

THE COMPANIES ACT. 1956

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

**SHREE RAJESHWARANAND PAPER MILLS LIMITED**

**PRELIMINARY**

1. The regulations contained in Table A, in the First Schedule to the Companies Act, 1956, shall not except so far as such regulations are embodied in these Articles apply to this Company but the regulations for the management of the Company and for the observance of the members ther of and their representatives shall subject to any exercise of the statutory powers of this Company in reference to the repeal or alteration of or addition to its regulations by special resolution or otherwise as prescribed by the said Companies Act. 1956, as amended from time to time be such as are contained in these Articles. Table A not to apply.

**INTERPRETATION**

2. (i) In these Articles the following expressions shall have the following meaning, unless repugnant to the subject or context : Definitions.
- (a) "The Act" means the Companies Act. 1956, as from time to time modified, amended or with or without amendment reenacted. Act.
- (b) "The Company" or "This Company" means **SHREE RAJESHWARANAND PAPER MILLS LIMITED.** Company.
- (c) "Member" means a subscriber to the Memorandum of Association of the Company and a duly registered holder from time to time of the shares of Company. Member
- (d) "Secretary" includes any person appointed from time to time to perform the duties of the Secretary of the Company. Secretary.
- (e) "The Office" means the Registered Office for the time being of the Company. Office
- (f) "The Seal" means the Common Seal of the Company for the time being. Seal
- (g) "Board or "Board of Directors" means a meeting of the Directors duly called the constituted, or as the case may be the Directors assembled at the Board of Directors of the Company collectively or acting by the Circular under the Articles. "Board" or "Board" of Directors"
- (h) "Director" means the Directors or their alternates for the time being of the company or, as the case may be, the Directors or their alternates (as the case may be) assembled at a Board or acting by circular under the Articles. "Directors"

- (i) "Alter" and "Alteration" shall include the making of additions and omissions. "Alter"
- (j) "Month" means calendar month. "Month"
- (k) "Capital" means the share capital for the time being raised or authorised to be raised, for the purpose of the Company. "Capital"
- (l) "Dividend" includes bonus. "Dividend"
- (m) "Ordinary Resolution" and "Special Resolution" shall have the meanings assigned to these terms by section 189 of the Act. "Ordinary Resolution and Special Resolution"
- (n) "Debenture" includes debenture stock. "Debenture"
- (ii) Words importing the singular number shall include the plural and vice versa and words importing masculine gender shall include the feminine and the neuter genders. Plural number and gender.
- (iii) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these Articles become binding on the Company. Expressions in the Act to bear the same meaning in the Article.
- (iv) The heading or marginal notes hereof are inserted for convenience only and shall not affect construction of these presents. Marginal Notes.

### SHARE CAPITAL

- 3. The Authorised Share Capital of the Company shall be as per Clause V of the Memorandum of Association of the Company with rights to alter the same in whatever way as deemed fit by the Company. Capital and Shares
- 4. The Company in General Meeting may, from time to time, increase the capital by creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Directors shall determine, and in particular such shares may be issued with preferential of qualified right 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 Sections 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act. Increase of Capital by the Company and how carried into effect.
- 5. Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise. New Capital same as existing Capital.
- 6. Subject to the provisions of Section 94 of the Act, the Company in general meeting, may from time to time, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is subdivided, may determine that, as between the holders of the shares resulting from such subdivision, one or Sub-division, Consolidation and Cancellation of Shares.

more of such shares shall have some preference or special advantage as regards dividend capital or otherwise over or as compared with the share from which it is derived. The Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

Increase of  
Subscribe  
Capital

7. (a) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unissued share 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. Such offer shall be made by a notice specifying the number of shares offered and limiting a time being not less than thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the persons to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company.

- (b) Notwithstanding anything contained in the preceeding subclause, the Company may :

- (i) By a special resolution : or

- (ii) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (Including the casting vote, if any, of the Chairman) by members who being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company, offer further shares to any person or persons, and such person or persons who at the date of the offer, are the holders of the equity shares of the Company.

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

8. The Board shall observe the restrictions as to allotment contained in Sections 69 and 70 of the Act, as the case may be, and shall cause to be made the return as to allotment according to section 75 of the Act.

Restrictions  
on allotment  
etc.

9. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of any company) shall be under the control of the Directors, who may issue, allot or otherwise dispose of the same or any of

Shares under  
the control of  
the Directors.

them to such persons, in such proportions and on such terms and conditions and either (subject to the provisions of section 78 of the Act) at a premium or at par or (subject to the provisions of Section 79 of the Act) at a discount and at such times as they may from time to time think fit and proper, and with full power, subject to the sanction of the Company in General Meeting, to give to any person the option to call for or be allotted shares of any class of the Company either at par or at a premium or, subject as aforesaid, at a discount, such option being exercisable at such times and for such consideration as the Directors think fit.

10. In addition to and without derogating from the powers for that purpose conferred on the Directors under Article 9 and on the Company under Article 9 and Subject to those Articles, the Company in General Meeting may determine to issue further shares out of the authorised capital of the Company and may determine to 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 (subject to the provisions of Section 79 of the Act) at a discount, as such General Meeting shall determine, and with full power to give to any persons (whether a member or holder of debentures of the Company or not) the option to call for or be allotted shares of any class of the Company, either (subject to the provisions of Section of section 78 of the Act) at a discount, such option being exercisable at such premium or at par or (subject to the provisions of section 79 of the Act) at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting, or the Company in General Meeting may make any other provisions whatsoever for the issue, allotment or disposal of any shares.
 

Power of General Meeting to offer shares to such persons as the Company may resolve.
11. Subject to the provisions of the Act and these Articles the Directors may allot and issue shares in the capital of the company as payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods, or machinery 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 in cash, and if so issued, shall be deemed to be fully paid up or partly paid up shares as aforesaid.
 

Directors may Allot shares as fully paid up.
12. The shares in the capital of the Company shall be numbered progressively according to their several denominations, and, except in the manner hereinafter mentioned, no shares shall be sub-divided.
 

Shares to be numbered progressively and no share to be sub-divided.
13. An application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purpose of these Articles be a member.
 

Acceptance of shares.
14. 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 deposit, call or otherwise in respect of any shares, allotted by them, shall, immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
 

Deposit and calls etc. to be a debt payable immediately

15. If by the conditions of allotment of any share, the whole or part of the amount, or issue price there of shall be payable by instalment, every such instalment 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. Instalments on shares to be duly paid.
16. Except as required by law, no person shall be recognised by Company as holding any share upon any trust and the Company shall not be bound by, or he 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 recognise any interest in shares other than that of the registered holder.

### UNDERWRITING AND BROKERAGE

17. The Company may, subject to the provisions of Section 76 and other applicable provisions (if any) of the Act, at any time pay a commission to any persons in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in or debentures of the Company or his procuring or agreeing to procure subscriptions, whether absolute or conditional for any shares in, or debentures of, the Company, but so that the amount or rate of commission does not exceed in the case of shares, five percent of the price at which shares are issued, and in the case of debentures two and a half percent of the price 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, and usual or reasonable. Commission for placing shares debentures etc.

### CERTIFICATES

18. The Certificates of title to shares shall be issued under the seal of the Company which shall be affixed in the presence of and signed by (i) two Directors or persons acting on behalf of the Directors under a duly registered power of attorney; and (ii) the Secretary or some other person appointed by the Board for the purpose PROVIDED that at least one of the aforesaid two directors shall be a person other than the Managing Director or whole time Director, if any, of the Company. A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography PROVIDED ALWAYS that notwithstanding anything contained in this Article, the certificates of title to shares may be issued and executed in accordance with such of the provisions of the Act or the Rules made thereunder as may be in force for the time being and from time to time. Certificate of shares.
19. Every member shall be entitled, without payment, to one certificate for all the shares of each class or denomination registered in his name or, if the Directors so approve (upon paying such fees or at the discretion of the Directors without payment of fees, as the Directors may from time to time determine) to several certificates each for one or more shares of each class. Every certificate of shares shall specify the number and denoting numbers of the shares in respect which it is issued and the amount paid thereon and shall be in such form as the Directors shall prescribe or approve. Member's right to Certificates

20. The Company shall, within three months after the allotment of any of its shares or debentures and within two months after the application for the registration of the transfer 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 113 and other applicable provision (if any) of the Act.

Limitation of time for issue of certificates.

21. If any certificate be worn out, defaced, torn or be otherwise mutilated or rendered useless from any cause whatsoever, or if there be no space left on the back thereof endorsement of transfers, then upon production thereof to the Directors they may order the same to be cancelled and may issue a new certificate in lieu thereof, without charging any fee in respect thereof, and if any certificate be lost or destroyed, then upon proof thereof to the satisfaction of the Directors and on such indemnity as the Directors deem adequate being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate on payment of any of such sum not exceeding Rs. 1/- as the Directors may in their discretion determine.

As to issue of new certificate in place of one defaced, lost or destroyed.

### CALLS

22. The Board of Directors may from time to time by a resolution passed at a meeting of the Board and not by a 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 nominal value of the shares or byway of premium) and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the Company or where payable to a person other than the company to the person and at the time or times appointed by the Directors, A call may be made payable by instalments. Joint holders of a share shall be jointly and severally liable to pay calls in respect thereof.

Board may make calls.

23. Where any calls for share capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same calls. For the purposes of this Articles, shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.

Calls on shares of same class to be made on uniform basis.

24. Fifteen days notice at least of every call otherwise than on allotment shall be given specifying the time of payment and, if payable to any person other than the Company the name of the person to whom the calls shall be paid: provided that before time for payment of such call the Directors may by notice in writing to the members revoke the same.

Notice of call.

25. A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed any amount payable by the members whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board.

Calls to date from resolution.

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

Board may extend time.

27. If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by instalments at fixed times (whether on account of the amount of the share or by way of premium) every such amount or instalment shall be payable as if it were a call duly made by the Board and of which due notice has been given and all the provisions herein contained in respect of calls shall relate to such amount or instalment accordingly. Amount payable at fixed time or by instalments as calls.
28. If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof or any extension thereof as aforesaid, the holder for the time being or allottee of the share, in respect of which a call shall have been made or the instalment shall be due, shall pay interest on the same at such rate not exceeding 15 per cent per annum as the Board shall fix from the date appointed for the payment thereof to the time of actual payment, but the Board may in their absolute discretion waive payment of such interest wholly or in part. When interest on call or instalment payable.
29. 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 call or other 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 the money is sought to be recovered appears entered on the Register of members as the holder of the shares in respect of which such money is sought to be recovered, that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given in pursuance of these presents; and it shall not be necessary to prove the appointment of the Directors who made such call nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt. Proof on trial of suit for money due on shares.
30. Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any past payment as 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 principal 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 herein provided. Judgement, decree partial payment not to preclude for forfeiture.
31. The Directors may, if they think fit, 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 so paid in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, The company may pay interest at such rate to the member paying such sum in advance as the Directors agree upon and the Company may at any time repay the amount so advanced upon giving the such member three months notice in writing. Payment in anticipation of calls may carry interest.

