities are held in a depository, the records of beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.
- f Option to opt out in respect of any security:
- i If a beneficial owner seeks to opt out of a depository

in respect of any security, he shall inform the depository accordingly.

- ii The depository shall on receipt of such intimation make appropriate entries in its records and shall inform the Company.
- iii The Company shall, within thirty (30) days of the receipt of intimation from a depository and on fulfillment of such conditions and on payment of such fees as may be specified by the Regulations, issue the certificate of securities to the beneficial owner of the transferee, as the case may be.

Limitation of time for issue of certificates

20. The Company shall, within two months after the allotment of any of its shares, or within six months after allotment of any of its debentures or within one month from the date of receipt of the Instrument of transfer or intimation of transmission of any such shares or debentures, complete and have ready for delivery the certificates of all shares and debentures allotted or transferred, unless the conditions of issue of the shares or debentures otherwise provide and the Company shall otherwise comply with the requirements of Section 56(4) and other applicable provisions (if any) of the Act.

Issue of new certificate in place of those defaced, lost or destroyed

21. a No Certificate(s) of any share or shares or debenture or debentures shall be issued either in exchange for those which are subdivided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or rendered useless from any cause whatsoever, or where the cases on the reverse for recording transfers have been fully utilized, unless the certificate in lieu of which they are issued are surrendered to the Company and the Company may charge such fee as the Board thinks fit, not exceeding rupees fifty per certificate.
- b No duplicate certificates shall be issued in lieu of those that are lost or destroyed without the prior consent of the Board and without payment of such fees as the Board thinks fit, not exceeding rupees fifty per certificate and on such reasonable terms, if any, as to evidence of such loss or destruction and indemnity and the payment of out of pocket expenses incurred by the Company in investigating evidence as the Board thinks fit.
- c When a new share certificate has been issued in pursuance of clause (a) of this Article, it shall state on the face of it and be recorded in the Register maintained for the purpose that it is "Issued in lieu of share certificate No. \_\_\_\_ subdivided/replaced/on consolidation.
- d Where a new share certificate has been issued in pursuance of clause (b) of this Article, it shall be stated prominently on the face of it and be recorded in the Register maintained for the purpose, that it is "Duplicate issued in lieu of Share Certificate No. -". The word "Duplicate" shall be stamped or printed prominently on the face of the share certificates. The Duplicate share certificates shall be issued within a period of fifteen days, from the date of submission of complete documents with the Company.



- e Where a new share certificate has been issued in pursuance of clause (a) or clause (b) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificate including against the names of the persons to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members of suitable cross reference in the "Remarks" column. All entries made in the Register of Renewed and Duplicate Share Certificates shall be authenticated by the Company Secretary or such other person as may be authorised by the Board for the purposes of sealing and signing the share certificate.
- f All blank forms to be issued for share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank form shall be consecutively machine numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or such other person as the Board may appoint for the purpose, and the Secretary or other persons aforesaid shall be responsible for rendering an account of these forms to the Board.
- g The following persons shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates, including the blank forms of share certificates referred to in clause (f) of this Article:
  - i the committee of the Board, if so authorized by the Board or where the Company has a Company Secretary, the Company secretary; or
  - ii where the Company has no Company Secretary, a Director specifically authorised by the Board for such purpose.
- h All the books referred to in clause (g) of this Article shall be preserved in good order not less than thirty years and in case of disputed cases, shall be preserved permanently and documents.

Issue of certificate to a joint holder

22. The certificate of shares registered in the name of two or more persons shall unless otherwise directed by them be delivered to the person first named in the Register.

Endorsement of certificate

23. Every endorsement upon the certificate of any share in favour of any transferee thereof shall be signed by such person for the time being authorised by the Directors in that behalf.

Directors to comply with rule

24. The Board shall comply with requirements prescribed by any rules made pursuance to the said Act relating to the issue and execution of share certificates.

## CALLS

- Board may make Calls
25. The Board of Directors may from time to time, (by a Resolution passed at the meeting of the Board and not by Circular Resolution) but subject to the conditions hereinafter mentioned, make such calls as they think fit, upon the members in respect of all monies unpaid on the shares held by them respectively (whether on account of the capital value of the shares or by way of premium) and which are not by the condition of the allotment, made payable at fixed times and each members shall pay the amount of every call so made on him to the persons and at the times appointed by Directors. A call may be made payable by installment. The call may be revoked or postponed at the discretion of the Board.
- Calls on shares of same class to be made on uniform basis
26. Where any calls are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purposes of this Article, share of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.
- Notice of call
27. At least thirty days' notice of every call, otherwise than an allotment, shall be given specifying the time of payment, provided that before the time for payment of such call the Directors may, by notice in writing to the members, revoke the same.
28. A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorizing such call was passed and may be made payable by those members whose names appear on the Register of Members on such date, or, at the discretion of the Directors on such subsequent date as shall be fixed by the Directors.
29. The Directors may from time to time, at their discretion extend the time for the payment of any call and may extend such time as to payment of call for any of the members the Directors may deem entitled to such extension save as a matter of grace and favour.
30. If by the terms of issue of any shares, any amounts are made payable at any fixed time or by installment at fixed times (whether on account of the nominal amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall relate to such amount or installment accordingly.
31. If the sum payable in respect of any call or installments be not paid on or before the day appointed for payment thereof, the holder for the time being or allottee of the share(s) in respect of which a call shall have been made or the installments shall be due shall pay interest on the same at such rate as the Directors shall fix from the day appointed for the payment thereof to the time of actual payment but the Directors may waive payment of
- Call to date from Resolution
- Directors may extend time
- Amount payable at fixed time or by installments as calls
- When interest on call or installment payable

such interest wholly or in part.

32. 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 in respect of any shares either by way of principle or interest nor any indulgence granted by the Company in respect of the payment of any money shall preclude the forfeiture of such shares as hereinafter provided.

Judgment decree of partial payment not to preclude forfeiture

33. Subject to the provisions of the Act and these Articles on the trial or hearing of any action or suit brought by the Company against any member or his legal representative for the recovery of any money claimed to be due to the Company in respect of any shares, it shall be sufficient to prove that the name of the member in respect of whose shares money is sought to be recovered that the resolution making the calls duly recorded in the minute book, and that notice of such calls was duly posted to the members or his representative in pursuance of these presents, and it shall not be necessary to prove the appointment of the Directors who made such call not that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Evidence of forfeiture

Payment in anticipation of call may carry interest

34. The Directors may, if they think, receive from any member willing to advance the same, all or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the moneys do paid in advance or so much thereof as from time to time the amount of calls then made upon the shares in respect of which such advance has been made the Company may pay interest at such rate as the member paying such sum in advance and the directors agree upon and the Company may at any time repay the amount so advanced either by agreement with a member or otherwise upon giving to such member three month's notice in writing. No member paying any sum in advance shall be entitled to participate in profits or dividend or dividend or to voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable.

### **FORFEITURE, SURRENDER, LIEN**

If call or installment not paid notice must be given

35. If any member fails to pay the whole or any part of any call or installment or any money due in respect of any shares either by way of principle or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other money as aforesaid remain unpaid or a judgment or 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 shares by transmission, requiring him to pay such call or installment or such part thereof or other moneys as remain unpaid

together with any interest that may have accrued and all expenses (Legal or otherwise) that may have been incurred by the Company by reason of such non-payment.

Terms of  
Notice

36. The Notice shall name a day (not being less than 14 days from the date of the notice) on or before which and the place or place at which such call, installment or such part thereof and such other moneys as aforesaid and such interest and expenses as aforesaid are to be paid, and if payable to any person other than the Company, the person to whom such payment is to be made. The notice shall also state that in the event of non-payment at or before the time and (if payable to any person other than the Company) at the place appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.
37. If the requirements of any such notice as aforesaid shall not be complied with, any of the shares in respect of which such notice has been given may, at any time thereafter but before payment of all calls or installments, interest and expenses and other moneys due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture. In default of payment shares to be forfeited
38. When any shares shall have been so forfeited, an entry of the forfeiture, with the date thereof, shall be made in the Register of Members and notice of the forfeiture shall be given to the member in whose name they stood immediately prior to the forfeiture but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any entry as aforesaid. Notice of forfeiture to shareholders
39. Any shares so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board shall think fit. Forfeiture shares are to be property of the Company and may be sold etc.
40. 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 or favour, and not as of right, on payment to the Company of the money which was owing thereon to the Company at the time of forfeiture thereof being declared with interest for the same upto the time of actual payment thereof if the Directors shall think fit to receive the same, or any other terms which the Directors may deem reasonable. Forfeiture may be remitted
41. Any member whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls installments interests expenses or other moneys owing upon or in respect of such shares at the time Member still liable to pay money owing at the time of forfeiture

of the forfeiture together with interest thereon from the time of forfeiture until payment at such rate as the Directors may determine and the Directors may enforce the payment of the whole or a portion thereof if they think fit.

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|  | 42. | The forfeiture of a share shall involve the extinction at the time of the forfeiture of all interest in and also of all claims and demands against the Company in respect of the share, and all other rights incident to the share, except only such of those rights as by these presents are expressly saved.  | Effect<br>Forfeiture | of |
| Directors may accept surrender of shares | 43. | The Directors may at any time so far as may be permissible by law accept the surrender of any share from or by any member desirous of surrendering, on such terms as the Directors may think fit.   |                      |    |
| Company's lien on shares                 | 44. | The Company shall have a first and paramount lien on all the shares (other than fully paid-up shares and on the partly paid-up shares to the extent of the amount called up thereon) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all monies called or payable at a fixed time in respect of such shares and such lien shall extend to all dividends from time to time declared in respect of such shares.   |                      |    |
| As to enforcement of lien on sale        | 45. | For the purpose of enforcing such lien, the Board of Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made unless the sum in respect of which the lien exists is presently payable and until notice in writing of the intention to sell shall have been served on such member, his executors or administrators or his Committee, or other legal representatives as the case may be, and default shall have been made by him or them in the payment of the sum payable as aforesaid for fourteen days after the date of 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 the purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as aforesaid, the certificate 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. |                      |    |
| Application of proceeds of sale          | 46. | The net proceeds of any such sale, after payment of the costs of such sale, shall be applied in or towards the satisfaction of such debts, liabilities or engagements of such member and the residue, (if any) shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to such member or the person (if any) entitled by transmission to the shares so sold.   |                      |    |
| Certificate of                           | 47. | A certificate in writing under the hand of a Director, manager or   |                      |    |

forfeiture

the Secretary of the Company that the call in respect of a share was made, and notice thereof given, and that default in payment of the call was made, and that the forfeiture of the share was made by a resolution of the Directors to that effect shall be on conclusive evidence of the facts stated therein as against all persons entitled to such share.

Title of purchaser and Allottee of forfeiture shares

- 48. Upon any sale after forfeiture or for enforcing a lien in the exercise of the powers herein before given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold and 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 sell to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person.

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

Cancellation of Share Certification in respect of forfeited shares

**TRANSFER AND TRANSMISSIONS OF SHARES**

- 50. The instrument of transfer of any shares shall be in writing and all the provisions of Section 56 of the Act and of any statutory modifications thereof for the time being in force shall be duly complied with in respect of all transfers of shares and the registration thereof.
- 51. Nothing contained in Section 56 of the Act, shall apply to transfer of securities effected by the transferor and the transferee both of whom are entered as beneficial owner in the record of the Company.
- 52. Every such instrument of transfer shall be signed by or on behalf of the transferor and by or on behalf of the transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of Members in respect thereof.

Form of Transfer

To be executed by Transferor and Transferee

53. The Company shall not register a transfer of shares in the Company unless a proper instrument of transfer duly stamped, dated and executed by or on behalf of the transferor and the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company by the transferor and the transferee within the prescribed period along with the certificate relating to the shares, or if no such share certificate is in existence along with the letter of allotment of the shares. Provided that, where the instrument of transfer has been lost or the instrument of transfer has not been delivered within the prescribed period, the Company may register the transfer on such terms as to indemnity as the Board may think fit.

Director may  
refuse to  
register

54. Subject to the provisions of Section 58 of the Act, the Directors may at their absolute and uncontrolled discretion, decline to register or acknowledge any transfer of shares and shall not be bound to give any reason for such refusal and in particular the Company may so decline in respect of shares upon which the Company has a lien or whilst any moneys in respect of the shares desired to be transferred or any of them remain unpaid and such refusal shall not be affected by the fact that the proposed transferee is already a member. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except as stated hereinabove. The registration of the transfer shall be conclusive evidence of the approval by the Directors of the transferee.

55. The Company may refuse to register the transfer of any of its securities in the name of the transferee on any one or more of the following grounds and on no other ground namely;

- a that the instrument of transfer is not proper or has not been duly stamped and executed or that the certificate relating to the security has not been delivered to the Company or that any other requirement under the law relating to the registration of such transfer has not been complied with;
- b that the transfer of the security is in contravention of any law;
- c that the transfer of the security is likely to result in such change in the composition of the Board of Directors as would be prejudicial to the interest or in the interest of the Company or to the public interest;
- d that the transfer of the security is prohibited by any order of any court, tribunal or other authority under any law for the time being in force.

The transfer of shares, in whatever lot, would not be refused, though there could be no objection to the Company refusing to split a share certificate into several scrip's of small denominations or to consider a proposal for transfer of share comprised in a share certificate to several parties, involving such splitting, if on the face of it such splitting/transfer appears to be reasonable or with a genuine need.

Except as above, the Company would not refuse transfer in violation of the Stock Exchange listing Regulations requirements

on the ground that the number of shares to be transferred is less than any specified number.

56. If the Company refuses to register the transfer of any share or transmission of any right therein the Company shall, within one month from the date of which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor, to the person giving intimation of transmission along with reasons for such refusal, as the case may be, and thereupon the provisions of Section 58 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
57. 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 valid as if he had been a member at the time of the execution of the instrument of transfer. Transfer by legal representative
58. The instrument of transfer after registration shall 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. The Directors may cause to be destroyed all transfer deeds lying with Company for a period of ten years or more. Custody of transfer
59. The Directors shall have power, on giving not less than seven day's previous notice by advertisement as required by Section 91 of Act or such lesser time as may be prescribed by Securities Exchange Board of India, to close the transfer books of the Company, the Register of Members or the Register of Debentures holder as the case may be at such time or times and for such period or periods of time not exceeding in the whole 45 days in each year and not exceeding 30 days at a time, as to them may seem fit. The minimum time gap between two book closure and / or record dates would be at least 30 days. Closure of Transfer Book
60. The executors or administrators or a holder of a Succession Certificate in respect of the estate 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 deceased member and the Company shall not be bound to recognize such executors or administrators unless such executors or administrators shall have first obtained Probate or Letters of Administration as the case may be, from a duly constituted Court in India, provided that in any case where the Directors in their absolute discretion think fit, the Directors may dispense with the production of Probate or Letters of Administration or Succession Certificate and under the provisions of Article 67 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member. Title of shares of deceased holder
61. Subject to the provisions contained in Articles 63 and 64 thereof, Registration of



any person becoming entitled to a share in consequence of the death, lunacy or insolvency of any member, upon producing proper evidence of the grant of Probate or Letter of Administrations or Succession Certificate or such other evidence that he sustains the character in respect of which he purports to act under this Article or of his title to the Shares as the Board think sufficient may, with the consent of the Board (which it shall not be under any obligation to give), be registered as a member in respect of such shares, or may, subject to the regulations as to transfer herein before contained, transfer such shares. This Article is herein referred to as the transmission Article.

persons entitled to shares otherwise than by transfer (Transmission Clause)

Nomination of Shares

62. a i Notwithstanding anything contained herein above, every shareholder of the Company, may at any time, nominate, in the prescribed manner, a person to whom his shares in the Company, shall vest in the event of his death.
- ii Where the shares in the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares in the Company, shall vest in the event of death of all the joint holders.
- iii Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in the Company, the nominee shall, on the death of the shareholder or as the case may be, on the death of the joint holders become entitled to all the rights in such shares, of the holder or, as the case may be, of all the joint holders, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.

Transmission of Shares by Nominee

- iv Where the nominee is a minor, it shall be lawful for the holder of the shares, to make the nomination to appoint in the prescribed manner, any person to become entitled to shares in the Company, in the event of his death, during the minority.
- b i A nominee may upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-to be registered himself as holder of the share; or to make such transfer of the share as the deceased shareholder, could have made.
- ii If the nominee elects to be registered as holder of the share himself, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder.
- iii A nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if

he were the registered holder of the share except that he shall not, before being registered as a member in respect of his share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of Company.

Provider further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share, until the requirements of the notice have been complied with.

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|-----|--|---|
| 63. | Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer for registration.   | Refusal to register in case of transmission   |
| 64. | A person entitled to a share by transmission shall subject to the right of the Directors to retain such dividends or moneys as hereinafter provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the shares.   | Persons entitled may receive dividend without being registered as member              |
| 65. | Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.   | Board may require evidence of transmission  |
| 66. | The Company shall not charge any fee for registration of transfer or transmission in respect of shares or debentures of the Company.   | No fee on transfer or transmission  |
| 67. | The Company shall incur no liability or responsibility whatsoever in consequences their registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable right title or interest (to do such shares notwithstanding that the Company may not have notice of such equitable right, title or interest) or may have received a notice prohibiting registration of such transfer and may have entered such notice as referred thereto in any book of the Company, and save as provided by Section 89of the Act, the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered and referred | The Company not liable for disregard of a notice prohibiting registration of transfer |

to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors so think fit.

- Register of Transfers
68. The Company shall keep a book called the "Register of Transfer" and therein shall be fairly and distinctly entered the particulars of every transfer and transmission of any share in the Company.

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

- Copies of Memorandum and Articles of Association to be sent by the Company
69. Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 17 of the Act shall be sent by the Company to every member within 7 days of his request and on payment of such sum as may be determined by the Board of Directors.

#### **MODIFICATION OF RIGHTS**

- Power to Modify rights
70. If at any time the share capital is divided into different classes, the rights attached to any class of shares (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48 of the Act, be modified, commuted, affected, abrogated or varied (whether or not the Company is being wound up) with the consent in writing of the holders of not less than three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holder of that class of shares and all the provisions hereinafter contained as to General Meeting shall mutatis mutandis apply to every such meeting.

#### **JOINT HOLDERS**

- Joint Holders
71. 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 benefits of survivorship subject to the following and other provisions in the Articles:
- a The Company may be entitled to decline to register more than three persons as the joint holders of any shares.
  - b The joint Holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.
  - c On the death of any such joint holder the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of deceased joint holders from any liability in respect of the shares held by him jointly with any other person.
  - d Only the person whose name stands first in the Register of Members may give effectual receipts for any dividends or other money payable in respect of such share
  - e Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be

entitled to delivery of the certificate relating to such share or to receive documents (which expression shall be deemed to include all documents referred to in Article 50) from the Company and any documents served on or sent to such person shall be deemed served on all the joint-holders

- f Any one of two or more joint-holders may vote at any meeting either personally or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy then that one of such persons so present whose name stand first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to be present at the meeting. Provided always that a joint holders present at any meeting personally shall be entitled to vote in preference to a joint holder present by proxy although the name of such joint holder present by proxy stands first or higher in the Register 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 purposes of this clause be deemed joint-holders.

### CONVERSION OF SHARES INTO STOCK

72. The Company, by ordinary resolution in General Meeting may: Shares into stock and re-conversion
- a Convert any fully paid-up shares into stock; and
  - b Re-convert any stock into fully paid-up shares of any denomination.

73. The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulations 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 shares from which the stock arose. Transfer of stock

Rights of  
Stock holders

74. 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 matter, as if they held the shares from which the stock arose but no such privilege or advantage (except as regards dividends, participation in the profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in share, have conferred that privilege or advantage.

Regulations to  
apply stocks

75. Such of the regulations of the Company (other than those relating to share warrants) as are applicable to paid-up shares shall apply to stock and the words "Share" and "Shareholders" in

these regulations shall include stock and stockholder respectively.

### **INCREASE, REDUCTION AND ALTERNATION OF CAPITAL**

Increase of  
Capital

76. The Company may from time to time by ordinary resolution in General Meetings increase its share capital by the creation and issue of new shares either by fresh issue of Equity Share or increase in terms of /by conversion or otherwise of any instruments including warrants, convertible Debentures issued or to be issued in such manner, and of such amount as it thinks expedient. Subject to the provision of the Act, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as by the General Meeting creating the same shall direct and if no direction be given, as the Directors shall determine. Such shares may be issued with a preferential or qualified right as to dividends, and in the distribution of assets of the Company, and with a right of voting at General Meetings of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 64 of the Act.

Right of  
Equity  
Shareholders  
to further  
issue of  
Capital

- a Where, at any time it is proposed to increase the subscribed capital of the Company by allotment of further shares, then such further shares shall be offered to the persons who, at the date of the offer, are holders of the Equity Shares of the Company, in proportion as nearly as circumstances admit, to the capital paid up on these shares at that date, and such offer shall be made in accordance with the provisions of Section 62 of the Act. Provided that notwithstanding anything hereinbefore contained the further shares aforesaid may be offered to any persons, whether or not those persons include the persons who, at the date of offer, are holders of the Equity Shares of the Company in any manner whatsoever, if a special resolution to that effect is passed by the Company in General Meetings.
- b Subject to the provisions of Section 62 and pursuant to the approval of the shareholders granted by way of a special resolution, the Company may issue Warrants or other instruments which may entitle the holders thereof to subscribe Equity Shares and Convertible Debentures on such terms and conditions as the Board may think fit.
- c Nothing in this Article shall apply to the increase of the subscribed capital caused by the exercise of an option attached to debentures issued of loans raised by the Company to convert such debentures or loan into shares in the Company or to subscribe for shares in the Company (whether such option is conferred by Article 7 or otherwise) provided that the terms of the issue of such debentures or of such loans include a term providing for such option and such terms have been approved by a Special Resolution passed by the Company in General Meeting before the issue of the debentures or the raising of the loans as the case may be .

77. a Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provision herein contained with reference to the payment of calls and installments, transfer and transmission, forfeiture, lien, surrender, voting or otherwise.
- b The Company shall not issue any preference shares which are irredeemable.
- c The Company may issue preference shares which are liable to be redeemed within a period not exceeding twenty years from the date of their issue subject to following conditions:
- i the issue of such shares has been authorized by passing a special resolution in the general meeting of the Company
  - ii the Company at the time of such issue of preference shares has no subsisting default in the redemption of preference shares or in payment of dividend due on any preference shares.

Further issue of Capital to be governed by same rules

Provided further that

- i No such shares shall be redeemed except out of profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares  
Made for the purpose of redemption
- ii No such shares shall be redeemed unless they are fully paid.
- iii The premium if any, payable on redemption must have been provided for out of the profits of the Company or the Company's Securities 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 to be 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 the paid up share capital of the Company.

Reduction of Share Capital

78. The Company may, subject to the provisions of the Act, from time to time by special Resolution reduce its share capital and any Capital Redemption Reserve Account or other Premium Account in any way authorized by law and in particular may pay off any paid up share capital upon the footing that it may be called up again or otherwise and may, if and so far as is necessary, alter its Memorandum by reducing the amount of its share capital and of its shares accordingly. This Article is not to derogate from any power the Company would have if it were omitted.

Consolidation division and

79. The Company in General Meeting may alter the conditions of its

sub-division

Memorandum as follows:

- a consolidate and divide all or any of the share capital into shares of larger amount than its existing shares.
- b sub-divide its shares or any of them into shares of smaller amounts than originally fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amounts, 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.
- c cancel shares which at the date of such General Meeting 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.

Issue of further *pari - passu* shares not to affect the rights of shares already issued

80. The right 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 the shares of that class be deemed to be varied by the creation or issue of further shares ranking *pari -passu* therewith.

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

Declaration by person not holding beneficial interest in any share

81. a Notwithstanding anything herein contained, a person whose name is at any time entered in the Register of Members of the Company as the holder of a share in the Company, but who does not hold the beneficial interest in such share shall, within such time and in such form as may be prescribed, make a declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such share in such manner as may be provided in Section 89 of the Act.
- b A person who holds or acquires a beneficial interest in a share or a class of shares of the Company shall, within the time prescribed after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the shares stand in the Register of members of the Company and such other particulars as may be prescribed as provided in Section 89 of the Act;
- c Whenever there is a change in the beneficial interest in share referred to above, the beneficial owner shall, within the time prescribed from the date of such change make a declaration to the Company in such form and containing such particulars as may be prescribed as provided in Section 89 of the Act;
- d Where any declaration referred to above is made to the Company, the Company shall make a note of such declaration in the Register of Members and file within 30 days from the date of receipt of the declaration by it, a return in the prescribed form with the Registrar with regard to such declaration along with such fees or additional fees as may be prescribed

## BORROWING POWERS

82. Subject to the provisions of the Act and these Articles and without prejudice to the other powers conferred by these Articles, the Directors shall have the power from time to time at their discretion, by a resolution passed at meeting of the Board and not by Circular Resolution, to accept deposits from members other in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of moneys for the purposes of the Company. Provided that where the total amount borrowed at any time together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) exceeds the aggregate of the paid up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose, the consent of the Company by way of a special resolution shall be required.

Power to borrow

Such special resolution shall specify the total amount up to Which moneys may be borrowed by the Board. The expression "temporary loans" in this Article means loans repayable on demand or within six months from the date of the loans such as short terms loans, cash credit arrangements, discounting of bill and the issue of other short-term loans of reasonable character but does not include loans raised for the purpose of financing expenditure of a capital nature.

83. Subject to the provisions of Act and these Articles, the Directors may, by a resolution passed at a meeting of the Board and not by circular resolution, raise or secure the payment of such sum or sums in such manner and upon such issue of bonds, perpetual or redeemable debentures or debenture-stock, or any mortgage or charge or other security on the undertaking of the whole or any part of the property of the Company (both Present and future) including its uncalled capital for the time being.