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

32. If any member fails to pay the whole or any part of any call or instalment or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any extension thereof as aforesaid, the Directors may at any time thereafter during such time as the call or instalment or any part thereof or other moneys remain unpaid or a judgement or decree in respect thereof remains unsatisfied, in whole or in part, serve If call or instalment not paid notice must be given.

a notice on such member, or on the person (if any) entitled to the share by transmission requiring him to pay such call or instalment 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.

33. The Notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which the money is to be paid, and the notice shall also state that in the event of the non-payment of such money at the time and place appointed, the shares in respect of which the same is owing will be liable to be forfeited. Terms of Notice.
34. If the requirement of any such notice shall not be complied with, every or any shares in respect of which the notice is given, may at any time thereafter, before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Directors. In default of payment, shares to be forfeited.
35. When any share is so declared to be forfeited, notice of the forfeiture shall be given to the holder of the shares and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid. Notice of forfeiture to member and entry in Register.
36. Every share, which shall be so declared forfeited, shall thereupon be the property of the Company and may be sold, reallocated 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. Power to annul the forfeiture.
37. The Directors may at any time be entitled to forfeited shares have been sold, reallocated or otherwise disposed of, annul the forfeiture thereof upon, such conditions as they think fit.
38. Any member whose shares may be forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls and other moneys owing upon the shares at the time of forfeiture together with interest thereon from the time of the forfeiture until payment at nine per cent per annum, and the Directors may enforce the payment thereof if they think fit, but shall not be under any obligation to do so. Members shall be liable to pay and money owing at the time of forfeiture and interest.
39. The forfeiture of a share shall involve the extinction of all interest in, and also of all claims and demands against the Company in respect of the Share, and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved. Effect of forfeiture
40. A certificate in writing under the hand of a Director or the secretary that the call or other moneys in respect of a share was or were due and payable and notice thereof given and that default in payment of the call or other moneys was made, and that the forfeiture of the shares was made by a resolution of the Directors to that effect, shall be conclusive evidence of the facts stated therein as against all persons entitled to such share. Certificate of forfeiture.
41. The Company may receive the consideration, if any, given for the share on any sale, re-allotment, 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 shall not be bound to see to the application of the consideration, if any, nor Title of purchaser and allottee of forfeited shares.



shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, salere-allotment or share disposal of the same.

42. The Directors may at any time subject to the provisions of the Act, accept the surrender of any share from or by any member desirous of surrendering on such terms as the Directors may think fit. Directors may accept Surrender of shares.
43. The Company shall have a first and paramount lien upon all the shares (other than fully paid up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any share shall be created except upon the footing and condition that clause 14 hereof is to have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The Directors may at any time declare any share to be wholly or in part exempt from the provisions of the clause. Lien of shares.
44. For the purpose of enforcing such lien, the Board of Directors may sell the shares subject thereof in such manner as they 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, curater bonis 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 seven days after the date of such notice. To give effect to any such sale, the Board may authorise some person to transfer to shares sold to the holder of the shares comprised in any such transfer. Upon any such sale as aforesaid, the purchases thereof and the purchases shall be registered as the certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in lieu thereof to the purchaser or purchasers concerned. As to enforcing lien by sale.
45. The net proceeds of the sale shall be received by the company and after payment of the cost of such sale, applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall, subject to like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of sale. Application of proceeds of sale.

## **TRANSFER AND TRANSMISSION OF SHARES**

46. No shares shall be transferred so long as any person selected by the Directors as one to whom it is desirable in the interest of the Company to admit to membership, is willing to purchase the same at their fair value as mentioned herein below. Restriction on the right of transfer
47. Except where the transfer is made pursuant to Article 46 hereof the person proposing to transfer any shares shall give notice in writing to the Company that he desires to transfer the same. Such notice shall constitute the Directors as his agents for the sale of the shares to any member or person selected as aforesaid by a fair value to be agreed upon between the transferor and the purchaser. The notice may include several shares and in such case operate as if it were a separate notice in respect of each share. the notice shall not be revocable except with the sanction of the Directors.

48. In-case of any difference arising between the transferor and purchaser as to the fair value of the Equity Shares the fair value shall be the fair value determined by the Company's Auditors and the same shall be binding on the transferor and the purchaser. Company's Auditors to fix the fair value of Equity Shares.
49. If the Company within the space of twenty-eight days after being served with the transfer notice finds the purchasing member or selects a person as stated in Article 46 and gives notice thereof to the proposed transferor, he shall be bound upon payment of the fair value fixed as aforesaid to transfer the shares to the purchaser. Director's Power to Transfer.
50. The fair value of a share shall be the value fixed by the directors as provided in article 48 above as by the Auditors as provided in Article 48 abovep
51. If in the case the proposing transferor after having become bound as aforesaid makes default in transferring the shares the Directors may receive the purchase money and shall thereupon cause the name of the purchaser to be entered in a Register as holder of the shares and shall hold the purchase money in trust for the transferor or the Directors may appoint any person to execute transfer of the said shares on behalf of the defaulting vendor. The receipt of the Directors for the purchase money shall be a good discharge to the purchaser and after his name has been entered in the Register of Members in purported exercise of the aforesaid power, the validity of the transfer shall not be questioned by any person. Default by proposing transferor.
52. If the Directors shall not within the time prescribed as aforesaid after being served with the transfer notice, find a purchasing member or select a person as aforesaid willing to purchase the shares or any of them and gives notice in manner aforesaid, the transferor shall at any time within sixty days after the expiry of such period be at liberty subject to Article 51 to sell and transfer the shares to any person at any price. Default by Company.
53. Every share specified in the notice given pursuant to Article 46 hereof shall be offered to members in such order as shall be determined by the Directors and in such manner as the Directors think fit. If no member is ready and willing to take up such shares the same may be offered to any person selected by the Directors as one to whom it is desirable in the interest of the Company to admit to its membership. Shares to be offered to Members
54. The Directors may at their absolute and uncontrolled discretion refuse to register any transfer of shares and shall not be bound in respect of and upon which the Company has a lien and this Article shall apply notwithstanding that the proposed transferee may be already a member. The Directors shall give notice of refusal within two months of the receipt of the concerned, provided however that the Directors shall not be entitled to refuse a transfer of shares made pursuant to Article 53 hereof. General power to refuse transfer.
55. The instrument of transfer shall be in writing in the prescribed form and executed by and on behalf of the transferor and the transferee and shall be duly attested. It shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may declare to register shall on demand be returned to persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine. Form of transfer.

56. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the register in respect thereof. To be the holder of share when deemed.
57. On the death of any joint holders, the survivor or survivors of them shall be only person or persons recognised by the company as having any title to the shares but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be to release the estate of the joint holder from any liability on shares held by him jointly with any other person.
58. The executors or administrators of deceased member (not being one the several joint holders) shall be the only person recognised by the Company as having any title to his shares and the Company shall not be bound to recognise such executors or administrators unless he shall have obtained probate or Letter of administration or other legal representation as the case may be from a duly constituted Court in India and having effect in Maharashtra State, PROVIDED NEVERTHELESS that in such case it shall be lawful for the Directors to dispense with the production of Probate or Letters of Administration or such other legal representation upon such Letters as to indemnity or otherwise as the Directors may deem fit. Shares of deceased Members
59. Any person becoming entitled to share in consequence of the death, lunacy or insolvency of a member may upon such evidence being produced as may from time to time be required by the Directors and subject as hereinafter provided give notice under Article 58 for a transfer of the shares which the deceased, lunatic or insolvent member could have made. All the limitations, restrictions and provisions of this regulation relating to the right of transfer and the registration to transfer of share shall be applicable to any such notice as if the death, lunacy or insolvency of the member had not occurred and the notice of transfer was signed by that member. Right in transmission
60. A person becoming entitled to a share by reason of the death, lunacy or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share except that he shall not before being registered as member in respect of the share be entitled to exercise any right conferred by membership in relation to any meeting of the Company, PROVIDED that the Directors may at any time give notice requiring such person to select either to be registered himself within 30 (thirty) days the Directors may thereafter withhold of all dividends, bonuses or their moneys payable in respect of the shares until requirements of the notice have been complied with. other rights or transmission
61. No share shall in any circumstances be transferred to an infant, insolvent or a person of unsound mind. No transfer to insolvents etc.
62. Where it is provided to the satisfaction of the Directors that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Directors think fit, on an application in writing made by the transferee and bearing a stamp required on an instrument of Transfer Register the transfer on such terms and conditions as the Directors may think fit. Loss of instrument of transfer
63. A fee not exceeding Rupee One for transfer shall be charged in respect of the transfer of transmission to the same party. The directors may dispense with payment of fee in respect of any transfer or transmission of shares. Fee on transfer or transmission.

64. The Company shall keep a book to be called a Register of Transfers and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of shares. Register of transfer.
65. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof, to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares notwithstanding that the Company may have a notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice referred to in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to record and attend to any such notice and give effect thereto if the Directors shall so deem fit.
66. No member who shall change his name shall be entitled to recover any dividend or to vote or exercise any other right until notice of the change of the name be given to the Company in order that the same may be registered. Notice of change of name of Member.
67. The provisions of this Article shall mutatis mutandis apply to the transfer or transmission of any debentures of the Company. Provision to apply to Debentures.

### INCREASE REDUCTION AND ALTERATION IN CAPITAL

68. (a) The Company may from time to time in General Meeting alter the conditions of its Memorandum by increase of its share capital by the creation of new shares of such amount as it thinks expedient. Increase of Capital.
- (b) The subject to the provisions of Act, the new shares shall be issued upon such terms and conditions and with such rights & Privileges annexed thereto as by the General Meeting creating the same shall be directed and if no direction be given, as the Directors shall determine, and in particular, such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company; Provided Always that any Preference shares may be issued on the terms that they are or at the option of the Company are to be liable to be redeemed.
69. Except so far as otherwise provided by the conditions of issue or by these presents any capital realised by the creation of new shares shall be considered part of the original equity capital and shall be subject to the provisions herein contained with reference to the payment of calls and instruments, transfer and transmission, forfeiture, lien, surrender, voting and otherwise. Same as Original Capital.
70. The Company may (subject to the provision of Sections 100 to 105 of the Act) from time to time by Special Resolution reduce its share capital or any Capital Redemption Reserve Account or share Premium Account in any way authorised 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. Reduction of Capital
71. The Company may in General Meeting alter the conditions of its Memorandum as follows : Consolidation division and sub-division.

**(Company entitled to dematerialize its shares).**

- (i) Notwithstanding anything contained in this Articles of Association, the Company shall be entitled to dematerialize its shares, debentures and other securities pursuant to the Depositories Act, 1996, including any statutory modification (s) or re-enactment(s) thereof and to offer for subscription in a dematerialized form. The Company shall further be entitled to maintain a Register of Members with details of Members holding Shares in both material and dematerialized form (s) in any media as permitted by law including any form of electronic media.