Conditions on which moneys may be borrowed

Bonds,  
Debentures  
etc. to be  
subject to  
control of  
Directors

84. Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

Securities may  
be assignable  
free from  
equities

85. 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.

Conditions on  
which bonds  
debentures  
etc. may be  
issued

86. Subject to the provisions of the Act and these Articles any bonds, debentures, debenture-stock or other securities may be issued at a , premium or otherwise and with any special rights, privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at general meeting, appointment of Directors or otherwise. Provided that debentures with the right to allotment of or Conversion into shares, either



wholly or partly shall not be issued except with the sanction of the Company in General Meeting by way of a special resolution.

Mortgage of uncalled Capital 87. If any uncalled capital of the Company is included in or charged by way of mortgage or other security by the Directors, the 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 persons in whose favour such mortgage or security is executed or any other person in trust for him to receive moneys on call from 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 may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Director's powers or otherwise and shall be assignable if expressed so to be.

Indemnity may be given 88. 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 incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute 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.

89. The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company including all floating charges on the undertaking or any property of the Company, and shall cause the requirements of Sections 71, 77, 79, 81 to 87 (both inclusive) of the Act in that behalf to be duly complied with, within the time prescribed by the said Sections or such extensions thereof as may be permitted by the Applicable Authority or the Registrar as may be applicable so far as they are to be complied with by the Board. The Company shall, if at any time it issues debentures, keep a Register and Index of Debenture holders in accordance with Section 88 of the Act.

Register of mortgages etc. to kept

## DEBENTURES

90. The Company shall have power to issue debentures whether convertible or non-convertible, and whether linked to issue of equity shares or not, among members, but in exercising, this power, provisions of Sections 56, 71, 78, 88, 113 and 117 of the Act or any statutory modifications thereof shall be complied with.

## REGISTRATION OF CHARGES

91. a The provisions of the Act relating to registration of charges which expression shall include mortgages shall be complied with.

- b In the case of a charge created within or out of India on the Company's Property or assets or any of its undertaking, whether tangible or otherwise, and situated in or outside India, the provision of Section 77 of the Act shall be complied with.

### GENERAL MEETINGS

92. Subject to the provisions of Section 96 and 129 of the Act the Company shall, in addition to any other meetings, hold a general meeting (hereinafter called as 'Annual General Meeting') at the intervals and in accordance with the provisions contained in Section 96 of the Act. Annual General Meetings

93. All General Meetings other than Annual General Meetings shall be called Extra-Ordinary General Meetings. Extra-Ordinary General Meetings

94. The Board of Directors may call an Extra-Ordinary General Meeting whenever they think fit. Directors may call Extra-Ordinary General Meeting

Directors to call Extra-Ordinary General Meeting on requisition

95. a The Board of Directors shall, on the requisition of such number of members of the Company who hold, in regard to any matter at the date of receipt of the requisitions, not less than one tenth of such of the paid-up capital of the Company upon which all calls or other moneys then due shall have been paid as at that matter, forthwith proceed duly to call an Extraordinary General Meeting of the Company and the provisions of Section 100 of the Act and the provisions herein below contained shall be applicable to such meeting
- b The requisition shall set out the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists, and shall be deposited at the Registered Office of the Company.
- c The requisition may consist of several documents of the like from each signed by one or more requisitionists.
- d Where two or more distinct matters are specified in the requisition, the provisions of clause (a) above shall apply separately in regard to each such matter, and the requisition shall accordingly be valid only in respect of those matters in regard to which the conditions specified in that clause is fulfilled
- e If the Board of Directors do not, within twenty one days from the date of the receipt of valid requisition in regard to any matter, proceed duly to call a meeting for the consideration of those matter on a day not later than forty five days from the date of the receipt of the requisition, the meeting may be called by the requisitionists themselves or by such of the requisitionists as represent either majority in value of the paid up share capital held by all of them or not less than one-tenth of such of the paid up share capital of the Company as is referred to in clause (a) above whichever is less.

- f A meeting called under clause (e) above by the requisitionists or any of them shall be called and held in the same manner, as nearly as possible, as that in which meetings are called and held by the Board., but shall not be held after the expiration of three months from the date of the deposit of the requisition.
- g Any reasonable expenses incurred by the requisitionist in calling a meeting under clause (e) above shall be reimbursed to the requisitionists by the Company, and any sum so paid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

Notice of Meeting

- 96. a A General Meeting of the Company may be called by giving not less than twenty one days clear notice either in writing or in electronic mode in such manner as may be prescribed.
- b However a General Meeting may be called after giving a shorter notice, if the consent is given in writing or by electronic mode by not less than ninety five percent of the members entitled to vote at such meeting.

- 97. a Every notice of a meeting of the Company shall specify the place, the date, the day and the hour of the meetings, and shall contain a statement of the business to be transacted thereat.
- b In every notice there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a member of the Company.

Contents of Notice

- 98. a In case of an Annual General Meeting all business to be transacted at the meeting shall be deemed special, with the exception relating to:
  - i the consideration of the Financial Statements and the report of the Board of Directors and auditors;
  - ii the declaration of any dividend;
  - iii the appointment of Directors in the place of those retiring;
  - iv the appointment of and the fixing of the remuneration of the Auditors;
- b In the case of any other meeting all business shall be deemed special.
- c Where any item of business to be transacted at the meeting is deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business including in particular, the nature of the concern or interest if any, therein of (i) every Director and of the Manager if any; (ii) every other Key Managerial Personnel; and relatives of the persons mentioned in sub clauses (i) and (ii) and any other information and facts that may enable members to understand the meaning, scope and implications of the items

Special Business

Explanatory Statement

of business and to take decisions thereon. Provided 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, the Manager, if any and of 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 2 per cent of the paid-up share capital of that other company.

- d Where any item of business to be transacted at the meeting refers to any document, the time and place where the document can be inspected shall be specified in the explanatory statement.

99. Notice of every meeting shall be given to every member of the Company in any manner authorized by sub-section (2) of Section 20 of the Act and by these Articles. Service of Notice

Notice to be given to the Auditors 100. Notice of every meeting of the Company and every other communication relating to any General Meeting of the Company which any member of the Company is entitled to have sent to him, shall be given to the Auditor or Auditors for the time being of the Company in the manner authorized by Section 20 of the Act, as in the case of any member or members of the Company.

As to omission to give Notice 101. The accidental omission to give notice of any meeting 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 or the resolutions passed thereat.

Resolutions requiring Special Notice 102. a Where by any provision contained in the Act or in these, Special Notice is required of any resolution, notice of the intention to move the 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 Rs. 5 lakhs, not earlier than three months but not less than fourteen days before the meeting at which it is to be moved exclusive of the days on which the notice is served and the day of the meeting.

b The Company shall, immediately after the notice of the intention to move any such resolution has been received by it give its members, notice of the resolution at least seven days before the meeting exclusive of the day of dispatch of the notice and the day of the meeting, in the same manner as it give its notice of any general meeting. If that is not practicable, the notice shall be published in English language in English newspaper and in vernacular language in a vernacular newspaper, both having wide circulation in the State where the registered office of the Company is situated and such notice shall also be posted on the website, if any, of the Company. Such notice shall be published not less than seven days before the meeting exclusive of the day of publication of the notice and day of the meeting.

Circulation of Member's Resolution

103. Upon a requisition of members complying with Section 111 of the said Act, the Directors shall duly comply with the obligation of the Company under the said Act relating to circulation of members resolutions and statements.

Certificate conclusive as to Meeting have been duly called

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

Business which may not be transacted at the meeting

105. No General Meeting, Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business or statement of which has not been specified in the notice covering the meeting, except as provided in the said Act.

**PROCEEDING AT GENERAL MEETING**

106. The quorum for the General Meeting shall be as follows:

Quorum at General meeting

- a Five members personally present if the number of members as on the date of meeting is not more than one thousand;
- b 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;
- c Thirty members personally present if the number of members as on the date of the meeting exceeds five thousand.

107. No business shall be transacted at any General Meeting Unless the requisite quorum be present at the commencement of the meeting.

108. If within half an hour after the time appointed for the holding of a General Meeting quorum be not present, the meeting, if convened on the requisition of shareholders shall be dissolved and in every other case, 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 Directors may by notice to the shareholders appoint. If even at such adjourned meeting the requisite quorum is not present within half an hour from the time appointed for holding the meeting, those members present shall be the quorum and may transact the business for which the meeting was called.

Proceedings when quorum not present

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

Business of adjourned meetings

110. The Chairman of the Board of Directors shall be entitled to take the Chair at every General Meeting. If there be no Chairman or if at any meeting, he shall not be present within 15 minutes after the time appointed for holding such meeting or is unwilling to act, the Vice Chairman, or in the case of his absence or refusal, the

Chairman

Directors present may choose a Chairman, and in default of their doing so the members present shall choose one of the Directors to be the Chairman, and if no Director present be willing to take the chair, the members present shall choose one of the member to be the Chairman.

111. a No business shall be discussed at any General meeting except the election of Chairman whilst the Chair is vacant.
- Business confined to decision of Chairman whilst chair vacant
- b 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 so elected pursuant to Article 109, shall continue to exercise all the powers of the Chairman under the Act and these Articles. Where some other person is elected as a Chairman as a result of the poll, he shall then be the Chairman for the rest of the meeting.
112. The Chairman with the consent of any meeting at which a quorum is present may adjourn any meeting from time to time and from place to place in the city or town or village where the registered office of the Company is situated.
- Chairman with consent may adjourn meeting
113. 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. Save as aforesaid and as provided in Section 102 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- Notice to be given where a meeting is adjourned for thirty days or more
114. In the case of an equality of votes, whether on a show of hands or electronically or on a poll the Chairman of the meeting at which the show of hands or electronically has taken place, or at which the poll is demanded, shall be entitled to second or casting vote in addition to the vote or votes to which he may be entitled as a member.
- Casting vote of Chairperson at General Meeting
115. The Company shall cause minutes of all proceedings of every General Meeting to be kept in accordance with the provisions of Section 118 of the Act by making, within thirty days of the conclusion of each such meeting, entries thereof in books kept for that purpose with their pages consecutively numbered. Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of the Chairman within that period, by a Director duly authorized by the Board for that purpose, in no case the minutes of the proceedings or a meeting shall be attached to any such book as aforesaid by pasting or otherwise. Any such minutes kept as aforesaid shall be evidence of the proceedings recorded therein.
- Minutes of General Meeting

116. The books containing the aforesaid minutes shall be kept at the Registered Office and be open during business hours to the inspection of any member without charge subject to such reasonable restrictions as the Company may by these Articles or in General Meeting impose in accordance with Section 119 of the Act. Any member shall be entitled to be furnished, within seven days after he had made a request in that behalf to the Company with a copy of the minutes on payment of Rs.10 per page or part of any page.

Provided that a member who has made a request for provision of soft copy in respect of minutes of any previous general meetings held during a period immediately preceding three financial years shall be entitled to be furnished, with the same free of cost.

117. No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 119 of the Act to be contained in the Minutes of the proceedings of such meeting. Publication of report of proceedings of General Meetings
118. The Board, and also any person(s) authorised by it, may take any action before the commencement of any General Meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision. Powers to arrange security at meetings

### VOTE OF MEMBERS

119. Subject to the provisions of the Act and these Articles votes may be given and these Articles, votes may be given either personally or by proxy (only on poll) or in the case of a body corporate also by a representative duly authorized under Section 113 of the Act. Votes may be given by proxy or attorney
120. Subject to the Provisions of the Act: Subject to the Provisions of the Act
- a On a show of hands, every holder of equity shares entitled to vote and present in person shall have one vote and upon a poll every holder of equity shares entitled to vote and present in person or by proxy shall have voting rights in proportion to his share in the paid-up equity capital of the Company;
  - b Every holder of a preference share in the capital of Company shall be entitled to vote at a General Meeting of Company only in accordance with the limitations and provisions laid down in Section 47 (2) of the Act.
121. A member may exercise his vote at a meeting by electronic means in accordance with Act and shall vote once. Voting through Electronic means

Voting by members of unsound mind and minors	122. 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. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians, if more than one to be selected in case of dispute by the Chairman of the Meetings	
	123. Subject to the provisions of the Act, no member shall be entitled to be present or to vote at any General Meeting either personally or by proxy or be reckoned in a quorum whilst any call or other sums shall be due and payable to the Company in respect of any of the shares of such member.	
Member entitled to cast his vote differently	124. On a poll taken at a meeting of the Company, a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.	
Joint-Holders voting	125. Where there are joint registered holder of any shares, anyone of such persons may vote at any meeting in respect of shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting then one of the said person so present whose name stands first on the register in respect of such shares shall alone be entitled to vote in respect thereof. Where there are several executors or administrators of a deceased member in whose sole name any shares stand, anyone of such executors or administrators may vote in respect of such shares unless any other of such executors is present at the meeting at which such vote is tendered and object to the votes in which case no such vote shall be exercised except with the unanimous consent of all the executors or administrators present.	
Business may proceed pending poll	126. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of poll.	
Equal rights of members	127. Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.	
Appointment of proxy	128. Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself but a proxy so appointed shall not have any right to speak at the meeting and shall not be entitled to vote except on a poll.	
	129. Every proxy shall be appointed by an instrument in writing signed by the appointer or his attorney duly authorized in writing, or if the appointer is a body corporate, be under its seal or be signed by an Officer or an attorney duly authorized by it.	Deposit of instrument of proxy



130. a The instrument of proxy shall be deposited at the office of the Company not less than forty eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid. No instrument appointing proxy shall be valid after the expiration of twelve months from the date of its execution except in the case of the adjournment of any meeting first held previously to the expiration of such time. Timing of deposit of proxy
- b Every member entitled to vote at a meeting of the Company according to the provisions of these Articles on any resolution to be moved thereat, shall be entitled, during the period beginning twenty four hours before the time fixed for the commencement of the meeting of the Company according to the provisions of these Articles on any resolution to be moved thereat, shall be entitled, during the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect, the proxies lodged at any time during the business hours of the Company provided not less than three days' notice in writing of the intention so to inspect is given to the Company.
131. An instrument appointing a proxy shall be in such form as may be prescribed by the Act from time to time. Form of Proxy
132. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or subsequent insanity of the principal or revocation of the proxy under such proxy was, signed or the transfer of the shares in respect of which the vote is given provided that no intimation in writing of the death, insanity revocation or transfer shall have been received at the office of the Company before the meeting. Validity of votes given by proxy notwithstanding death of members etc
133. Subject to the provisions of the Act and these Articles, the Chairman of any meeting shall be the sole judge of the validity of every vote tendered or given at such meeting and subject as aforesaid, the Chairman present at the time of taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. Chairman of any meeting to be the judge of validity of any vote

### DIRECTORS

134. Subject to the provisions of Section 149 of the Act, the number of Directors shall not be less than three, and unless otherwise determined by the Company in General Meeting, not more than as stipulated under the Act. Number of Directors
- Provided that at least one of the Directors so appointed, shall be a woman director.
- Provided further that at least one of the Directors so appointed, shall be a person who has resided in India for a period of at least 182 days in the previous calendar year.

Provided further that at least one third of the total number of Directors or at least 2 of them, whichever is higher, shall be Independent Directors.

Chairperson  
and Managing  
Director/  
Chief  
Executive  
Officer

135. The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer.

Debenture  
Director

136. Any trust Deed for securing debentures or debenture-stock may if so arranged provide for the appointment from time to time by the Trustees therefore or by the holders, of the debentures or debenture-stock of some person to be a Director of the Company and may empower such trustees or holder of debentures or debenture-stock from time to time to remove any Director so appointed. The Director appointed under this Article is herein referred to as the "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or, subject to the provision of the Act, be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

Independent  
Director

137. Every Independent Director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, give a declaration that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act or as defined in the Definition clause of these Articles. Notwithstanding anything contained in these Articles, the terms of appointment, manner of selection, remuneration, tenure of office, etc. of an Independent Director shall be subject to the provisions of the Act.

Independent Director shall not be liable to retire by rotation.

Nominee  
Directors

138. The Company may agree with any financial institution or any authority or person or State Government that in consideration of any loan or financial assistance of any kind whatsoever, which may be rendered by it to the Company, it shall till such time as the loans or financial assistance is outstanding have power to nominate one or more Directors on the Board of the Company and from time to time remove and re-appoint such Directors and to fill in any vacancy caused by the death or resignation of such Directors otherwise ceasing to hold office. Such Nominee Directors shall not be required to hold any qualification shares

139. The Board of Directors of the Company may appoint an alternate Director (not being a person holding any alternate directorship

Appointment of  
Alternate

		<p>for any other director in the Company) to act for a director (hereinafter called "the Original Director") during his absence for a period of not less than three months from India. Provided that no person shall be appointed as an alternate director for an Independent Director unless he is qualified to be appointed as an Independent Director under the Act. Such appointment shall have effect and such appointee, whilst he holds office as an Alternate Director, shall be entitled to receive notice of meetings of the Board and to attend and vote thereat accordingly. An Alternate Director appointed under this Article should 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 re- appointment of a retiring director in default of any other appointment shall apply to the Original Director and not to the Alternate Director. Such Alternate Director shall not be required to hold any qualification shares.</p>	Directors
	140.	Subject to the provisions of Section 161(4), 169(7) and other applicable provisions (if any) of the Act, any casual vacancy occurring in the office of a Director before the term of office of such Director expires, may be filled up by the Directors at a meeting of the Board. Any person so appointed would have held office, if the vacancy had not occurred and shall hold office only upto the date upto which the Director in whose place he is so appointed would have held the office if it had not been vacated. Provided that, where a vacancy is created by removal of a director, the director who was removed from office shall not be re- appointed as the director by the Board.	Casual Vacancy
	141.	Subject to the provisions of Section 161 and other applicable provisions (if any) of the Act, the Directors shall have power at any time and from time to time to appoint a person or persons, other than a person who fails to get appointed as a director in a general meeting, as Additional Director or Directors. Such Additional Director shall hold office only up to the date of the next Annual General Meeting of the Company or the last date on which the Annual General Meeting should have been held, whichever is earlier, but shall be eligible for re- election at that meeting as a Director, provided that the number of Directors and the Additional Director together, shall not exceed the maximum strength fixed by the Board by Article 140 hereof.	Appointment of Additional Directors
Qualification of Directors	142.	A Director of the Company shall not be bound to hold any qualification shares.	
Remuneration of Directors	143.	<p>Subject to the provisions of Section 197 of the Act and other applicable provisions, if any, the remuneration payable to the Director of the Company shall be as hereinafter provided:</p> <p>a The fees payable to a Director for attending a meeting of the Board or a Committee of the Board of Directors from time to time shall be within the maximum limits of such fees</p>	

that may be prescribed under Section 197 of the Act, or if, not so prescribed in such a manner as the Directors may determine from time to time in conformity with the provisions of law. The Directors shall be paid such further remuneration if any, either on the basis of percentage on the net profits of the Company or otherwise, as the Company in General Meeting shall from time to time determine, and such additional remuneration and further remuneration shall be divided amongst the Directors in such proportion and manner as the Board may from time to time determine, and in default of such determination, shall be divided amongst the Directors equally.

- b The Board of Directors may in addition allow and pay to any Director who is not a bonafide resident of the place where a meeting of the Board or Committee or a General Meeting of the Company is held, and who shall come to the place for the purpose of attending the meeting, such sum as the Board may consider fair compensation for his traveling, hotel, boarding, lodging and other expenses incurred in attending or returning from meetings of the Board of Directors, or any Committee thereof or General Meetings of the Company.
- c Subject to the limitations provided by the Act and this Article, if any Director shall be called upon to go or reside out of his usual place or residence on the Company's business or otherwise perform extra service outside the scope of his ordinary duties, the Board may arrange with such Director for such special, remuneration for such service either by way of salary, commission, or the payment of stated sum of money as they shall think fit, in addition to or in substitution of his remuneration above provided, and all the Directors shall be entitled to be paid or reimbursed or repaid any traveling, hotel and other expenses incurred or to be incurred in connection with the business of the Company and also to be reimbursed all fees for filing all document which they may be required to file under the provisions of the Act.
- d Subject to the provisions of Section 197 and 198 of the Act, an Independent Director shall not be entitled to any stock options.
- e The Company shall, in accordance with Section 197 (12) of the Act, disclose in its' Board's report, the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for every financial year.

144. The Continuing Directors may notwithstanding any vacancy in their body but subject to the provisions of the Act, if the number falls below the minimum number above fixed and notwithstanding the absence of a quorum, the Directors may act for the purpose of filling up vacancies or for summoning a General Meeting of the Company.

Directors may act notwithstanding vacancy

145. a Subject to the provisions of Section 167 of the Act, the Office of a Director shall become vacant if:

When office of Director to become vacant

- i he is found to be of unsound mind by a court of competent jurisdiction, or
  - ii he applies to be adjudicated an insolvent; and the application is pending or
  - iii he is an undischarged insolvent; or
  - iv he absents himself from all the meetings of the Board of Directors during a period of twelve months, with or without obtaining leave of absence from the Board of Directors; or
  - v he becomes disqualified by an order of the Court or the Tribunal; or
  - vi he is removed in pursuance of the Act; or
  - vii 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
  - viii 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 of the Act, or
  - ix he is convicted by a court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months; or
  - x he has not paid any calls in respect of any shares of the Company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call
  - xi he has been convicted of the offence dealing with related party transactions under Section 188 at any time during the last preceding five years
  - xii 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.
- b 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. The Board shall on receipt of such notice take note of the same and the Company shall intimate the Registrar. The Board shall also place the fact of such resignation in its report laid in the immediately following Annual General Meeting of the Company. Also, the Director shall forward a copy of his resignation along with detailed reasons for the resignation to the Registrar within the prescribed time.

Directors may  
contract with  
Company

146. a Subject to the provisions of clause (b), (c), (d) and (e) of this Article hereof and the restriction imposed by Article 153 and the other Articles hereof and the Act and the observance and fulfillment thereof save and except as stated in Section 188 of the Act, no director shall be disqualified by his office from contracting with the Company for any purpose and in any capacity whatsoever including either as Vendor, purchase, agent, broker, underwriter of shares and debentures of the Company or otherwise, nor shall any such contract, or any contract or arrangement entered into by or

Disclosure of Interest

on behalf of the Company in which any Director shall be in any way interested be void, nor shall any Director, so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason only of such Director holding that office, or of the fiduciary relationship thereby established, but it is hereby declared that nature of his interest must be disclosed by him as provided by clauses (b) (c) and (d) hereof.

- b Every Director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding.
- c Every Director 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:
  - i with a body corporate in which such Director or such Director in association with any other Director, holds more than two percent. shareholding of that body corporate, or is a promoter, manager, Chief Executive Officer of that body corporate; or
  - ii with a firm or other entity in which, such Director is a partner, owner or member, as the case may be,shall disclose the nature of his concern or interest at a meeting of the Board of Directors in which such contract or arrangement is discussed and shall not participate in such meeting.

Provided that where a Director was not concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested.

- d For the purpose of this Article, the disclosure to be made by a Director, shall be made by way of a notice.
- e Nothing contained in clause (b) (c) and (d) hereof shall apply to any contract or arrangement entered into or to be entered into between the Company and any other Company where any one of the Directors of the Company or two or more of them together holds or hold not more than two percent of the paid up share capital in the other company.

Notice of Interest

- 147. a The Company shall keep one or more Registers in accordance with Section 189 of the Act in which shall be entered separately particulars of all contracts or arrangements to which Sub-Section (2) of Section 184 or Section 188 of the Act applies.
- b The entries in such Registers shall be made at once, whenever there is a cause to make the entry, in

Register of contracts in which Directors are interested

chronological order and shall be authenticated by the Company Secretary of the Company or by any other person authorized by the Board for this purpose. The Registers shall be placed before the next meeting of the Board and shall then be signed by all the Directors present at the meeting. The Registers shall also be produced at the commencement of every Annual General Meeting of the Company and shall remain open and accessible during the continuance of the meeting to any person having the right to attend the meeting;

- c The Registers aforesaid shall also specify, in relation to each Director of the Company, the particulars of the firms or bodies corporate or other association of individuals, in which such Director has any concern or interest, of which notice has been given by him under sub- Section (1) of Section 184 of the Act.
- d Nothing in the foregoing clause (a) (b) and (c) shall apply to any contract or arrangement for the sale, purchase or supply of any goods, materials or services if the value of such goods and materials or the cost of such services does not exceed five lakh rupees in the aggregate in any year.
- e The Registers as aforesaid shall be kept at the Registered Office of the Company and they shall be open to inspection at such office and extracts may be taken from any of them and copies thereof may be required by any member of the Company on payment of fees of Rs.10 per page.

148. A Director of the Company may become a Director of any company promoted by the Company, or in which it may be interested as Vendor, member or otherwise and subject to the provisions of the Act and these Articles, no such Director shall be accountable for any benefits received as a Director or member of such Company.

Directors may be  
Directors of  
Companies  
promoted by the  
Company

Disclosure of  
holdings

149. A Director or Manager shall give notice in writing to the Company of his holding of shares and debentures of the Company or its subsidiary, together with such particulars as may be necessary to enable the Company to comply with the provisions of Section 170 of the Act. If such notice be not given at a meeting of the Board, the Director or Manager shall take all reasonable steps to secure that it is brought up and read at the meeting of the Board next after it is given. The Company shall enter the particulars of the Director's and Manager's holding of the shares and debentures as aforesaid in a Register kept for their purpose in conformity with Section 170 of the Act.

Loans to  
Directors

150. The Company shall observe the restrictions imposed on the Company in regard to grant of loan to Directors and other persons as provided in Section 185 and other applicable provisions, if any, of the Act.