**(Beneficial Owner deemed as absolute owner).**

- (ii) A "beneficial owner" means any person or persons whose name(s) is recorded as such with a depository and the Company shall be entitled to treat the Depositories Act, 1996 as the absolute owner thereof as regard receipt of dividend or bonus or rights and other entitlements or service of notices and all or any other matter connected with the shares and accordingly the Company shall not (except as ordered by a Competent Court of Jurisdiction or a by law as required) be bound to recognise any benami trust or equity or equitable, contingent or whatsoever other claim to or interest in such share(s) on the part of any other person whether or not the Company shall have express or implied notice thereof.

**(Rights of depositories and beneficial owner).**

- (iii) Notwithstanding anything contained in this Articles of Association and in other law for the time being in force, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of the shares, debentures or Other securities on beneficial owner. Save as otherwise provided herein above, the depositories as a registered owner shall not have any voting rights or any other rights in respect of shares, debentures or any other securities held by it; and the beneficial owner shall be entitled to all rights and benefits and be subjected to all the liabilities in respect of his shares, debentures or any other securities held by a depository.

**(Beneficial Owner deemed as a Member).**

- (iv) Every person holding equity shares 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.

**(Investments in the name of a depository)**

- (v) The company can hold investments in the name of a Depository when such investments are in the form of securities held by the company as a beneficial owner.

**(Service of documents on Company)**

- (vi) Where the shares or debentures or any other securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or disks.

**(Transfer of Shares and Debentures)**

- (vii) The provisions contained in this Articles of Association with regard to transfer or transmission of shares, debentures or any other securities shall not apply to transferee or transmission of shares, debentures or any other securities effected by the transfer and the transferee both of whom are entered as beneficial owners in the records of a depository.

**(Rectification of Register of Transfer)**

- (viii) with regard to the rectification of Register of Transfer, all the provisions of Section 111A of the Companies Act. 1956, as may be in force from time shall also apply.

**(Allotment of Shares, Debentures or any other Securities to a depository)**

- (ix) Notwithstanding anything contained in subsection(1) of Section 113 of the Companies Act. 1956, or any other modification(s) or re-enactment(s) thereof, where the shares, debentures or any other securities are dealt with in a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such shares, debentures or any other Securities as far as practicable.

**(Distinctive Number of Shares and Debentures held with a depository not required)**

- (x) Provisions contained in this Articles of Association about recording distinctive numbers of shares or debentures held by each member or debenture holder respectively in the register of members of Register of Debenture holders of the company shall not apply to the shares or debentures or any other securities which are held with a depository.

**(Register and Index of beneficial owners).**

- (xi) The Register and Index of Beneficial Owners maintained by a depository under section 11 of the Depositories Act. 1996, shall also be deemed to be a Register and Index of Members and Register and Index of Debenture holders, as the case may be, for the purposes of this articles of Association and the Companies Act. 1956.

**(Securities in fungible form).**

- (xii) The shares, debentures or any other securities of the company held by a depository shall be dematerialized and shall be in a fungible form. In case of transfer or transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form, the provisions of the Depositories Act. 1996, as may be in force from time to time shall apply.

- (a) Consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares;
  - (b) Sub-divide its shares or any of them into shares of smaller amounts than originally fixed by the memorandum, subject nevertheless to the provisions of the Act and of these Articles and /or;
  - (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 amounts of its share capital by the amount of the shares so cancelled.
72. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith, but in no respect in priority thereto.

Issued of further pari passu share not be effect the rights of shares already issued.

### MODIFICATION OF CLASS RIGHTS

73. If at any time the capital by reason of the issue of Preference shares or otherwise is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to provisions of Section 106 and 107 of the Act, be modified, abrogated or dealt with subject to :-
- (a) The consent of the holders of three-fourths of the issued shares of the class, or
  - (b) The sanction of a special resolution passed at a separate meeting of the holders of issued shares of that class.

Power to modify rights.

### JOINT HOLDERS

74. Where two or more persons are registered as the holders of any share, they shall be deemed to hold the same as joint tenants with benefits of survivorship subject to the following and other provisions contained in these Articles :-
- (a) The Company shall be entitled to decline to register more than six persons as the joint holders of any share.
  - (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 of such joint holders the survivor or survivors shall be the only person or person recognised 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 a deceased joint holder from any liability on shares held by him jointly with any other person.
  - (d) Only the person whose name stands first in the Register may give effectual receipts of any dividends or other payable in respect of such shares.
  - (e) Only the person whose name stands first in the Register of members as one of the joint holders of any shares shall be entitled to delivery of the Certificate relating to such share as to receive documents (which expression shall be deemed to include all documents referred to in Article 221) From the company and any document served on or sent to such person shall be deemed service on all the joint holders.

Joint Holders

Company may refuse to register more than six persons.

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

Title of survivors.

Receipt of one sufficient.

Delivery of Certificate and giving notices to first named holders.

- (f) Any one of two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled there to and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose names stands first or highest (as the case may be) on the Register in respect of such share 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 holder present at any meeting personally shall be entitled to vote in preference to a joint holder present by attorney or by proxy although the name of such joint holder present by an attorney or by proxy stands first or highest (as the case may be) in the Register in respect of such shares. Several executors or administrators of a deceased member in whose (deceased member's) sole name the shares stands shall for the purpose of this sub-clause be deemed joint holders. Votes of Joint holders.
75. Subject to the provisions of the Act and these Articles and without prejudice to the other powers (1) conferred by these Articles, the Directors shall have power from time to time at their discretion to accept deposits from members of the company either in advance of calls or otherwise and generally to raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company. Provided that the aggregate of the money already borrowed by the Company (apart from temporary loans as defined in Section 293 of the Act, obtained from the Company's bankers in the ordinary course of business) and (2) and remainery outstanding and undischarged at that time shall not (3) Meeting exceed the aggregate of the paid up capital of the company without the consent of the Company in General and its free reserves, that paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose. Power to Borrow.
76. Subject to the provisions of the Act and these Articles, the Directors may by a resolution at a meeting of the Board (and not by circular resolution) raised and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, perpetual or redeemable debenture stock, or any mortgage or charge or other security, on the undertaking or on 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 money may be borrowed.
77. Any bond, debenture stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company. Bonds, Debenture etc. to be subject to control of Board.
78. 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. Securities may be assignable free from equities.
79. Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture stock or other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending and voting at General Meeting, appointment of Directors and otherwise. Provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting. Issue at discount etc. or with special privilege.



80. If any uncalled capital of the Company is included in or charged by any mortgage or other security, 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 person in whose favour such mortgage or security is executed.

Mortgage of  
uncalled  
capital

81. Subject to the provisions of the Act and these Articles, if the Directors or any of them or any other person shall incur or be about to incur any liability, whether as principal or surety, for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

Indemnity  
may  
be given.

82. A proper Register of Mortgages and Charges shall be kept by the Company under Section 143 of the Act, and the provisions of Sections 118, 125 and 127 to 144 thereof shall be duly complied with in respect of all mortgages and charges and the satisfaction thereof.

Register of  
Charges

### GENERAL MEETINGS

83. Subject to the Provisions contained in Sections 166 and 210 of the Act as far as applicable, the Company shall in each year hold, in addition to any other meetings a General Meeting such its annual General Meeting, and shall specify the meeting as in the notices calling it; and not more than fifteen months shall in elapse between the date of of one Annual General Meeting of the Company and that of the next. Provided further that if the Registrar may, for any special reason, extend the time within which any Annual General Meeting shall be held, by a period not exceeding three months, then such annual General Meeting may be held within such extended period.

Annual  
General  
Meeting.

84. Every Annual General Meeting shall be called for a time during business hours, and on such day (not being a public holiday) as the Directors may from time to time determine, and it shall be held either at the Office of the Company or at some other place within the city, town or village in which the office of the Company is situate.

Time and  
place of  
holding  
Annual  
General  
Meeting.

85. (1) All General Meeting other than Annual General Meeting shall be called Extraordinary General Meetings.

Extraordinary  
General  
Meeting.

(2) The Board of Directors may, whenever it thinks fit, call an Extraordinary General Meeting.

86. (1) The Board of Directors shall, on the requisition of such number of members of the Company as held in regard to any matter at the date of deposit of the requisition, not less than one-tenth of such of the paid up capital of the Company as at the date carries the right of voting in regard to that matter, forthwith proceed duly to call an Extraordinary General Meeting of the Company and the provisions of Section 169 of the Act (including the provisions below) shall be applicable.

Calling for  
Extraordinary  
General  
Meetings on  
requisition

(2) 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.

(3) The requisition may consist of several documents in like form each signed by one or more requisitionists.

- (4) Where two or more distinct matters are specified in the requisition, the provision of sub-clause (1) 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 condition specified in that subclause is fulfilled.
  - (5) If the Board of Directors does not, within twentyone days, from the date of deposit of a valid requisition in regard to any matters proceed duly to call a meeting for the consideration of those matters on a day not latter than forty-five days for the date of the deposit of the requisition, the meeting may be called by the requisitionists themselves or by such of the requisitionists as represent either a majority in value of the paid up share capital held by all of them or not less than onetenth of such of the paid up share capital of the Company as is referred to in sub-clause (1) above, whichever is less.
  - (6) A meeting called under sub-clause (5) above by the requisitionists or any of them shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board, but shall not be held after the expiration of three months from the date of the deposit of the requisition.
  - (7) Any reasonable expenses incurred by the requisitionists by any reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company; and any sum so repaid shall be retained by the Company out of any sum due or to become due from Company by way of fees or other remuneration for their services to such of the Directors as were in default.
87. (1) A General Meeting of the Company may be called by giving not less than twenty one days notice in writing. Notice of Meeting.
- (2) However, a General Meeting may be called after giving a shorter notice than twenty-one days, if the consent is accorded thereto:
    - (i) In the case of an Annual General Meeting by all the members entitled to vote thereat; and
    - (iii) In the case of any other meeting, by members of the Company holding not less than 95 per cent of such part of the paid up shares capital of the Company as gives that a right to vote at their meeting.

Provided that where any members of the Company are entitled to vote only on some Resolution or Resolutions to be moved at the meeting and not on the other, those members shall be taken into account for the purpose of this sub-clause in respect of the former Resolution or Resolutions but not in respect of the latter.

88. (1) Every notice of a meeting of the company shall specify the place, the date and hour of the meeting and shall contain a statment of the business to be transacted thereat. Contents of Notice.
- (2) In every notice there a 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.

89. (a) In the case of an Annual General Meeting all business to be transacted at the meeting shall be deemed special, with the exception of business relating to :

Special  
Business.

(i) The consideration of the Accounts, Balance Sheet, and profit and loss Account and the Report of the Board of the Directors and of the Auditors;

(ii) The declaration of dividend :

(iii) The appointment of Directors in the place of those retiring; and

(iv) The appointment and the fixing of the remuneration of 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 particulars the nature of the concern or interest, if any therein of every Directors, and the Managers, if any.

Provided, however, that where any item of special business as aforesaid to be transacted at a Meeting of the Company relates to, or affects, any other company the extent of Shareholding interest in that other company of every directors, and the Manager, if any, of the Company shall also be set out in the Explanatory Statement, if the extent of such shareholding interest is not less than twenty per cent of the paid-up share capital of that other Company.

(b) Where any item of business to be transacted at the meeting of the Company consists of, according the approval of the meeting to any document the time and place where the document can be inspected shall be specified in the Explanatory Statement.

90. Notice of every meeting shall be given to every member of the Company in any manner authorised by sub-sections (1) to (4) of Section 53 of the Act and these Articles. It shall be given to the persons entitled to a share in consequence of the death or insolvency of a member, by sending it through the post in a pre-paid letter addressed to them by name or by the title of the representatives of the deceased, or assignees of the insolvent, or by any like description, at the address, if any, in India supplied for the purpose by the persons claiming to be entitled, or unit such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred.

Service of  
Notice.

Provided that where the notice of a meeting is given advertising the same in a newspaper circulating in the neighbourhood of the registered office of the company under subsection (3) of Section 53 of the Act, the Explanatory Statement need not be annexed to the notice as required by Section 173 of the Act, but it shall be mentioned in the advertisement that a statement has been forwarded to the members of the Company.

91. Notice of every meeting of the Company shall be given to the Auditor or Auditors for the time being of the Company in any manner authorised by Section 53 of the Act.

Notice to be  
given to be  
Auditors.

92. 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 meetings. As to omission to give notice.

93. Where by any provision contained in the Act or in these Articles special notice is required of any resolution, notice of the intention to move the resolution shall be given to the Company, and by the Company to the members as provided in Section 190 of the Act, which Section shall otherwise also be duly complied with. Resolution requiring special notice.

## PROCEEDINGS AT GENERAL MEETINGS

94. At least five members entitled to vote and present in person shall be a quorum for a General Meeting. No business shall be transacted at any General Meeting unless the quorum requisite be present at the commencement of the business. Quorum at General Meeting
95. If within half an hour from the time appointed for holding a meeting of the Company, a quorum be not present, the meeting, if called upon the requisition of members, shall stand dissolved. In any other case, the meeting shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Board may determine. If quorum not present meeting to be dissolved or adjourned.
96. If at any adjourned meeting also a quorum is not present within half an hour of the time appointed for holding the meeting, the members present, whatever their number or the amount of the shares held by them, shall be a quorum and shall have power to decide upon all the matters which could properly have been disposed of at the meeting from which the adjournment took place. Adjourned meeting to transact business.
97. The Chairman (if any) of the Board of Directors shall, if willing, preside as Chairman at every General Meeting, whether Annual or Extraordinary, but if there be no such Chairman, or in case of his absence or refusal the Vice-Chairman (if any) or the Board of Directors shall, if willing, preside as Chairman at such meeting, and if there be no such Vice Chairman or in case of his absence or refusal, some one of the Directors (if any be present) shall be chosen to be Chairman of the Meeting. Chairman of Directors or Vice-Chairman or a Director to be Chairman of General Meeting.
98. If at any meeting a quorum of members shall be present, and the chair shall not be taken by the Chairman of the board or by the Vice-Chairman or by a Director at the expiration of half an hour from the time appointed for holding the meeting or if before the expiration of that time all the Directors shall decline to take the Chair, the members present shall choose one of their own number to be Chairman of the meeting. In case of their absence or refusal a member may act.
99. (1) No business shall be discussed at any General Meeting, except the election of a Chairman whilst the chair is vacant. Business confined to election of Chairman whilst Chair vacant.
- (2) If a Poll is demanded on the Election chairman, it shall be taken forthwith in accordance with the provisions of the Act and these Articles, the Chairman so elected on a show of hands exercising all the powers of the Chairman under the Act and these Articles.
- (3) If some other person is elected Chairman as a result of the poll he shall be Chairman for the rest of the meeting. Chairman with consent may adjourn meeting.
100. The Chairman may, with the consent of any meeting at which quorum is present, and shall, if so directed by the meeting, adjourn any meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

101. 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, 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 adjourned for 30 days or more.
102. At any General Meeting, a Resolution put to the vote of the meeting shall, unless a poll is demanded, be decided on a show of hands. A declaration by the Chairman that on a show of hands the Resolution has or has not been carried or has or has not been carried either unanimously or by a particular majority and an entry to that effect in the books containing the Minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such Resolution. What would be Evidence of the passing of resolution where poll not demanded.
103. Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf (a) by "at least" five members having the right to vote on the resolution and present in person or by proxy or (b) by any member or members present in person or by proxy and having not less than one-tenth of the total voting power in respect of the resolution or (c) by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote on the resolution, being shares on which an aggregate sum has been paid up which is not less than one-tenth of the total sum paid up on all the shares conferring that right. The demand for a poll may be withdrawn at any time by person or persons who shall make the demand. Demand for poll.
104. (1) Except on the question of the election of a chairman or of adjournment as aforesaid, a poll demanded on any other question shall be taken at such time not being later than forty-eight hours from the time when the demand was made. Time and manner of taking poll.
- (2) The Chairman shall have the power to regulate the manner in which a poll shall be taken.
- (3) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.
105. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the vote given on the poll and to report thereon to him. The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineers from office and to fill vacancies in the office of a scrutineers arising from such removal or from any other of cause. Of the two scrutineers, appointed under this Articles, one shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed. Scrutineers at poll.
106. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question of which the poll has been demanded. Demand for poll not to prevent transaction of other business.
107. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as member. Motion how decided in case of equality of votes

108. At every Annual General Meeting of the Company there shall be laid on the table the Directors Report and Audited Statement of Accounts, Auditors, Report (if not already incorporated into Audited Statement of Accounts) the Proxy Register with proxies and the Register of Directors holdings maintained under Section 307 of the Act. The Auditors Report shall be read before the Company in General Meeting and shall be open to inspection by any Member of the Company.

Reports, Statement and Registers to be laid on the table.

109. A copy of each of the following Resolutions (together with a copy of the Statement of materials facts annexed under section 173 to the notice of the meeting in which such Resolution has been passed) or Agreement shall, within thirty days after the passing or making thereof, be printed or typewritten and duly certified under the signature of an office of the Company and filed with the Registrar :-

Registration of certain Resolutions, and Agreements.

- (a) Special resolution :
- (b) Resolutions which have been agreed to by all the members of the Company but which, if not so agreed to, would not have been effective for their purpose unless they had been passed as special resolutions;
- (c) Resolution of the Board or Agreement relating to the appointment, re-appointment or the renewal of the appointment or variations of the terms of appointment of a Managing Director;
- (d) Copies of the terms and conditions of appointment of sole selling agent appointed under Section 294 or of a Soles Selling Agent or other person appointed under Section 294AA of Act;
- (e) Resolutions or agreements which have been agreed to by all the members of any class of shareholders but which, if not so agreed to, would not have been effective for their purpose unless they had been passed by some particular (majority or otherwise in some particular) manner, and all resolutions or agreements which effectively bind all the members of any class of shareholders thought not agreed to by all those members.
- (f) Resolutions requiring the Company to be wound up voluntarily passed in pursuance of sub-section (1) of Section 484 of the Act.
- (g) Resolutions passed by a Company according the consent to the exercise by its Board of Directors of any of the powers under clause (a), clause (b) and clause (e) of sub-section (1) of Section 293 of the Act; and
- (h) Resolutions passed by a Company approving the appointment of Sole Selling Agents under Section 294 and Section 294 AA of the Act.

A copy of every resolution which has the effect of altering the Articles of Association of the company and a copy of every Agreement referred to in the above items (c), (b) and (e) shall be embodied in and annexed to every copy of the Articles issued after the passing of the Resolution or the making of the Agreements.

110. The Company shall cause minutes of all proceedings of every General Meeting and of all proceedings of every Meeting of its Boards of Directos or of every Committee of the Board, to be kept by making within thirty days of the conclusion of every such meeting concerned entries thereof in books kept for that purpose with their pages consecutively numbered. Each page of every such

Minutes of General Meetings.

book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed (a) in the case of Minutes of proceedings of a meeting of the Board or of a Committee thereof, by the Chairman of the said meeting or the Chairman of the next succeeding meeting, and (b) in the case of minutes of proceedings of a General Meeting, by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for that purpose. In no case the Minutes of the proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

111. The Book containing the minutes of the General Meetings of the Company shall be kept at the office of the Company 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 196 of the Act. Any member shall be entitled to be furnished within the period prescribed by the Act after he has made a request in that behalf to the company with a copy of the minutes referred to on payment (of thirty-seven naye paise per every one hundred words or fractional part thereof required to be copied) as prescribed by the Act or any amendment thereof. Inspection of minute books Meetings.
112. 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 193 of the Act to be contained in the minutes of the proceedings of such meetings. Publication of reports of proceedings of General Meetings
113. Subject to the provisions of the Act and these Articles, votes may be given either personally or by an Company or by proxy or in the case of body corporate also by a representative duly authorised under section 187 of the Act and Article 110. Votes may be given by proxy or attorney.
114. Subject to the provisions of the Act (and particularly of Section 87, 88 and 92 (2) thereof) and of these Articles :-
  - (1) Upon a show of hands every member holding equity shares and entitled to vote and present in person (including an attorney or proxy of a corporation or a representative of a company as mentioned in Article.
  - (2) Upon a poll the voting right of every member holding equity shares entitled to vote and present in person in person (including a corporation or company present as aforesaid) or by attorney or by proxy shall be in the same proportion as the capital paid on the equity share or shares (whether fully paid or partly paid) held by him bears to the total paid up equity capital of the Company.
  - (3) Upon a show of hands or upon a poll, the voting right of every member holding preference share shall be subject to the provisions, limitations and restrictions laid down in Section 87 of the Act.
115. No member not personally present shall be entitled to vote on a show of hands unless such member is corporation present by attorney or proxy or a Company present by representative duly authorised under Section 187 of the Act in which case such attorney, proxy or representative may vote on a show of hands as if he were an individual member of the company. No voting by proxy on show of hands.
116. 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 attorney or be No member to vote unless calls are paid up.

reckoned in a quorum or to exercise any order privilege as a member unless calls or other sums presently payable by him as respect of share in the Company had been paid.

117. Any person entitled under the Transmission Clause to transfer any shares may vote at any General Meeting in respect thereof as if he was the registered holder of such shares, provided that at least forty eight hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Board of his right to transfer such shares, unless the Board shall have previously admitted his right to vote at such meeting in respect thereof. Votes in respect of shares of deceased, insolvent members.
118. 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 used. Right of member to use his votes differently.
119. If any shareholder be a lunatic, idiot or non composmentis, the vote in respect of his share or shares shall be by his committee or other legal guardian and if any shareholder be a minor, the vote only in respect of his share or shares shall be by his guardian or any one his guardians, 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 meeting. How members non compos mentis, or minors may vote.
120. (1) 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 on a poll instead of himself; but a proxy so appointed shall not have any right to speak at the meeting. Proxies.  
(2) Every proxy shall be appointed by an instrument in writing signed by the appointor or his attorney duly authorised in writing or, if the appointor is a body corporate, by under its seal or be signed by an officer or an attorney duly authorised by it.
121. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof shall be deposited at the office of the Company or such place or places (if any) as may be specified for that purpose in the notice convening the meeting 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 a 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. An Attorney shall not be entitled to vote unless the power of attorney or other instrument appointing him or a notarially certified copy thereof has either been registered in the records of the Company at any time not less than forty-eight hours before the time for holding the meeting at which the attorney propose to vote or is deposited at the office of the Company not less than forty-eight hours before the time fixed for such meeting as aforesaid. Notwithstanding that a power of attorney or other authority has been registered in the records of the Company, the Company may by notice in writing addressed to the member or the attorney given at least fourteen days before the meeting require him to produce the original power of attorney of authority and unless the same is thereon deposited with the Company not less than forty-eight hours before the time fixed for the meeting, the attorney shall not be entitled to vote at such Deposit of instrument of appointment.



meeting, unless the Directors in their absolute discretion excuse such non-production and deposit.