Related Party  
Transactions

151. Except as provided in and subject to the limitations and restrictions contained in Section 188 of the Act, the Company shall not enter into any contract or arrangement with a Related Party with respect to:

- a for the sale, purchase or supply of any goods or materials;
- b selling or otherwise disposing of, or buying, property of any kind;
- c leasing of property of any kind;
- d availing or rendering of any services;
- e appointment of any agent for purchase or sale of goods, materials, services or property;
- f such Related Party's appointment to any office or place of profit in the Company, its subsidiary company or associate company;
- g for underwriting the subscription of any securities or derivatives thereof, of the Company

Increase or reeducation in number of Directors

152. Subject to the provisions of the Act and these Articles, the Company may from time to time increase or reduce within the maximum limit permissible the number of Directors. Provided that the Company may increase the number of Directors beyond the permissible maximum limit only after passing a special resolution.

#### **RETIREMENT AND ROTATION OF DIRECTORS**

153. Subject to Section 152 of the Act all the Directors of the Company, other than Additional Director appointed by the Board under Article 147 hereof or non-retiring Directors or Independent Directors shall be liable to retire by rotation within the meaning of this Article. But they except Independent Directors shall counted in determine the number of retiring directors.

The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day those to retire shall, in default of and subject to any agreement among themselves, be determined by lot drawn at a meeting of the Board of Directors.

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

155. Save and except as provided under the Act, the expression "Retiring Director" means a director retiring by rotation.

156. Subject to the provisions of the Act and these Articles, the Directors to retire under the foregoing Article at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but as between person who become Directors on the same day, those who are to retire shall in default of and subject to any agreement among themselves, be determined by lot. Subject to the provisions of the Act, a retiring Director shall remain in office until the conclusion of the meeting at which his re-appointment is decided or his successor is appointed.

Ascertainment of Directors retiring by rotation



157. Subject to the provisions of the Act and these Articles, a retiring Director shall be eligible for re-appointment. Eligibility of re-appointment
158. The Company at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto. Company to fill up vacancy
159. a If the place of the retiring Director or Directors is not so filled up and the meeting has not expressly resolved not 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 national holiday, at the same time and place. Provision in default of appointment
- b If at the adjourned meeting also the place of the retiring Director or Directors is not filled up and the meeting also has not expressly resolved not to fill the vacancy the retiring Director or Directors shall be deemed to have been re-appointed at the adjourned meeting unless:
- i at the meeting or at the previous meeting a resolution for the re-appointment of such Director or Directors has been put to the meeting and lost;
  - ii the retiring Director or Directors has or have by a notice in writing addressed to the Company or its Board of Directors expressed his or their unwillingness to be so re-appointed;
  - iii he is or they are not qualified or is disqualified for appointment;
  - iv A resolution whether special or ordinary, is required for their appointment or re- appointment by virtue of any provisions of the Act;
  - v Article 167 or Section 162 is applicable to the case.

Notice of candidature for office of Directors

160. 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 the 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 Registered 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 Rs. 1,00,000 (Rupees One Lakh only) or such higher amount as may be prescribed which shall be refundable only if the candidate in respect of whom such deposit is made has duly been elected as Director or if he gets more than 25% of total valid votes cast either on show of hands or on poll on such resolution.

Consent to act as Directors

- b A person appointed as a director shall not act as a director unless he gives his consent to the Company to hold the office as director and files the same with the Registrar within the prescribed time.
- c On receipt of the notice referred to in this Article the Company shall at least seven days before the general meeting inform its members of the candidature of that

person for the office of a Director or of the intention of member to propose such person as a candidate for that office (1) by serving individual notices on members through electronic mode to such members who have provided their email addresses to the Company for communication purposes, and in writing to all other members; and (2) by placing notice of such candidature or intention on the website of the Company, if any. Provided that it shall not be necessary for the Company to serve individual notices upon the members if the Company advertises such candidature or intention not less than seven days before the meeting at least once in a vernacular newspaper in the principal vernacular language of the district in which the Registered Office of the Company is situated, and circulating in that district, and at least once in English Language in an English newspaper circulating in that district.

Individual  
Resolution for  
Directors  
Appointment

161. At a General Meeting of the Company, a motion shall not be made for the appointment of two or more persons as Directors of the Company by single resolution that it shall be so made has first been agreed to by the meeting without any vote given against it. A resolution moved in contravention of this Article shall be void whether or not objection so moved is passed. No provision for the automatic re-appointment of retiring Directors by virtue of these Articles or the Act in default of another appointment shall apply.

162. a The Company may, subject to the provisions of Section 169 and other applicable provisions Act and these Articles remove any Director before the expiry of his period of office.  
 b Special notice as provided by Article 102 and Section 115 of the Act shall be given, of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.  
 c On receipt of notice of any such resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.  
 d Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto, representation in writing to the Company and requests its notification to members of the Company, the Company shall unless the representation is received by it too late for it to do (a) in the notice of the resolution given to the members of the Company state the fact of the representation having been made and (b) send a copy of the representation to every member of the Company to whom the notice of the meeting has been sent (whether before or after receipt of the representation by the Company) and if a copy of the representation is not sent as aforesaid due to insufficient time or because of the Company's default the Director may (without prejudice to his right to be heard orally) require that the representation shall be read out at the meeting. Provided

Removal  
Directors of

that copies of the representation shall not be read out at the meeting if, on the application either of the Company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this clause are being abused to secure needless publicity for defamatory matter.

- e A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board, be filled by the appointment of another Director in his place by the meeting at which he is removed provided Special Notice of the intended appointment has been given under clause (b) hereof. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.
- f If the vacancy is not filled under clause (e) it may be filled as Casual Vacancy in accordance with the provisions (in so far they are applicable) of the Act
- g A Director who was removed from office under this Article shall not be re-appointed as Director by the Board of Directors.
- h Nothing contained in this Article shall be taken:
  - i as depriving a person removed thereunder of any compensation or damages payable to him in respect of the termination of his appointment as Director or of any other appointment terminating with that as Director, or
  - ii as derogating from any power to remove a Director which may exist apart from this Article.

### **MEETING OF DIRECTORS**

Meeting of Directors 163. The Directors may meet together as a Board from time to time and at least four Board meetings shall be held in every year, and they may adjourn and otherwise regulate their meetings as they deem fit. Provided that not more than 120 days shall intervene between two consecutive Board meetings. The provisions of this Article shall not be deemed to be contravened merely by reason of the fact that a meeting of the Board which had been called in compliance with the terms herein mentioned could not be held for want of quorum.

When meetings to be convened and notice thereof 164. A Director or the Managing Director may at any time and the Secretary upon the request of a Director shall convene a meeting of the Directors. Not less than 7 day notice alongwith agenda of every Board Meeting shall be given to all the Directors and their Alternate at their address registered with the Company in accordance with Section 173 of the Act.

Provided that a meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one Independent Director, shall be present at the meeting.

Provided further that in case of absence of Independent Directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final

only on ratification thereof by at least one Independent Director, if any.

Quorum

165. Subject to the provisions of Section 174 and other applicable provisions (if any) of the Act, the quorum for a meeting of the Board of Directors shall be one-third of the total strength of the Board of Directors (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, and the participation of the directors by video conferencing or by other audio visual means or teleconferencing, as may be prescribed in the Act, shall also be counted for the purposes of quorum, 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 remaining Directors that is to say the number of Directors who are not interested and are present at the meeting, not being less than two shall be the quorum during such meeting.
166. If a meeting of the Board of Directors cannot be held for want of quorum, then the meeting shall stand adjourned by three (3) days and at such time and place as the Chairman may decide. If that day is a national holiday, till the next succeeding day, which is not a national holiday, at the same time and place or to such day, time and place as the Directors present may determine. Adjournment of meeting for want of quorum
167. The Chairperson of the Company shall be the Chairperson at meetings of the Board. In absence, the Board may elect a Chairperson of its meeting and determine the period for which he is to hold office. Who to preside at meeting of the Board
168. Save as otherwise expressly provided in the Act questions arising at any meeting of the Board shall be decided by a majority of votes provided such majority of votes, and in case of an equality of votes the Chairman of the meeting (whether the Chairman or the Director presiding at such meeting shall have a second or casting vote. Questions at Board meeting how decided (Casting Vote)
169. a Subject to the provisions of Section 179 of the Act and Article, the Directors may delegate any of their powers to committee consisting of such member or members of their body, as they think fit and they may from time to time revoke and discharge any such committee either wholly or in part and either as to person or purposes, but every committee so formed shall, in the exercise of the powers so delegated to it conform to any regulations that may from time to time be imposed on it by the Directors. All acts done by any such committee in conformity with such regulations and in fulfillment of the purpose of their appointment but not otherwise, shall have the like force and effect as if done by the Board. Subject to the provisions of the Act the Board may from time to time fix the remuneration to be paid to any member or members of their body constituting a Committee appointed by the Board in terms of these Articles and may Directors may appoint committees

- pay the same.
- b The Board of Directors shall, if applicable, constitute an Audit Committee as per Section 177 of the Act, a Nomination and Remuneration Committee of the Board as per Section 178 of the Act and a Stakeholders Relationship Committee as per Section 178 of the Act.

170. a The meetings and proceedings of any such committee consisting of two or more Directors shall be governed by the provisions herein contained in respect of the meeting 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.
- b The participation of Directors in a meeting of the Board may be either in person or through video conferencing or teleconferencing or other audio visual means, as may be prescribed in the Act which are capable of recording and recognizing the participation of the directors and of recording and storing the proceedings of such meetings along with date and time. Where a Board meeting is to be conducted through video or audio/video mode, the same shall be conducted in accordance with the Act.

Meetings of committees how to be convened

Resolution by Circulation

171. a A resolution passed by circulation without a meeting of the Board or a Committee of the Board appointed under Article 175 shall subject to the provisions of clause (b) hereof and the Act be as valid and effectual as resolution duly passed at a meeting of the Board or of a committee duly called and held.
- b A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, if the resolution has been circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the Committee at their address registered with the Company in India by hand delivery or by post or by courier or through electronic means as per the Act and has been approved by a majority of the Directors or members, who are entitled to vote on the Resolution.
- c 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.
- d Subject to the provisions of the Act, a statement signed by the Managing Director or other person authorized in that behalf by the Directors certifying the absence from India or any Directors shall for the purposes of this Article be conclusive.
- e A resolution under clause (a) shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and made part of the minutes of such meeting.

Act of Board or Committee

172. Subject to the provisions of the Act and these Articles, all acts

valid  
notwithstanding  
any defect in  
appointment

done by any meeting of the Directors or by a Committee of Directors 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 person acting as aforesaid or that they or any of them were or was 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, may be as valid as if every such person had been duly appointed and was qualified to be a Director. Provided that nothing in this Article shall be deemed to give validity to acts done by the Directors after their appointment had been shown to the Company to be invalid or to have terminated.

173. The Company shall cause minutes of the meeting of the Board of Directors and of Committees of the Board to be duly entered in a book or books provided for the purpose in accordance with the relevant provisions of Section 118 of the Act. The minutes shall contain a fair and correct summary of the proceedings of the meeting including the following:
- a The names of the Directors present at the meeting of the Board of Directors or any Committee thereof;
  - b All orders made by the Board of Directors;
  - c All resolutions and proceedings of meetings of the Board of Directors and Committees thereof;
  - d In the case of each resolution passed at a meeting of the Board of Directors or Committee thereof the name of Directors if any, dissenting from or not concurring in the resolution;
  - e All appointments made at the meeting of the Board of Directors.
174. All such minutes shall be signed by the Chairman of the concerned meeting or by the person who shall preside as Chairman at the next succeeding meeting and all the minutes purported to be so signed shall for all actual purposes whatsoever be prima facie evidence of the actual passing of the resolution recorded, and the actual and regular transaction or occurrence of the proceedings so recorded and of the regularity of the meetings at which the same shall appear to have taken place.

Minutes of  
proceedings of  
Board of Directors  
and Committees  
to be kept

By whom the  
minutes to be  
signed and the  
effect of minutes  
recorded

### **POWERS OF THE DIRECTORS**

175. a Subject to the provisions of Section 179, 180 and 182 and all other applicable provisions of the Act and these Articles the Board of Directors of the Company shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorized to exercise, and do. Provided that the Board shall not exercise any power or do any act or thing which is directed or required or otherwise to be exercised or done by the Company in General Meeting. Provided further that in exercising any such act or thing the Board shall be subject to the provisions contained in that

General Powers of  
Directors

behalf in the Act or in the Memorandum or in these Articles or in any regulations not inconsistent therewith duly made thereunder including regulations made by the Company in General Meeting.

- b 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.

Consent of Company necessary for the exercise of certain powers

176. Subject to the provisions of Section 180 and 181 of the Act the Board of Directors shall not, except with the consent of the Company by a special resolution:

- a Sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking;
- b Remit or give time for the repayment of any debt due by a Director;
- c Invest otherwise than in trust securities, the amount of compensation received by the Company as a result of any merger or amalgamation;
- d Borrow moneys where the money to be borrowed, together with the money already borrowed by the Company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business.