122. An instrument appointing a proxy shall be in the following form or may be in any other form, which the Directors may accept, or shall contain words to the following effect.

Form of  
Proxy

**"SHREE RAJESHWARANAND PAPER MILLS LIMITED".**

I/We.

of

in the district of

being a member/members of the abovenamed company hereby appoint

in the district of

or failing him

of

as my/our proxy to vote for me/us on my/our behalf at the

Annual general Meeting/Extraordinary General Meeting of the Company to be held on the                      day                      of                      19

and at any adjournment thereof.

Signed this                      day                      of                      19

123. If any such instrument of appointment be confined to the object of appointing an attorney or proxy, it shall remain permanently, or for such time as the Directors may determine, in the custody of the Company; if embracing other object, a copy thereof, examined with the original, shall be delivered to the Company to remain in their custody.

Custody  
of the  
instrument.

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

Inspection  
of proxies.

125. A vote given in accordance with the terms of an instrument of proxy or by an attorney shall be valid, notwithstanding the previous insanity or lunacy or death of the principal or revocation of the proxy or power of attorney, as the case may be, or of any power of attorney under which such proxy was signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the insanity, lunacy, death, revocation or transfer shall have been received at the office before the Meeting.

Validity of  
votes given  
by proxy  
notwithstan-  
ding death  
etc. of  
members.

126. Subject to the provisions of the Act and these Articles, no objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote, whether given personally or by proxy or by any means hereby authorised and not disallowed at such meeting or poll, shall be deemed valid for all purposes of such meeting or poll whatsoever.

Time for  
objection  
to votes.

127. Subject to the provisions of the Act and these Articles, the Chairman of the meeting shall be the sole judge of the validity of every vote tendered at such

Chairman of  
any meeting  
to be the  
judge on  
validity of  
any vote.

meeting. Subject as aforesaid, the chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

## DIRECTORS

128. Until otherwise determined by a General Meeting, the number of Directors shall not be less than three nor more than twelve. Number of Directors.
129. Any Trust deed for securing debentures or debenture stock may, if so arranged, provide for the appointment from time to time by the trustees thereof or by the holders for the appointment from time to time by the trustees thereof 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 holders of debentures or debenture stock from time to time to remove any Director so appointed. A Director appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" means a Director for the time being in office under this Article. A debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or subject to the provisions 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. Debenture Director.
130. (a) The Company shall, subject to the provisions of the act, be entitled to agree with any person, firm or corporation that he or it shall have the right to appoint his or its nominee on the Board of directors of the company upon such terms and conditions as the Company may deem fit. Such nominees and their successors in office appointed under this Article shall be called special Directors of the Company. Special Directors
- (b) The Special Directors appointed under sub-clause (a) above shall be entitled to hold office until requested to retire by the person, firm or corporation whom may have appointed them and will not be bound to retire by rotation or be subject to Articles 141 and of the Articles of Association of the Company. A special Director shall also not require to hold any qualification shares. As and whenever a Special Director vacates office, whether upon request as aforesaid or by death, resignation or otherwise, the person firm or by death, resignation or otherwise, the person firm or corporation who appointed such Special Director may appoint any the person Director may appoint any other Director in his place. The Special Director may at any time by notice in writing to the Company resign his office. Subject as aforesaid, a Special Director shall be entitled to the same right and privileges and be subject to the same obligations as any other Directors of the Company. Term of office of Special Directors.
131. Notwithstanding anything to the contrary contrary contained in these Articles, so long as any moneys remain owing by the Company, to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The Industrial Credit and Investment Corporation of India (ICICI), Life Insurance Corporation of India (LIC), Gujarat Industrial Investment Corporation Limited (GIIC) and Gujarat State Financial Corporation (GSFC) or to any other Finance Corporation or Credit Corporation or to any other Finance Company or body or any Bank out of any loans granted by them to the Company or so long as IDBI, IFCI, ICICI, LIC, GIIC, GSFC and Unit Trust Of India (UTI) or any other Financing Corporation or Credit Corporation or any other Financing Company or Body or any other Financing Company or body or any Bank (each of which IDBI, Nominee Directors.

IFCI, ICICI, LIC, GIC, GSFC, and UTI or any other Financing Corporation or Credit Corporation or any other Financing Company or Body or any Bank is hereinafter in this Article referred to as "the Corporation") continue to hold debentures in the Company by direct subscription or so long as the Corporation holds shares in the company as a result of underwriting holds shares in the Company as a result of underwriting or direct subscription or private placement, or so long as the Corporation holds shares in the Company result of underwriting or direct subscription or so long as any liability of the Company arising out of guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time any person or persons as a Director or Directors, whole time or non-whole (which, Director or directors, whole time or non-whole-time, (which, Director or Directors is/are hereinafter referred to as "Nominating Director/S") On the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or person or persons in his or their places.

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

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Debentures in the Company as a result of direct subscription or private placement or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the company to the corporation is paid off or in the Corporation ceasing to hold Debenture/s shares in the or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Corporation.

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

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

Provided that if any such Nominee Director/s as an officer of the Corporation the sitting fees, in relation to such Nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.

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

132. The Board of directors of the Company may appoint an Alternate director to act for a Director (hereinafter called "the original Director") during his absence for a period of not less than three months from the date in which the meetings of the Board are ordinarily held and such appointment shall have effect, and such appointment, whilst he holds office as an alternate Directors, shall be entitled to notice of meeting of the directors and to attend and vote thereat accordingly. An Alternate Director appointed under this Article shall be a person selected by the original Director and shall vacate office if and when the original director returns to the said State. If the term of office of the original Director is determined before he so returns to the said State any provision in the Act, or in these Articles for the automatic reappointment of retiring Directors in default of another appointment shall apply to the original Director and not to the Alternate Director. An Alternate Director Shall not Be Bound to hold any qualification shares. Appointment of Alternate Director.
133. Subject to the provisions of section 262 and 284 (6) and other applicable provisions (if any) of the act, any casual vacancy occurring in the office of a Director whose period of office is liable to determination by retirement by rotation may be filled up by the Directors, but the person so chosen shall be subject to retirement at the same time as if he had become a Director in the day in which the Director in whose place he is appointed was last elected a Director, Casual Vacancy
134. Subject to the provisions of section 262 and 284 (6) and other applicable provisions (if any) of the Act, the Directors shall have power at any time, and from time to time, to appointed a person as an additional Director. The additional Director shall hold office upto the next following Annual General Meeting of the Company but shall be eligible for appointment as Direct by the Company at that meeting as a Director. Appointment of Additional Director
135. A Director shall not be required to hold any qualification shares. Qualification of Directors
- 136 (1) The remuneration of a director for his services shall be such sum as may be prescribed by the act or by the Central Government from time to time for each meeting attended by him, and subject to the limitation provided by the act, the directors shall be paid such further remuneration (if any) and in such form and manner as the Company in General Meeting shall from time to time determine, and such further remuneration shall be paid or given to or divided among the Directors in such proportion and manner as the directors may from time to time determine Subject as aforesaid, the Directors may allow and pay to any Directors who is not a bonafide resident of the place where the meetings of the Board are held and who shall come to that place for the purpose of attending at meetings, such sum as the Directors may consider fair compensation for his expenses and loss of time in connection therewith, in addition to his fee for attending such meeting as above specified. Remuneration of Directors

- (2) Subject to the limitations provided by the Act, and these Articles, if any Director shall be called upon to go or reside out of his usual place of residence on the Company's business or to travel to the place where any meeting of the Company or its Board may be held from any other place he may be residing or working, or other places where services outside the scope of his ordinary duties, the Board may arrange with such director for such special remuneration for such services, either by way of salary, commission or the payment of a stated sum of money as they shall think fit, in addition to or in substitution for his remuneration above provided and all the Directors shall be entitled to be paid or re-imbursed or re-paid any travelling or other expenses incurred or to be incurred in connection with the business of the Company.
- Special remuneration to Director going out of his usual place of residence on Company's business
- 137 The continuing Directors may act, notwithstanding any vacancy in their body : but so that, subject to the provisions of the Act, if the number falls below the minimum 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
138. (1) Subject to Section 283 (2) of the Act, the office of a Director shall become vacant if :
- when office of Director to be vacated
- (a) He is found to be of unsound mind by a Court of Competent jurisdiction ; or
  - (b) He applies to be adjudicated an insolvent ; or
  - (c) He is adjudged an insolvent; or
  - (d) He fails to pay any call made on him in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call; unless the central Government has, by notification in the official Gazette removed the disqualification incurred by such failure; or
  - (e) He is deemed to have vacated office under the provisions of section 314 of any office or place of profit being held in contravention thereof ; or
  - (f) He (whether by himself or by any person for his benefit or on his account) or any firm in which he is a partner or any private company of which he is a director, accepts a loan or any guarantee or security for a loan from the company in contravention of Section 295 Act. or
  - (g) He absents himself from three consecutive meetings of the Board of Directors or from all meetings of the board of directors for a continuous period of three months, whichever is longer without obtaining leave of absence from the board of Directors; or
  - (h) He becomes disqualified by an order of Court (as defined in the Act,) under Section 203 of the Act; or
  - (i) He is removed in pursuance of Articles 151 or section 284 of the Act; or
  - (j) He acts in contravention of Section 299 of the Act and by virtue of such contravention shall have been deemed under the Act to have vacated office; or

- (k) He is punished with imprisonment for a term of not less than six months in respect of an offence involving moral turpitude for which he is convicted by a court; or
  - (1) He having been appointed a Director by virtue of his holding office or other employment in the Company, he ceases to hold such office or other employment in the Company.
  - (2) Subject to the provisions of the Act, a Director may resign his office at any time by notice in writing addressed to the Company or to the board of Directors. Resignation
139. (1) The Directors may enter into contracts with the Company subject to the Provisions of Section 297 and 314 of the Act.
- (2) Every Director, who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board of Directors or as provided by subclause (4) hereof.
- (3) (a) In the case of a proposed contract or arrangement, the disclosure required to be made by a Director under sub-clause (2) above, shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of the meeting concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he becomes so concerned or interested;
- (b) In the case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.
- (4) For the purpose of this Article, a general notice given to the Board of Directors by a Director to the effect that he is a director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may after the date of the notice be entered into with that body corporate or firm shall be deemed to be sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it is given, but may be renewed for further period so one financial year at a time by a fresh notice given in the last month of the financial year in which it would have expired shall be given at a meeting of the Board of Directors or the notice shall be given at a meeting of the Directors or the Directors concerned shall take reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.
- (5) Nothing in the above sub-clause (2), (3) and (4) shall apply to any contract or arrangement entered into or to be entered into between the Company and any other company where any one or more of the Directors of the Company together hold not more than two per cent of the paid-up share capital in the other company.
- (6) An interested Director shall not take any part in the discussions of, or vote on, any contract or arrangement entered into, or to be entered into, by or on behalf of the Company if he is in any way, directly or indirectly concerned or interested in the contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussions or vote; and if he does vote, his vote shall be void;

resign his office at any time by notice in writing addressed to the Company or to the board of Directors.

139. (1) The Directors may enter into contracts with the Company subject to the Provisions of Section 297 and 314 of the Act. Directors may contract with company
- (2) Every Directors, who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement entered into or to be entered in to by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board of Directors or as provided by sub-clause (4) hereof. Disclosure of Interest.
- (3) (a) In the case of a proposed contract or arrangement, the disclosure required to be made by a Director under sub-clause (2) above, shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of the meeting concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he become so concerned or interested;
- (b) in the case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director become concerned or interested in the contract or arrangement.
- (4) For the purpose of this Article, a general notice given to the Board of Directors by a Director to the effect that he is a director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may after the date of the notice be entered into with that body corporate or firm shall be deemed to be sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it is given, but may be renewed for further period so one financial year at a time by a fresh notice given in the last month of the financial year in which it would have thereof shall be given at a meeting of the Board of Directors or the shall be given at a meeting of the Directors or the Directors concerned shall take reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given. General notice of Interest.
- (5) Nothing in the above sub-clause (2), (3) and (4) shall apply to any contract or arrangement entered into or to be entered into between the Company and any other company where any one or more of the Directors of the Company together hold not more two per cent of the paid-up share capital in the other company.
- (6) An interested Director shall not take any part in the discussions of, or vote on, any contract or arrangement entered into, or to be entered into, by or on behalf of the Company if he is in any way, directly or indirectly concerned or interested in the contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussions or vote; and if he does vote, his vote shall be void; Provided that this prohibition shall not apply to :-
- (i) any contract of indemnity against loss which the Directors or any one or more of them may suffer by reason of becoming of being sureties or a surety for the Company;
- (ii) any contract or arrangement entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely (a) in his being a director of such company and the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as such director by the Company; or (b) in his being a member holding not more than two per cent of the paid-up share Capital of the Company;

(iii) In case a notification is issued under sub-section (3) of Section 300 of the Act to extent specified in the notification.

140. (1) The Company shall keep one or more Registers in which shall be entered separately particulars of all contracts or arrangements to which Section 297 or section 299 of the Act, applies including the following particulars to the extent they are applicable in each case, namely :-

Register of  
Contracts in  
which  
Directors are  
interested

(a) The date of the contract or arrangement ;

(b) The names of the parties thereto;

(c) The principal terms and conditions thereof ;

(d) In the case of a contract to which Section 297 of the Act applies or in the case of a contract or arrangements to which sub-section (2) of Section 299 of the Act applies, the date on which it was placed before the Board ;

(e) The names of the Directors voting for and against the contract or arrangement and the names of those remaining neutral.

(2) Particulars of every such contract or arrangement to which Section 297 of the Act or, as the case may be, sub-section (2) of Section 299 of the Act applies, shall be entered in the relevant Register aforesaid :-

(a) In the case of contract or arrangement requiring the Board's approval, within seven days (exclusive of public holidays) of the meeting of the Board at which the contract or arrangement is approved ;

(b) In the case of any other contract or arrangement within seven days of the receipt at the registered office of the Company of the particulars of such other contract or arrangement or within thirty days to the date such other contract or arrangement, whichever is later;

And the Register shall be placed before the next meeting of the Board and shall then be signed by all the Directors present at the meeting.

(3) The Register aforesaid shall also specify in relation to such Director of the Company, the names of the firms and bodies corporate of which notices has been given by him under sub-section (3) of Section 299 of the Act.

(4) Nothing in the foregoing sub-clause (1), (2) and (3) 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 one thousand rupees in the aggregate in any year.

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

Director  
may be  
director of  
companies  
promoted  
by company.

142 A Director, Managing Director, Manager or Secretary, of the Company shall within twenty days of his appointment to or relinquishment of his office as director, managing director, manager or secretary in any other body corporate disclose to the company the particulars relating to his office in the other body corporate which are required to be specified under Section 303 (1) of the Act. The Company shall enter the aforesaid Particulars in a register kept for that purpose in conformity with Section 303 of the Act.

Disclosure  
by Director  
of appoint-  
ments.



143. A Director Manager of the Company 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 307 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 particular of a director's and Manager's holding of shares and debentures as aforesaid in a register kept for that purpose in conformity with Section 307 of the Act. Disclosure of holdings.
144. (1) Except with the previous consent of the Company accorded by a Special Resolution, no Director of the Company, no Partner or relative of a Director, no firm in which a Director or relative is a Director, no private company in which such a Director is a Director or member and no director, or Manager of such a private company shall hold any office or place of profit, carrying a total monthly remuneration of five hundred Rupees or carrying a total of managing Director, Manager, Banker or Trustee for the holders of debentures of the Company. Director not to hold office or place of profit.
- (a) under the Company ; or
- (b) under any Subsidiary of the Company, unless the remuneration received from such subsidiary in respect of such office or place is paid over to the Company.
- (2) This subclause (1) is, however, subject to the other provisions of Sections 314 of the Act.
145. The Company shall observe the restrictions imposed on the company in regard to grant of loans to Directors and other persons as provided in Section 295 and other applicable provisions (if any) of the Act. Loans to Directors.
146. (1) Except with the consent of the Board of Directors of the Company, a Director of the Company or his relative, a firm in which such a Director or relative is a partner, any other partner in such a firm, or a private company of which the Director is a member or director shall not enter into any contract with the Company (a) for the sale, purchase or supply of any goods, materials or services or (b) for underwriting the subscription of any shares in or debentures of the Company. Board Resolution necessary for certain contracts.
- (2) Nothing contained in the foregoing sub-clause (1) shall affect :-
- (a) The Purchase of goods and materials from the Company, or the sale of goods materials to the company by any Director, relative firm, partner or private company as aforesaid for cash at prevailing market prices ; or
- (b) Any contract or contracts between the Company on one said and any such Director, relative firm, partner or private company on the other for sale, purchase or supply of any goods, materials and services in which wither the Company or the Director, relative, firm, partner or private company, as the case may be, regularly trades or does business : Provided that such contract or contracts do not relate to goods and materials the value of which, or services the cost of which, exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts.
- (3) Notwithstanding anything contained in the foregoing sub-clause (1) and (2) a Director, relative, firm, partner or private company as aforesaid may,

in circumstances of argent necessity, enter, without obtaining the consent of the Board, into any contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or cost of such services exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract ; but in such a case, the consent of the Board shall be obtained at a meeting within three months of the date on which the contract was entered into.

- (4) Every consent of the Board required under this clause shall be accorded by a Resolution passed at a meeting of the board and not otherwise; and the consent of the Board required under sub-clause (1) above shall not be deemed to have been given within the meaning of the sub-clause unless the consent is accorded before the contract is entered into or within three-months of the date on which it was entered into.
- (5) If consent is not accorded to any contract under this clause anything done in pursuance of the contract shall be voidable at the option of the Board.

### RETIREMENT AND ROTATION OF DIRECTORS

147. (1) Not less than twothirds of the total number of Director of the Company shall be persons whose period of office is ~~Liab~~ to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act. And these Articals, be appointed by the Company in General Meeting. Retirment by rotation
- (2) The remaining Directors shall be appointed in accordance with provisions of these Articles.
- (3) At every Annual General Meeting of the Company one third of such of the Directors for the time being as are ~~Liab~~ to retire by rotation or, if their number is not three or a multiple of three, than the number nearest to one-third, shall retire from office. Directors to retire annually how determined.
148. Subject to the provisions of the Act, and these Articles, the Directors to retire by rotation under the foregoing Article at every Annual general Meeting shall be those who have been longest in 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 tham selves, be determined by lot. Subject to the provsions of the act, A retiring Director shall retain office until the Dissolution of the meeting at which his re-appointment is decided or his successor is appointed. Ascertainment of Directors retiring by rotation.
149. Subject to the provisions of the of the Act and these Articles, a retiring Director shall be eligible for re-appointment. Eligibility for re-appointment.
150. Subject to the provisions of Section 261 and other applicable provision (if any) of the act. and these Articles, the Company, at the Annual General Meeting at which a Director retires in manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto. Comapny to fill up vacancy
151. (1) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place or if that day is a public holiday, till the next succeeding day which is not a public holidays, at the same and place. Provisions in Default of appoinment
- (2) If at the adjourned meeting also, the place of the ratiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy the retirinf Director shall be deemed to have been re-appointed at the adjurned meeting unless :

- (a) At That meeting or at the previous meeting a resolution for the reappointment of such director has been put to the meeting and lost;
  - (b) The retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;
  - (c) He is not qualified or is disqualified for appointment;
  - (d) A resolution, whether special or ordinary is required for the appointment by virtue of any provisions of the Act,
  - (e) Article 147 or sub-section (2) of Section 263 of the Act is applicable to the case.
152. Subject to the provisions of the Act, and these, Articles, any person who is not a retiring Director shall be eligible for appointment to the office of director at any General Meeting if he or some member intending to propose him has at least fourteen clear days before the meeting left at the office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office as the case may be and he has by himself or by his agent authorised in writing signed and filed with the Registrar a consent in writing to act as such Director. The Company shall duly comply with the provisions of Section 257 of the Act. for informing its members of the candidature of the Director concerned.
153. At a General Meeting of the Company, a motion shall not be made for the appointment of two or more persons as Director of the Company by a single resolution unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it, A resolution moved in contravention of this Articles shall be void whether or not objection was taken at the time to its being so moved; Provided that where a resolution so moved is passed not provision for the automatic re-appointment of retiring Directors by virtue of these Articles or the Act in default of another appointment shall apply.

Notice of  
Candidature  
for office  
of Director

Individual  
resolution for  
Director's  
appointment.

### REMOVAL OF DIRECTORS

154. (1) The Company may (subject to the provisions of Section 284 and other applicable provisions of the Act. and these Articles) remove any Director before the expiry of his period of office.
- (2) Special Notice as provided by Article 83 or Section 190 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.
- (3) On receipt of notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the company) shall be entitled to be heard on the resolution at the meeting.
- (4) Where notice as given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding a reasonable length) and requests their notification to members of the Company, the Company shall, unless the representations are received by it too late for it to do so (a) in the notice if the resolution given to members of the company state the fact of the representations having been made, and (b) send a copy of the representations to every member of the company

Removal of  
Directors.

and if a copy of the representations is not sent as aforesaid because they were received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representation shall be read out at the meeting; provided that copies of the representations need not be sent or read out at the meeting if on the application either of the Company or of any other person who claims to be aggrieved, the court is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter.