Bonafide contribution to charitable funds etc

177. The Board of Directors with the prior permission of the Company in General Meeting may contribute to bona fide charitable and other funds, any amounts the aggregate of which will in any financial year, exceed five percent of its average net profits during the three financial years immediately preceding.

Certain powers to be exercised at the meetings of Board only

178. a Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and it shall do so only by means of resolutions passed at meetings of the Board:

- i To make calls on shareholders in respect of moneys unpaid on their shares;
- ii To authorise buy-back of securities under Section 68 of the Act
- iii To issue securities, including debentures, whether in or outside India;
- iv To borrow moneys;
- v To invest the funds of the Company;
- vi To make loans or give guarantee or provide security in respect of loans;
- vii To approve Financial Statement and the Board's report;
- viii To diversify the business of the Company;

- ix To approve amalgamation, merger or reconstruction;
- x To take over a company or acquire a controlling or substantial stake in another company;
- xi To make political contributions subject to Section 182 of the Act;
- xii To appoint or remove Key Managerial Personnel;
- xiii To take note of appointment(s) or removal(s) of one level below the Key Management Personnel;
- xiv To appoint internal auditors and secretarial auditor;
- xv To take note of the Disclosure of director's interest and shareholding;
- xvi To buy, sell investments held by the Company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee company;
- xvii To invite or accept or renew public deposits and related matters;
- xviii To review or change the terms and conditions of public deposit;
- xix To approve quarterly, half yearly and annual Financial Statements or financial results as the case may be.

Provided that the Board may, by a resolution at a meeting delegate to any Committee of Directors or the Managing Director or any other principal officer of the Company or to a principal officer of any of its branch offices, the powers specified below on such conditions as the Board may prescribe.

- b Where the Company has an arrangement with its bankers for the borrowing of moneys by way of overdraft, cash credit, or other accounts, the day to day operation on overdraft, cash credit or other account, by means of which the arrangement as made is actually availed of shall not require the sanction of the Board.
- c Nothing contained in this Article shall be deemed to affect the right of the Company in General Meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in clause 'a' above.

179. Without prejudice to the powers conferred by Article 81 and 181 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 Articles 182 to 184 and subject to the provisions of the Act it is hereby declared that the Directors shall have the following powers that is to say power:

Certain powers of Board only

- a To pay all costs, charge and expenses preliminary and incidental to the promotion, establishment and registration of the Company.
- b To pay and charge to the capital of the Company any commission or interest lawfully payable thereabout under the provisions of Section 40 of the Act and Articles 15.
- c Subject to the provisions of the Act and these Articles to purchase or otherwise acquire for the Company any

To pay preliminary and promotional costs and charges

To pay Commission and Interest  
To acquire property



- property, rights or privileges which the Company is authorized to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit, and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.
- To pay for property in cash, debentures or otherwise
- d At their discretion and subject to the provisions rendered of the Act to pay for any property or rights acquired, by, or services rendered to the Company, either wholly or partly in cash, or in shares, the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon, and any such bond, debentures, debenture- stock, mortgage or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled or not so charged.
- To insure properties of the Company
- e 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, separately or co-jointly; also 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 assurances effected in pursuance of this power.
- To open accounts with banks
- f To open accounts with any bank or bankers or with any Company or firm and to pay money into and draw money from any such account from time to time as the Directors may think fit.
- To secure contracts by mortgage etc
- g To secure the fulfillment Of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being or in such other manner as they think fit.
- To attach conditions as to transfer of any shares
- h To attach to any shares to be issued as the consideration or part of the consideration for any contract with or property acquired by the Company or in payment for services rendered to the Company, such conditions as the transfer thereof as they think fit.
- To accept surrender of shares
- i To accept from any member, on such terms and conditions as may be agreed, a surrender of his shares or stock or any part thereof, so far as may be permissible by law.
- To appoint trustee
- j To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested, or for any other purposes, and to execute and do all such deeds and things as may be requisite in relation to any such trust and provide for the remuneration of such trustee or trustees.
- To bring and defend suits and legal proceedings
- k To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debt due, or of any claims or demands by or against the Company.

- |   |   |  |
|---|---|--|
| l | To refer any claims or demand by or against the Company or any dispute or difference to arbitration and observe, perform and execute any awards made thereon.   | To refer to Arbitration  |
| m | To act on behalf of the Company in all matters relating to bankrupts and insolvent.   | To act in insolvency matter  |
| n | To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.   | To give receipts   |
| o | 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 purposes thereof upon such securities and other investments (not being shares of the Company) or without security and in such manner as they may think fit, and from time to time to vary or realize such investments provided that save as permitted by Section 187 of the Act all investments shall be made and held by the Company in its own name.   | To invest moneys   |
| p | To determine from time to time who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, dividend warrant, releases, contract and documents and to give the necessary authority for such purposes.  | To authorize acceptances   |
| q | 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 mortgages of the Company's property (present and future) as they think fit, and any such mortgages may contain a power of sale and such other powers, covenants, provisions and agreements as shall be agreed.  | To execute mortgage  |
| r | To distribute by way of bonus amongst the staff of the Company a part of the profits of the Company, and to give to any officer or other persons employed by the Company a commission on the profits of any particular business or transactions and to charge such bonus or commission as part of the working expenses of the Company.  | To distribute bonus  |
| s | Subject to the provisions of the Act, to give to any officer or other person employed by the Company an interest in any particular business or transaction by way of a share in the general profits of the Company, and such share of profits shall be treated as part of the working expenses of the Company.  | Sharing Profits  |
| t | Subject to the provisions of the Act, to provide for the welfare of the employees or ex- employees of the Company and its Directors or Ex-Directors and the wives, widows, and families and the dependents of such persons, By building or contributing to the building of houses, dwelling or quarters or by grant of money, pensions, gratuities, allowances, bonuses, profit sharing bonuses or benefits or any other payments or by creating and from time to time subscribing or contributing to provident and other funds, profit sharing or other schemes or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals, and dispensaries, medical and | To provide for welfare of employees and to subscribe to charitable and other funds |

other attendances and other form of assistance, welfare or relief as the Directors shall think fit, and to subscribe or contribute or otherwise to assist to or guarantee money to charitable, benevolent, religious, scientific, national, public or any other institutions objects or purposes or for any exhibition.

To create  
depreciation  
and other  
funds

u Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to create a Depreciation Fund, Insurance Fund General Reserve, Reserve Fund, Sinking Fund or any special or other funds or funds or account or accounts to meet contingencies, or to pay Redeemable Preference Shares, debentures or debentures-stock or special dividends, or for equalising dividends, or for repairing, improving, extending and maintaining any part of the property of the Company and/or for such other purposes (including the purposes referred to in the last two preceding clauses) as the Directors may, in their absolute discretion think conducive to the interests of the Company and to invest the several sums so set aside or as much thereof as are required to be invested upon such investments (subject to the restrictions imposed by the Act and these Articles) as the Directors may think fit and from time to time to deal with and vary any such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Directors (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interests of the Company notwithstanding that the matters to which the Directors apply or upon which they extend the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or extended and to divide the Reserve, General Reserve, or the Reserve Fund into such special funds as the Directors may think fit, and to employ the assets constituting all or any of the above funds or accounts, including the Depreciation Fund appropriated out of the net profits in the business of the Company or in the purchase or repayment of Redeemable preference Shares, debentures or debenture-stock and that without being bound to keep the same separately from the other assets and without being bound to pay or allow interests, on the same with power however to the Director at their discretion to pay, allow to the credit of such fund interest at such rate as the Directors may think proper.

To appoint  
employees

v Subject to the provisions of the Act, to appoint and at their discretion remove or suspend managers, secretaries, officers, clerks, agents and employees for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit, and also without prejudice as aforesaid, from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India or

elsewhere in such manner as they think fit and the provisions contained in clause (x) (y) (z) and (aa) following shall be without prejudice to the general powers conferred by this clause.

- |    |   |                           |
|----|---|---------------------------|
| w  | To comply with the requirements of any law which the Company is not bound to comply with but which in their opinion it shall be in the interests of the Company necessary or expedient to comply with.  | To comply with local laws |
| x  | From time to time and at any time to establish any Local Board for managing any of the Company in any specified locality in India or elsewhere and to appoint any person to be members of any Local Board, or any managers or agents and to fix their remuneration.   | Local Board               |
| y  | Subject to the provisions of Section 179 of the Act and Article 185 from time to time, and at any time to delegate to any such Local Board, or any member or members thereof or any managers or agents so appointed any of the powers, authorities and discretions for the time being vested in the Board of Directors and to authorize the members for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding such vacancies therein and any such appointment or delegating under clause (x) or this Article may be made on such conditions as the Board of Directors may think fit. The Board of Directors may at any time remove any persons so appointed and may annul or vary any such delegation.   | Delegation                |
| z  | At any time and from time to time by Power of Attorney 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 of Directors under these presents and excluding the powers which may be exercised only by the Board of Directors, at a meeting of the Board under the Act or these Articles or by the Company in General Meeting) and for such period and subject to such conditions as the Board of Directors may from time to time think fit any such appointment may (if the Board of Directors think fit) be made in favour of the member or any of the members of any Local Board, established as aforesaid, or in favour of any Company, or the members, directors, nominees or managers of any Company or firm or otherwise in favour of any body of persons whether nominated directly or indirectly by the Board of Directors and any such Power of Attorney may contain such powers for the protection or convenience of the persons dealing with such attorneys as the Board of Directors may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers and authorities for the time being vested in them. | Power of Attorney         |
| aa | Subject to the provisions of the Act and these Articles, to delegate the powers, authorities and discretions vested in the Directors to any person, firm company, or fluctuating  |                           |

To delegate

To enter into contracts, etc

- body of persons as aforesaid.
- bb Subject to the provisions of the Act and these Articles, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company, to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

### **MANAGING DIRECTOR OR MANAGING DIRECTORS OR WHOLE TIME DIRECTOR OR WHOLE TIME DIRECTORS**

Managing Director or Managing Directors

180. a Subject to the provisions of the Act and these Articles the Board may from time to time, appoint or re-appoint any of its members as the Managing Director or Managing Directors of the Company upon such terms and conditions as the Board may think fit (subject to the provision of any contract between him or them and the Company), and subject to the provisions of the Act and these Articles, the Board may by resolution vest in such Managing Director or Managing Directors such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine.
- b The remuneration of the Managing Director or Managing Directors shall from time to time be fixed by the Board and may be, by way of monthly payment, or participation in profits, or by any or all of these modes or in any other mode not expressly prohibited by the Act.

What provisions he will be subject to

181. Subject to the provisions of the Act, and of these Articles, the Managing Directors or Whole-time Director may subject to the shareholders' approval at the time of appointment or reappointment or otherwise continue to hold office not subject to retirement by rotation under Article 106. However, they shall be counted in determining the number of retiring directors. He shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to the resignation and removal of the other Directors of the Company, and he shall ipso facto and immediately cease to be a Managing Director or a 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 Managing Director or Whole-time Director) as are not subject to retirement by rotation shall exceed one-third of the total number of Directors for the time being, then such Managing Director or Managing Directors, as the Directors shall from time to time select shall be liable to retirement by rotation in accordance with Article 159 and the Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being. If he or they cease to hold the office of Director, he or they shall *ipso - facto* and immediately cease to be the Managing Director or Managing Directors.

If he or they cease to hold the office of Director for any reason whatsoever save that if he shall vacate office whether by, retirement by rotation or otherwise under the provisions of the Act at any Annual General Meeting and shall be re-appointed as a Director at the same meeting, he or they shall not, by reason only such vacation, cease to be a Managing Director or Whole –time Director.

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| 182.  | a    | Subject to the applicable provisions of the Act, the Directors may in the alternative, from time to time after obtaining such sanction and approvals as may be necessary, appoint any individual or individuals as Manager or Managers for the Company and fix the terms of his remuneration subject to the provisions of the Act.   | Appointment of Manager                 |
|   | b    | A Manager so appointed shall exercise the powers and authorities conferred upon him by an Agreement entered into between him and the Company and/or by a resolution of the Board or General Meeting and shall be subject to the obligations and restriction imposed in that behalf by the Act.   |  |
| 183.  |      | Subject to the provisions of the Act and these Articles the Board may from time to time, appoint any of its members as the Whole-time Director or Whole-time Directors of the Company upon such terms and conditions as the Board may think fit, and subject to the provisions of the Act and these Articles, the Board may by resolution vest in such Whole-time Director or Whole-time Directors such of the powers hereby vested in the Board generally as it thinks fit. The Whole-time Director or Whole-time Directors shall perform such duties and exercise such powers as the Board may from time to time determine which shall exercise all such powers and perform all such duties subject to the control, supervision and directions of the Board and subject thereto the supervision and directions of the Managing Director. | Whole-time Director                    |
| 184.  |      | Subject to the provisions of the Act and to the terms of any Resolution of the Company in General Meeting or of any Resolution of the Board and to the term of any contract with him or them, the Managing Director or Managing Directors shall have substantial powers of management subject to the superintendence, control and direction of the Board of Directors.   | Powers and Duties of Managing Director |
| Remuneration of Managing Director and Whole-time Director | 185. | The remuneration of the Managing Director or Managing Directors or Whole-time Director or Whole-time Directors (Subject to provisions of Section 197 and other applicable provisions of the Act and of these Articles and of any contract between him or them and the Company) shall be in accordance with the terms of his or their contract with the Company.  |  |

**KEY MANAGERIAL PERSONNEL**

- |                          |      |  |
|--------------------------|------|--|
| Key Managerial Personnel | 186. | Subject to Section 203 of the Act and any other applicable provisions of the Act, the Company shall appoint by means of resolution of the Board, the following Key managerial Personnel: |
|--------------------------|------|--|

- a Managing Director, or Chief Executive Officer or Manager and in their absence;
- b a Whole –time Director;
- c Company Secretary; and
- d Chief Financial Officer

187. Every whole-time key managerial personnel of a company shall be appointed by means of a resolution of the Board containing the terms and conditions of the appointment including the remuneration.