- (5) A vacancy created by removal of a Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board in pursuance of Article 127 or Section 262 of the Act filled by the appointment of another Directors in his stead by the meeting at which he is removed; Provided special notice of the intended appointment has been given under sub-clause (2) 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.
- (6) If the vacancy is not filled under sub-clause (5) it may be filled as a casual vacancy in accordance with the provisions in so far as they are applicable of Article 127 or Section 262 of the Act. and all the provisions of that Section shall apply accordingly.
- (7) A Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.
- (8) Nothing contained in this Article shall be taken :-
  - (a) 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 appointment terminating with that as Director; or
  - (b) as derogating from any power to remove a Director which may exist apart from this Article.

## INCREASE OR REDUCTION IN THE NUMBER OF DIRECTORS

155. Subject to the provisions of the Act. and these Articles, the company may be Ordinary Resolution from time to time increase or reduce the number of Director within the fixed by Article 128.

The Company may increase or reduce number of Directors.

### FIRST DIRECTORS :

156. The following persons were the First Directors of the Company as follows

- (1) SHRI SHANTILAL BHIKHALAL DAVE
- (2) SHRI DEVSHANKAR AMRUTLAL DAVE
- (3) SHRI YASHWANT CHHOGALAL OZA

### PROCEEDINGS OF DIRECTORS

157. Subject to the provisions of section 288 (2) of the Act. the Directors may meet together as a Board for the conduct of business from time to time and (unless the Central Government by virtue of proviso to Section 285 of the Act otherwise directs) shall so meet at least once in every three months and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings and proceedings as they think fit. The chairman or the Managing Directors may at any time, and the secretary at the request of a Director shall. convene a meeting of the Board.

Meeting of Directors.

158. Notice of every meeting of the Board of Directors of the Company shall be given in writing to every Director for the time being in India and at his usual address in India to every other Director. The accidental omission to give notice of any such meeting of the Board of Directors to a Director shall not invalidate any resolution passed at any such meeting. Notice of Meeting.
159. Subject to the provisions of section 287 of the Act the quorum for a meeting of the Board of directors shall be one third of the total strength excluding of Director, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher; provided that where at any time the number of interested Directors exceeds or is equal to two thirds of the total strength the number of the remaining Director 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 time A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the act, or the Articles of the Company for the time being vested in or exercisable by the Board of Directors generally. Quorum
160. If a meeting of the Board cannot be held for want of a quorum the meeting shall stand adjourned to such day, time and place as the Director or Directors present at the meeting may fix. Adjournment of meeting for want of quorum
161. The Board or Committee of Directors, as the case may be from time to time select one of their number to be the Chairman of the Board or of any committee, as the case may be, and determine the period for which such Chairman may hold office, and unless such period is determined the Chairman so elected may hold office, until another Chairman is elected by the Directors or the Committee of Directors as the case may be the Directors may likewise appoint a Vice-Chairman of the Board of Directors and a Committee of Directors may also likewise appoint a Vice Chairman of any such committee and such Vice Chairman shall preside at meetings of the Directors or of any Committee of Directors at which the Chairman thereof shall not be present. Chairman
162. Subject as aforesaid, if no chairman or vice-Chairman is elected by the Board of Directors or by a Committee of Directors, or if at any meeting the Chairman or Vice-Chairman is not present at the time appointed for holding the same, the Directors present shall choose some one of their number to be Chairman of such meeting. Disclosure of at meetings of the Board
163. Questions arising at any meeting shall be decided by a majority of votes, and in case of an equality of votes the chairman of the meeting (whether the Chairman or Vice-Chairman appointed by virtue of these Articles or the Directors presiding at such meeting) shall have a second or casting vote. Question at Board Meeting how decide (casting vote)
164. Subject to the provisions of Section 292 of the Act. and Article 168 Directors may delegate any of their powers to Committee consisting of such member of 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 persons or purposes; but every committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Directors. All acts done by any such Committee in conformity with such regulations and in fulfilment of the purpose of their appointment but otherwise, shall have 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 pay the same. Directors may appoint Committee.

165. The meeting and proceeding of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding article. Meetings of Committees how to be governed
166. (1) A resolution passed by circular without a meeting of the Board or a Committee thereof the board appointed under article 160 shall subject to the provisions of sub-clause (2) hereof and the Act, be as valid and effectual as resolution duly passed at a meeting of the Directors or of a Committee duly called and held. Resolution by Circular
- (2) 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 members of the committee than in india (not being less in number than the quorum fixed for a meeting of the Board or committee, as the case may be) and to all other Directors or members of the Committee at their usual address in india, and has been approved by such of them in India or by a majority of such of them, as are entitled to vote on the resolution.
167. Subject to the provisions of the Act, these Articles, all acts done by any meeting of the Directors or 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 Directors of persons acting as aforesaid or that they or any of them were or was disqualified be as valid as if every such person had been duly appointed and was qualified to be a director. Acts of Board or Committee valid not withstanding defect in appointment
168. The Company Shall cause Minutes of the meetings 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 provisions of Article 110 hereof. The minutes shall contain a fair and correct summary of the proceedings at the meeting including the following :- Minutes of proceedings of Board of Directors and Committees to be kept
- (i) The names of the Directors present at the meeting of the Board of Directors of any Committee of the Board.
  - (ii) All orders made by the Board of Directors and Committee of the Board and all appointments of officers and Committees of Directors;
  - (iii) All resolutions and proceeding of meetings of the Board of Directors and the Committee of the Board;
  - (iv) In the case of each resolution passed at a meeting of the Board of Directors of Committees of the Board, the names of the Directors if any, dissenting from or not concurring in the resolution.
169. Any minutes of any meeting of the Board of Directors or of any Committees of the Board if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting shall be, for all purposes whatsoever, prima facie evidence of the actual passing of the resolution recorded and the actual and regular transaction or occurrence or the proceedings so recorded and the regularity of the meeting at which the same shall appear to have taken place. Board Minutes to be evidence

## POWERS OF DIRECTORS

170. (1) Subject to the 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 authorised to exercise and do; Provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act, or any other Act, or by the exercised or done by the company in General Meeting; Provided further that in exercising any such power or doing any such act or thing the Board shall be subject to the provisions contained in that behalf in the Act or in the Memorandum or in these Articles or in any regulations not inconsistent therewith duly made thereunder including regulations not inconsistent therewith duly made thereunder including regulations made by the Company in General Meeting.
- (2) 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.
171. The Board of Directors shall not except with the consent of the Company in General Meeting :
- (a) Sell, lease or otherwise dispose of the whole; or substantially the whole of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole or substantially the whole, of the 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 sale proceeds resulting from the acquisition, without the consent of the Company of any such undertaking as is referred to in Sub-clause (a) above for of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time.
- (d) Borrow moneys in excess of the limits provided in Article 75,
- (e) Contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed twenty five thousand rupees or five per cent of its average net profits as determined in accordance with the Act, during the three financial year immediately preceeding, whichever is greater.
172. (1) Without derogating from the powers vested in the Board of directors under these Articles the Board shall exercise the following power on behalf of the Company and they shall do. So only by means of resolutions passed at meetings of the Board :
- (a) The power to make calls on shareholders in respect of money unpaid on their shares;
- (b) The power to issue debentures;
- (c) The power to borrow moneys otherwise than on Debentures;
- (d) The power to invest the funds of the Company;
- (e) The power to make loans.

General Powers of the Directors.

Consent of Company necessary for the exercise of certain powers.

Certain Power to be exercised by the Board only at meeting.

Provided that the Board may by resolution passed at a meeting delegate to any Committee of Directors or the Managing Director or the Manager or any other principal officer of any of its branch offices the powers specified in (c) (d) and (e) of this sub-clause the extent specified below on such conditions as the Board may prescribe.

- (2) Every resolution delegating the power referred to in sub-clause (1) (c) shall specify the total amount outstanding at any one time upto which moneys may be borrowed by the delegate.
- (3) Every resolution delegating the power referred to in sub-clause (1) (d) shall specify the total amount upto which the funds may be invested and the nature of the investments which may be made by the delegate.
- (4) Every resolution delegating the power referred to in sub-clause (1) (e) shall specify the total amount upto which loans may be made by the delegate, the purpose for which the loans may be made and the maximum amounts of loans which may be made for each purpose in individual cases.
- (5) Nothing in this Article contained 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 (a), (b), (c), (d), and (e), of clause (1) above.

173. Without prejudice to the powers conferred by Article 170 and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding two Articles, it is hereby declared that the Directors shall have the following powers, that is to say, powers :-

- (1) To pay any commission or interest lawfully payable thereout under the provisions of Section 76 and 208 of the Act and Article 17.
- (2) Subject to the provisions of Section 292, 297 and 360 of the Act and Articles 146 and 172 to purchase or otherwise acquire for the Company any property, rights or privileges, which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit, and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonable.
- (3) Subject to the provisions of the Act, to purchase or take on lease for any terms or terms of years or otherwise acquire any factories or any land or lands with or without buildings and out-houses thereon, situate in any part of India, at such price or rent, and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition proceedings to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.
- (4) To erect and construct, on the said land or lands, buildings houses warehouses, and sheds and to alter extend and improve the same; to let or lease the property of the Company, in part or in whole, for such rent, and subject to such conditions, as may be thought advisable; to sell such portions of the lands, or building of the company as may not be required for the Purposes of the Company; to mortgage the whole or any portion of the property of the company for the purposes of the Company and to sell all or any portion of the machinery or stores belonging to the Company.

Certain powers of the Board

To pay Commission and interest.

To acquire property

To purchase lands and factories.

To erect buildings etc.