188. A whole-time Key Managerial Personnel shall not hold office in more than one company except in its subsidiary company at the same time.

Provided that nothing contained in this Article Shall disentitle a Key Managerial Personnel from being a director of any company with the permission of the Board.

Provided also that the Company may appoint or employ a person as its Managing Director, if he is the Managing Director or Manager of one, and of not more than one, other company and such appointment or employment is made or approved by a resolution passed at a meeting of the Board with the consent of all the Directors present at the meeting and of which meeting, and of the resolution to be moved thereat, specific notice has been given to all the Directors then in India.

If the office of any whole-time Key Managerial Personnel is vacated, the resulting vacancy shall be filled-up by the Board at a meeting of the Board within a period of six months from the date of such vacancy.

### **SECRETARY**

Secretary

189. The Board shall have power to appoint a Secretary a person fit in its opinion for the said office, for such period and on such terms and conditions as regards remuneration and otherwise as it may determine. The Secretary shall have such powers and duties as may, from time to time, be delegated or entrusted to him by the Board and defined in the Act.

### **REGISTERS, BOOKS AND DOCUMENTS**

190. The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules.

Statutory  
Registers

Provided that the registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

191. a The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register. Foreign Register
- b The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.

### THE SEAL

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

193. The common seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or a Committee of the Board authorized by it in that behalf, and except in the presence of at least two Director and Secretary or such other person as the Board may appoint for the purpose and who shall sign every instrument to which the seal of the Company is so affixed in their presence. In absence of the Director of the Company, the common seal of the Company shall be affixed by at least two Authorised Officers of the Company authorized in that behalf and such Authorised Officers shall sign every instrument to which the seal of the Company is so affixed in their presence. Deeds executed how

- Seal Abroad 194. The Directors and the Company shall also be at liberty to use an official seal in any territory, district or place outside India.

### DIVIDENDS

- Dividend 195. The profits of the Company, subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of capital paid upon the shares held by them respectively. Provided always that any capital paid up or credited as paid up on a share during the period in respect of which a dividends declared shall, unless the terms of issue otherwise provide, only entitle the holder of such shares to an apportioned amount of such Dividend proportionate to the capital from time to time paid up during such period on such share.



- Capital paid up in advance at interest not to earn dividend
196. Where capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not whilst carrying interest confer a right to dividend or to participate in profits.
- Dividends in proportion to amount paid up
197. The Company may pay dividends in proportion to the amount paid up or credited as paid up on each share, where a larger amount is paid up or credited as paid up on some shares than on others.
- The Company in General Meeting may declare a Dividend
198. The Company in General Meeting may, subject to the provisions of Section 123 of the Act, declare a dividend to be paid to the members according to their respective rights and interests in the profits and subject to the provisions of the Act, may fix the time for payment. When dividend has been so declared, subject to the provisions of Section 127 of the Act, either the dividend shall be paid or the warrant in respect thereof shall be posted within 30 days of the date of declaration to the shareholders entitled to the payment of the same.
- Powers of General Meeting to limit dividend
199. No larger dividend shall be declared than is recommended by the Directors but the Company in General Meeting may declare a smaller dividend. No dividend shall be payable except out of the profits of the year or any other undistributed profits of the Company, or otherwise than in accordance with the provisions of the Act and no dividend shall carry interest as against the Company. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.
200. Subject to the provisions of the Act, the Directors may from time to time, pay to the members such interim dividends as in their judgment the position of the Company justifies. Interim Dividend
201. Wherein an instrument of transfer of shares of the Company has been delivered to the Company for the registration and the transfer of such shares has not been registered by the Company, it shall comply with the provisions of Section 126 of the Act in respect of the dividend, right, shares and bonus shares in relation to such shares. Right to dividend pending registration of transfer
202. Subject to the provisions of the Act no member shall be entitled to receive payment of any interest or dividend 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 howsoever either alone or jointly with any other person or persons, and the Directors may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company. No Member to receive dividend whilst indebted to the Company
203. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the Transfer. Transfer of share must be registered

204. No unclaimed or unpaid dividend shall be forfeited by the Board and unless otherwise directed any dividend may be paid by cheque or warrant sent through post or in any electronic mode to the Registered address of the member or person entitled or in case of joint holders to that one of them first named in the Register in respect of the joint holding. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost to the member or other person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means. Dividends how re-mitted
205. The Company shall duly comply with the provisions of the Act in respect of a dividend declared by it but which has not been paid or claimed within thirty days from the day of declaration to any shareholder entitled to the payment of Dividend. Unpaid Dividend remitted
206. Any General Meeting declaring a dividend may on the recommendation of the Directors makes a call on the members for such amount as the meeting fixes, but so that the call to each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so warranted between the Company and members, be set off against the call. Dividend and Call together

### **RESERVES AND CAPITALIZATION**

- Reserves 207. The Board may, before recommending any dividend in any financial year set aside out of the profits of the Company for that financial year such sums as it thinks proper 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.
- Capitalization 208. a Any General Meeting may resolve that any amounts standing to the credit of the Share Premium Account, the Capital Redemption Reserve Account, or any moneys, investments or other assets forming part of the undivided profits (including profits or surplus monies arising from the realization and where permitted by the law, from the appreciation in value of any General Reserve, or any Reserve Fund or any other Fund of the Company or in the hands of the Company and available for dividend) be capitalized.
- i By the issue and distribution as fully paid up shares or debentures of the Company; or
  - ii By crediting shares of the Company which may have been issued to and are not fully paid up with the whole or any part of the remaining unpaid thereon. Provided that any amount standing to the credit of the

Share Premium Account or the Capital Redemption Reserve Account shall be applied only in crediting the payment of capital on shares of the Company to be issued to members (as herein provided) as fully paid bonus shares.

- b Such issue and distribution under clause (a) (i) above and such payment to credit of unpaid share capital under clause (a) (ii) above shall be made to, among and in favour of the members of any class of them or any of them entitled thereto in accordance with their respective rights and interest and in proportion to the amount of capital paid up on the shares held by them respectively in respect of which such distribution under clause (a) (i) or payment under clause (a) (ii) above shall be made on the footing that such members become entitled thereto as capital.
- c The Directors shall give effect to any such resolution and apply such portion of the profits General Reserve or Reserve Fund or any other fund or Account as aforesaid as may be required for the purpose of making payment in full for the shares of the Company so distributed under clause (a) (ii) above or (as the case may be) or purpose of paying in whole or in part, the amount remaining unpaid on the shares which may have been issued and are not fully Paid up under sub-clause (a) (ii) above provided that no such Distribution or payment shall be made Unless recommended by the Directors and if so recommended such distribution and payment shall be accepted by such members as aforesaid in full satisfaction of their interest in the said capitalized sum.
- d For the purpose of giving effect to any such resolution the Directors may settle any difficulty which may arise in regard to the Distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates and may fix the value for the distribution of any specific assets and may determine that cash payments be made to any members on the footing of the value so fixed and may vest any such cash or shares in trustees upon such trusts for the persons entitled thereto as may seem expedient to the Directors and generally may make such arrangements for the acceptance allotment and sale of such shares and fractional certificates or otherwise as they may think fit.
- e Subject to the provisions of the Act and these Articles, in cases where some of the shares of the Company are fully paid and others are partly paid only, such capitalisation may be affected by the distribution of further shares in respect of the fully paid shares, and by crediting the partly paid shares with the whole or part of the unpaid liability thereon but so that as between the holders of the fully paid shares, and the partly paid shares, the sum so applied on the payment of such further shares and in the extinguishment or diminution of the liability on the partly paid shares shall be so applied pro-rata in proportion to the amount then already paid or credited as paid on the existing fully paid shares respectively.
- f When deemed requisite, a proper contract shall be filed in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the members

entitled as aforesaid and such appointment shall be effective.

## ACCOUNTS

209. a As required by Section 128 of the Act, the Company shall keep at its Registered Office proper Books of Account and other relevant books and papers and Financial Statement for every financial year. Books of Account to be kept

Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decides 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.

Provided further that the Company may keep such books of account or other relevant papers in electronic mode in accordance with the Act.

- b If the Company shall have a branch office, whether in or outside India, proper books of account relating to the transactions effected at the office shall be kept at that office, and proper summarised returns, made periodically shall be sent by the branch office of the Company to its Registered Office or other place as referred hereinabove.
- c All the aforesaid books shall give a true and fair view of the state of affairs of the Company or its branch office, if any, and explain its transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting.
- d The Books of Account and other books and papers shall be open to inspection at the Registered Office of the Company or at such other place in India by any Director during business hours and In case of financial information, if any, maintained outside India, copies of such financial information shall be maintained and produced for inspection by any director as per the Act.

Provided that inspection in respire of any subsidiary of the Company shall be done only by the person authorized in this behalf by a resolution of the Board.

Books of account to be preserved

210. The Books of Account of the Company relating to a period of not less than eight financial years immediately preceding the current financial year together with the vouchers relevant to any entry in such Books of Account shall be preserved in good order.

211. The Directors shall from time to time determine whether and what extent and what time and places and under what conditions and regulations the accounts and books of the Company or any of them shall be open to the inspection of the members not being Directors and no member (not being Director) shall have any right of inspection any account or books or documents of the Company except as conferred by law or authorized by the Directors or by the Company in General Meeting.

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| Accounts to be furnished at General Meetings | 212. | At every Annual General Meeting, the Board shall lay before the Company a Balance Sheet and Profit and Loss Account made up in accordance with the provisions of Section 129 of the Act and such Balance Sheet and Profit and Loss Account shall comply with the requirements of Section 129, 134, 137 and Schedule III and any other relevant provisions of the Act so far as they are applicable to the Company. |
| Directors Report                             | 213. | There shall be attached to every Financial Statement laid before the Company a Report by the Board of Directors complying with the provisions of Section 134 of the Act.   |
| Rights of Members to copies of Balance Sheet | 214. | The Company shall comply with the requirements of Section 136 of the Act.  |

### ANNUAL RETURNS

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|------|--|--|
| 215. | The Company shall make and file the requisite Annual Returns in accordance with the provisions of Sections 92 and 93 of the Act.   | Annual Returns   |
| 216. | Once at least in every year the Books of Account of the Company shall be examined by one or more auditors in accordance with the relevant provisions contained in that behalf in the Act.  | Accounts to be Audited   |
| 217. | The appointment, qualifications, removal, powers, rights, duties and remuneration of the Auditors shall be regulated by and in accordance with Section 139 to 146 (both inclusive) and any other applicable provisions of the Act. | Appointment, power etc. of Auditors  |
| 218. | Save and except as provided in Section 130 and 131, Every Account when audited and approved by a General Meeting shall be conclusive.  | Accounts when audited and approved to be conclusive except as to errors discovered within three months |

### DOCUMENTS AND SERVICE OF DOCUMENTS

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|------|---|-------------------|
| 219. | <p>a A document (which expression for this purpose shall be deemed to include and shall include any summons, notice requisition, order, declaration, form, and register maintained on paper or in electronic form) may be served or sent by the Company on or to any member either personally or sending it by post or speed post or registered post or courier service to him at his registered address or by electronic mode or (if he has no registered address in India) at the address, if any supplied by him to the Company.</p> <p>b Where a document is sent by Post:</p> <p style="padding-left: 20px;">i service thereof shall be deemed to be effected by properly addressing, prepaying and posting a letter</p> | Manner of Service |
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containing the notice, provided that a member may request to the Company in advance that documents should be sent to him in a particular mode for which he shall pay such fees as may be determined by the Company in its Annual General Meeting; and

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

Service on member having no registered address 220. If a member has no registered address in India and has not supplied to the Company an address within India for the giving of notice to him, a document advertised in a newspaper circulating in the neighbour-hood of the Registered Office of the Company shall be deemed to be duly served on him on the day on which the advertisement appears.

Service on person acquiring shares on death or insolvency of member 221. A document may be served by the Company on the person entitled to a share in consequence of the death or insolvency of a Member sending it through post in a prepaid letter addressed to them by name or by the title of representative of the deceased or Assignee of the insolvent or by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled or (until such as address has been so supplied) by serving the document in any manner in which the same might have been served if the death or insolvency has not occurred.

Persons entitled to notice of General Meetings 222. Subject to the provisions of the Act and these Articles notice of General Meeting shall be given:
 

- a to members of the Company, legal representative of any deceased member or the assignee of an insolvent member ;
- b to the Auditor or Auditors of the Company; and
- c Every director of the Company

Advertisement 223. Subject to the provisions of the Act any document required to be served or sent by the Company on or to the members or any of them, and not expressly provided for by these presents shall be deemed to be duly served or sent if advertised once in one daily English and one daily vernacular newspaper circulating in the district in which the Registered Office of the Company is situated.

Members and by document given to previous holders 224. Every person who by operation of law, transfer, or other names whatsoever, shall become entitled to any share shall be bound by every document in respect of such shares which previous to his name and address being entered on the Register, has been served on or sent to the person from whom he derives his title to such share.

Notice by 225. Any notice to be given by the Company shall be signed by the  
Company and the Managing Director or Secretary or by such Director of Officer as  
Signature thereto the Directors may appoint and such signature may be written or  
printed or lithographed or may be in electronic form.

Service of 226. All notices to be given and on the part of the members to the  
Notices by the Company shall be sent by post or speed post or courier service or  
members by registered post to the Registered Office of the Company or by  
electronic mode.

### AUTHENTICATION OF DOCUMENTS

227. Save as otherwise expressly provided in the Act or these Articles, Authentication of  
a document or proceeding requiring authentication by the document and  
Company or contracts made by or on behalf of the Company may proceedings  
be signed by any Key Managerial Personnel or an Officer of the  
Company duly authorized by the Board in this behalf.

### WINDING UP

228. If the Company shall be wound up, and the assets available for Distribution of  
distribution among the members as such shall be insufficient to Assets  
repay the whole of the paid up capital, such assets shall be  
distributed so that as nearly as may be the losses shall be borne  
by the members in proportion to the capital paid up or which  
ought to have been paid up at the commencement of the winding  
up on the shares held by them respectively. And if in a winding  
up the assets available for distribution among the members shall  
be more than sufficient to repay the whole of the capital paid up  
at the commencement of the winding up, the excess shall be  
distributed among the members in proportion to the capital paid up  
up at the commencement of the winding up or which ought to  
have been paid up on the shares held by them respectively. But  
this Article is to be without prejudice to rights of the holders of  
shares issued upon special terms and conditions.

229. a If the Company shall be wound up, whether voluntarily or Distribution of  
otherwise, the liquidators may, with the sanction of special Assets in specie  
Resolution but subject to the rights attached to any or kind  
preference share capital, divide amongst the contributories,  
in specie or kind, any part of the assets of the Company and  
may, with the like sanction, vest any part of the assets of the  
Company in trustees upon such trusts for the benefit of the  
contributories or any of them, as the liquidators, with the like  
sanction shall think fit.  
b If thought expedient any such division may, subject to the  
provisions of the Act, be otherwise than in accordance with  
the legal rights of the contributories (except where  
unalterably fixed by the Memorandum of Association) and in  
particular any class may be given preferential or special  
rights or may be excluded altogether or in part in case any  
such division shall be determined, any contributory who

would be prejudiced thereby shall have right to dissent and ancillary rights as if such determination were a special resolution passed pursuant to the provisions of the Act.

- c In case any shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares may within ten days after the passing of the special resolution, by notice in writing, intimate to the Liquidator to sell his proportion and pay him the net proceeds and the liquidator shall, if practicable, act accordingly.

Right of Shareholders in case of sale

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

### **SECURITY CLAUSE**

Secrecy Clause

231. a Every director, manager, auditor, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company, shall if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transaction and affairs of the Company with the customers and the state of the account with individuals and in relation thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
- b No member shall be entitled to visit or inspect the Company's works without the permission of the Directors or the Managing Director or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature, of a trade secret, mystery of trade, or secret process, which may relate to the conduct of the business of the Company and which in the opinion of the Director or the Managing Director it will be inexpedient in the interest of the members of the Company to communicate to the public

### **INDEMNITY AND RESPONSIBILITY**

Directors and other right to indemnity

232. a Subject to the provisions of the Act every Director of the Company or the Managing Director, Manager, Secretary and other officer or employee of the Company and the Trustees (if any) for the time being acting in relation to any



of the affairs of the Company and every one of them shall be indemnified by the Company against, and it shall be the duty of the Directors out of funds of the Company to pay all costs, losses and expenses (including traveling expenses) which any such Director, Managing Director, Manager, Secretary or other officer or employee and the trustees (if any) for the time being acting in relation to any of the affairs of the Company may incur or become liable to by reason of any contract entered into or any act, deed or thing done by him as such Director, Officer, employee or trustees or in any way In the discharge of his duties.

- b) Provided that every Director, Managing Director, Manager, Secretary or other Officer or Employee of the Company or the Trustees (if any) for the time being acting in relation to any of the affairs of the Company and every one of them shall be indemnified against any liability incurred by him in defending any proceedings whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in which relief is given to him by the Court.

- 233. Subject to the provisions of the Act no Director, the Managing Director or other officer of the Company shall be liable for the acts, omissions, neglect or default of any Director or Officer or for jointly in any omission or other act for conformity or for any loss or expenses suffered by 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 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 damages 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 dishonestly. Directors and other not responsible for acts of others
  
- 234. The Company shall have among its objective the promotion and growth of the national economy through increased productivity, effective productivity, effective utilization of material and manpower resources and continued application of modern scientific and managerial techniques in keeping with the national aspirations, and the Company shall be mindful of its social and moral responsibilities to the customers, employees, shareholders, society and the local community. Special objective
  
- 235. Whenever in the Act, it has been provided that the Company shall have any right, privileges or authority or that the Company could carry out any transaction only if the Company is authorized by its Articles, then and in that case this regulation hereto authorizes and empowers the Company to have such rights, privilege or authority and to carry such transactions as have been permitted by the Act, without there being any specific regulation in that behalf herein provided. General Power

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

<b>Name, address, description and occupation of each Subscriber</b>	<b>Name, address and description of Witness.</b>
<p><b>Shri Vasantray C Vadodaria</b>  S/o Late Chhaganlal Vadodaria  20, Panch Kutir  230, Nariman Point, Vile Parle (East)  Mumbai-400 057  SERVICE</p>	<p><b>WITNESS TO ALL:</b>  <b>Ms. Rupa N Rele</b>  D/o Nandkumar Rele  4A Raghav Wadi,  French Bridge,  Opera House,  Mumbai-400 007  SERVICE</p>
<p><b>Shri Mahesh S Gupta</b>  S/o. Shri Srikrishna Gupta  Flat No. 53, 5<sup>th</sup> Floor,  Shewa Apartment,  Plot No. 33B, 3<sup>rd</sup> Road,  Khar Road (West)  Mumbai-400 052  SERVICE</p>	

Dated: 21<sup>st</sup> August, 1998

**AMENDMENT IN THE MEMORANDUM AND ARTICLES OF ASSOCIATION IN LINE WITH THE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER**

**1. Ordinary Resolution passed at the 20<sup>th</sup> Annual General Meeting held on 1<sup>st</sup> August, 2018- Resolution Item No. 3 of the Notice dated 14<sup>th</sup> May, 2018**

**"RESOLVED THAT** pursuant to the provisions of Section 61 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such other approvals, permissions and sanctions, if any, consent of the Members of the Company be and is hereby accorded to increase in and re-classify in the Authorised Share Capital of the Company from the existing ₹ 3,10,00,000/- (₹ Three Crores Ten Lakhs only) divided into 31,00,000 (Thirty One Lakhs) Equity Shares of ₹ 10/- each to ₹ 13,10,00,000 (₹ Thirteen Crores Ten Lakhs only ) divided into 31,00,000 (Thirty One Lakhs) Equity Shares of ₹ 10/- each and 1,00,00,000 (One Crore) Redeemable Preference Shares of ₹ 10/- each and the existing Clause V of the Memorandum of Association of the Company be and is hereby altered and substituted by the following:

**V.** "The Authorised Share Capital of the Company is ₹ 13,10,00,000/- (₹ Thirteen Crores Ten Lakhs only) divided into 31,00,000 (Thirty One Lakhs) Equity Shares of ₹ 10/- each and 1,00,00,000 (One Crore) Redeemable Preference Shares of ₹ 10/- each with the rights, privileges and conditions attaching thereto as provided by the Articles of Association of the Company for the time being. The Company has power from time to time to increase or reduce its Capital and to divide the shares in the Capital for the time being into other classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such right, privileges, conditions or restrictions in such manner as may for the time being be permitted by the Articles of Association of the Company or the legislative provisions for the time being in force in that behalf."

**RESOLVED FURTHER THAT**, for the purpose of giving effect to this resolution, the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any committee(s) or authorised person(s) which the Board has constituted or appointed to exercise its powers, as the case may be, including the powers, conferred by this resolution) be and is hereby authorized to take such steps and to do all such acts, deeds and things as the Board may, in its absolute discretion, consider necessary, expedient, usual, proper or incidental and to settle any question, remove any difficulty or doubt that may arise from time to time in relation to increase and re-classification in the Authorised Share Capital of the Company, and to take such actions or to give such directions as may be necessary or desirable and to obtain any approval, permission, sanction which may be necessary or desirable, as they may deem fit and to pay fees, remuneration, expenses relating thereto, with power to settle all questions, difficulties that may arise in regard to such increase as it may in its discretion deem fit in the best interest of the Company."



**2. Ordinary Resolution passed at the 20<sup>th</sup> Annual General Meeting held on 1<sup>st</sup> August, 2018-Resolution Item No. 4 of the Notice dated 14<sup>th</sup> May, 2018**

**"RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and consequent upon increase in and re-classification in the Authorised Share Capital, the exiting Article 4 of the Articles of Association of the Company be altered and substituted by the following:

**Article -4**

"The Authorised Share Capital of the Company is ₹ 13,10,00,000 (₹ Thirteen Crores Ten Lakhs only) divided into 31,00,000 (Thirty One Lakhs) Equity Shares of ₹ 10/- each and 1,00,00,000 (One Crore) Redeemable Preference Shares of ₹ 10/- each with the rights, privileges and conditions attaching thereto as provided by the Articles of Association of the Company for the time being. The Company has power from time to time to increase or reduce its Capital and to divide the shares in the Capital for the time being into other classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such right, privilege, conditions or restrictions in such manner as may for the time being be permitted by the Articles of Association of the Company or the legislative provisions for the time being in force in that behalf."

**RESOLVED FURTHER THAT**, for the purpose of giving effect to this resolution, the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee or authorised person(s) which the Board has constituted or appointed to exercise its powers, as the case may be, including the powers, conferred by this resolution) be and is hereby authorized to take such steps and to do all such acts, deeds and things as the Board may, in its absolute discretion, consider necessary, expedient, usual, proper or incidental and to settle any question, remove any difficulty or doubt that may arise from time to time and to take such actions or to give such directions as may be necessary or desirable and to obtain any approvals, permissions, sanctions which may be necessary or desirable, as they may deem fit, in the best interest of the Company



**EXTRACT OF THE EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013 WITH REGARD TO ORDINARY RESOLUTIONS PASSED AT ITEM NUMBER 3 AND 4 OF THE NOTICE DATED 14TH MAY, 2018**

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In light of the above, it is proposed to increase the Authorised Share Capital of the Company from the existing ₹ 3,10,00,000/- (₹ Three Crores Ten Lakhs only) divided into 31,00,000 (Thirty One Lakhs) Equity Shares of ₹ 10/- each to ₹ 13,10,00,000 (₹ Thirteen Crores Ten Lakhs only) divided into 31,00,000 (Thirty One Lakhs) Equity Shares of ₹ 10/- each and 1,00,00,000, Non-convertible Redeemable Preference Shares (NCRPS) of the face value of ₹ 10/- each as indicated in the Resolution at Item No. 3 of the Notice.

Consequently, it is also proposed to make appropriate alterations in the Memorandum and Articles of Association of the Company to reflect such changes in the Authorised Share Capital of the Company.

The Resolution set out at Item No. 4 is relating to issue of NCRPS on the preferential basis, therefore, it is necessary to amend the capital clause of the Memorandum and Articles of Association of the Company.

The proposed increase in and re-classification of the Authorised Share Capital and consequent alterations in the Memorandum and Articles of Association of the Company, requires the approval of the Members by passing of Ordinary Resolution.

A modified copy of Memorandum and Articles of Association of the Company is available for inspection without any fee by the Members at the registered office of the Company during the normal business hours on all working days, upto and including the date of Twentieth Annual General Meeting (AGM).

None of the Directors and/or Key Managerial Personnel of the Company and/ or their relatives are in any way concerned or interested, financially or otherwise, in the Resolution, except to the extent of their shareholding, if any, in the Company.

**Certified True Copy**

For **Simplex Mills Company Limited**

*Shekhar*  
**Shékhar R Singh**  
Director

**DIN 03357281**