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|------|---|--|
| (5)  | At their discretion and subject to the provisions of the act to pay for property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, mortgages or other securities of the Company; and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, mortgages or other securities may be either specifically mortgages all or any part of the property of the Company and its uncalled capital or not so charged. | To pay for property in debentures and otherwise. |
| (6)  | To Insure and keep insured against loss or damage by fire or other wise for such to period and to such extent as they may think proper, all or any part of the buildings, machinery, goods, stores, produce and other movable property of the Company either separately or conjointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company; and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.  | To insure.                                       |
| (7)  | To open accounts any bank or bankers or with any company. Firm or individual and to pay moneys into and draw moneys from any such account from time to time as the Directors may think fit.   | to open accouts with Banks                       |
| (8)  | To secure the fulfilment of any contracts, agreements or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.  | To secure accounts with Banks.                   |
| (9)  | To purchase or otherwish acquire for the Company any property (movable or immovable) rights or privileges, at or for such price or consideration and generally on such terms and conditions as they may think fit.  | To purchase movable or immovable property etc.   |
| (10) | To accept from any member, so far as may be permissible by law, a surrender of his shares shar or any part thereof, on such terms and conditions as shall be agreed.  | To acccet surrender of shares.                   |
| (11) | To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Companyany property belonging to the Company or in which it is intersted or for any other purposes; and to execute and do all such deeds and things as may be required in relation to any such trust and to provide for the remuneration of such trustee or trustees.  | To appoint Trustees.                             |
| (12) | 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 comound and allow time for payment or satisfaction of any debts due or of any claims or demands by or against the company or any difference to arbitration, and to observe and perform any awards made thereon, and any reference to arbitration may be in accordance with the provisions of the Indian Arbitration Act or the Rule of the International Chamber of Commerce relating to arbitration or otherwise.     | To bring and defend actions etc.                 |
| (13) | To act. on behalf of the Company in all matters relating to bankrupts and insolvents.   | To act in insolvency matters                     |
| (14) | 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 make and give receipts etc.                   |

- (15) Subject to the provisions of sections of section 292, 293, (1) (c), 295, 369, 370 and 372 of the Act and Articles 171 (c) and 172 (d) to invest and deal with any moneys of the company not immediately required for the purposes thereof upon such security (not being shares of this Company) or without security and in such manner as they may think fit, and from time to time to vary or realise such investments. Provided that save as permitted by Section 49 of the Act, all investments shall be made and held in the Company's own name. To invest moneys.
- (16) To execute in the name and on behalf of the Company in favour of any other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the company, such mortgages of the Company's property (present and of future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon. To execute mortgages.
- (17) To determine from time to time who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques Dividends, releases, contracts and documents, and to give the necessary authority for such purpose. To authorise acceptances.
- (18) To distribute by way of bonus amongst the staff of the company a share or shares in the profits of the Company, and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company. To distribute bonus.
- (19) To Provide for the welfare of Directors or Ex-Directors or Employees or Ex-Employees of the Company or its predecessors in business and the wives, widows and families or the dependents or connections of such persons by building or contributing to the building of houses or dwellings or quarters, or by grants 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 towards places of instruction and recreation, hospitals, and dispensaries, medical and other attendances and other assistances as the Directors shall think fit. To provide of welfare for employees.
- (20) Subject to the provisions of Section 293 and 293 A of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public, political or any other institutions, objects or purposes or the any exhibition, show or fair. To subscribe to charitable and other funds.
- (21) Before recommending any dividend to set aside out of the profits of the Company such sums as they may think proper for depreciation to a Depreciation Fund, General Reserve, Reserve fund, Sinking Fund or any special or other fund or funds, or accounts to meet contingencies, to repay redeemable Preference shares, debentures, or debenture stock, for special dividends, for equalising dividends, 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 sub-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 To create depreciation and other funds.

so much thereof as is required to be invested upon such investments (subject to the restrictions imposed by the Act) as the Directors may think fit; and from time to time to deal with and vary such investments and dispose of and apply and expended 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 interest of the Company, notwithstanding that the matters to which the Directors apply or upon which they expend the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended, and to divide the Reserve, 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, 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 pay or allow interest on the same, with power however to the Directors at their discretion to pay or allow to the credit of such fund interest at such rate as the Directors may think proper.

- (22) To appoint, and at their discretion, remove or suspend such managers, secretaries, executives consultants, advisers, officers assistants, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties, and fix their salaries, emoluments or remunerations, and to require security in such instances and to such amount as they may think fit.

To appoint employees.
- (23) From time to time and at any time to establish any Local Boards for managing any of the affairs of the Company in any speical locality in India or elsewhere and to appont any persons to be members of such Local Boards or any managers or agents and to fix their remuneration.

Local Boards
- (24) Subject to the provisions of Section 292 of the Act and Article 170 from time to time, and at any time delegate to any such Local Board or any member or members thereof or any managers of agents so appointed, any of the powers, authorities and discretions for the time being vested in the Board of Directors and to authorise 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 vacancies; and any such appointment or delegation under sub-clause (23) or this subconditions as the Board of Directors may think fit, and the Board of Directors may at any time remove any person so appointed and may annual or vary any such delegation.

Delegation
- (25) Act any time and from to time by power of Attorneys 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

Power of Attorney.

exercises only by the Board of Directors under the Act or these Articles) and for such period and subject to such conditions as the Board of Directors may from time to time think fit; and any such appointment may (if the Boards of Directors think fit) be made in favour of the members or any of the members of any Local Boards 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 fluctuating 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 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 subdelegate all or any of the powers, authorities and discretions for the time being vested in them.

26. Generally subject to the provisions of the Act and these Articles to delegate the powers, authorities and discretions vested in the Directors to any person, firm, Company or fluctuating body of persons as aforesaid. To delegate.
27. 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 to 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 relating to any of the matters aforesaid or otherwise for the purposes of the Company. May make contracts etc.

## REGISTERS, BOOKS AND DOCUMENTS

174. (1) The Company shall maintain Registers, Books and Documents as required by the Act or these Articles including the following namely :- Registers, Books and Documents
  - (a) Register of Investments not kept in Company's name according to Section 49 of the Act.
  - (b) Register of Mortgages Debentures and Charges according to Section 143 of the Act.
  - (c) Register of Members and an Index of Members according to Section 150 and 151 of the Act.
  - (d) Register and Index of Debenture Holders according to Section 152 of the Act.
  - (e) Register of Contracts, Companies and Firms in which Directors are interested according to Section 301 of the Act.
  - (f) Register of Directors and Managing Directors, according to Section 307 of the Act.

- (g) Register of Directors Shareholdings and Debenture holding according to Section 307 of the Act.
  - (h) Register of Investments in share or debentures of bodies corporate in the same group according to section 372 of the Act.
  - (i) Book of Account in accordance with the provisions of Section 209 of the Act.
  - (j) Copies of Instruments creating any charge requiring registration according to Section 136 of the Act.
- (1) Copies of Annual Returns prepared under Section 159 of the Act, together with the copies of Certificates required under Section 161 of the Act.
  - (2) The Said Registers, book and Documents shall be maintained in conformity with the applicable provisions of the Act and shall be kept open for inspection by such persons as may be entitled thereto respectively, under the Act, on such days and during such business hours as may, in that behalf be determined in accordance with the provisions of the Act or these Articles, and extracts therefrom shall be supplied to the persons entitled thereto in accordance with the provisions of the Act or these Articles.
  - (3) The Company may keep a Foreign Register of members in accordance with Section 157 and 158 of the Act, Subject to the provisions of Section 157 and 158 of the Act, the Directors may from time to time make such provisions as they may think fit in respect of the keeping of Branch Registers of Members and/or debenture holders.

### **MANAGING DIRECTOR**

- 175 Subject to the provisions of Section 197A, 198, 267, 289, 309, 310, 311, 316, and 317 and other applicable provisions of the Act and of these Articles, the Directors may from time to time appoint one or more of their body to be a Managing Director of the Company for such term not exceeding five years at a time and subject to such contract as they may think fit. Power to appoint Managing Director.
- 176 Subject to the provisions of the Act and of these Articles, the Managing Director shall not, while he continues to hold that office be subject to retirement by rotation under Article 141 but he shall subject to the provisions of any contract between him and the Company be subject to the same provisions as to resignation and removal as the other Directors of the Company and he shall ipso facto and immediately cease to be a Managing Directors if he ceases to hold the office of Director from any cause. What provisions he shall be subject to.
- 177. The remuneration of the Managing Director (subject to section 309 and other applicable provisions of the Act and of these Articles and of any contract between him and the Company) shall be in accordance with the terms of his contract with the company, or such as may be fixed from time to time by the Directors and may be by way of fixed salary or commission or participation in profits, or commission on turnover of the Company or partly in one way and partly in another as the Company or partly in one way and partly in another as the Directors may determine and may be made a term of his appointment that he be paid pension or gratuity or retirement from his office, and such remuneration shall be in addition to his remuneration as an ordinary Director. Remuneration of Managing Director.

178. Subject to the provisions of the Act and to the terms of any contract with him, the Directors may from time to time entrust to and confer upon a Managing Director for the time being, such of the powers exercisable under these presents by the Directors as they may think fit, any may confer such power from time to time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as they may think fit and exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and the Directors may from time to time revoke, withdraw, alter or vary all or any of such powers, Until otherwise determined by the Board a Managing Director shall exercise all such substantial powers of management as the Managing Director of a Company like this usually exercises. The Managing Director for the time being shall act subject to the control, supervision and directions of the Board of Directors.
- Powers and duties of Managing Director.
179. (1) The Directors may also from time to time appoint one or more of their body to be the Deputy Managing Director or Deputy Managing Directors of the Company, either for a fixed term or without any limitation as to the period for which he or they is or are to hold such office, on such terms as to remuneration and otherwise as they may from time to time think fit. Subject to the provisions of any Agreement entered into by the Company with any such Deputy managing Director or Deputy Managing Directors, the Directors may remove or dismiss him or them from office and revoke his or their appointment and appoint another or other in his or their place or places. A Deputy Managing Director shall ipso facto and immediately cease to be the Deputy Managing Director if he ceases to hold the office of Director from any cause.
- Board may appoint Deputy Director/ Directors.
- (2) The Board may from time to time appoint one or more of their number to be Whole-time Director(s) of the Company with such designation, for such period, at such remuneration, on such terms and with such functions and restrictions as the Directors think fit and may from time to time revoke, withdraw or vary all or any of such functions and remove him or them from office and appoint another in his or their place but, the appointment shall be subject to determination if he or they cease from any cause to be a Director or Directors of the Company.
- Whole-time Director(s).
- 180 The remuneration of a Deputy Managing Director or whole-time Director shall, subject to the provisions of any agreement between him and the Company, be fixed from time to time by the Directors, and may be by way of fixed salary or commission or participation in profits, or commission on turnover of the Company or partly in one way and partly in another as the Directors may determine and it may be a term of his appointment that he be paid a pension or gratuity on retirement from his office, and such remuneration shall be in addition to his remuneration as an ordinary Director.
- Remuneration of Deputy Managing or Whole-time Director.
- 181 The Directors may from time to time entrust to and confer upon a Deputy Managing Director or Whole-time Director these presents by the Directors as they may think fit, and may confer such powers from time to time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as they may think fit and expedient; and they may confer such powers, either collaterally with, or
- Powers and duties of Managing or Whole-time Director.

to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf; and the Directors may from time to time revoke, withdraw, alter or vary all or any of such powers, The Deputy Managing Directors or Whole-time Directors for the time being shall act subject to the control, supervision and directions of the Board of Directors.

182. The Directors may also from time to time appoint any person wheson wheson whether a Director of the Company or not, to be a Manager as to the period for which he is to hold such office, on such terms as to remuneration and otherwise as they may from time to time to remuneration and otherwise as they may from time to time think fit. Subject to the provisions of any Agreement entered into by the Company with any such Manager, the Directors may remove or dismiss him from office and revoke his appointment and appoint another in his place. A manager of the company shall not have the management of the whole or substantially the whole of the business and affairs of the Company, but shall be only Commercial Manager thereof and shall carry but, perform and exercise such duties, functions and powers as the Managing Director of the Company may from time to time allocate and permit him to do and he shall always act under the supervision, controls and/or the Duputy Managing Directors or the Whole-time Directors for the time being.

Board may  
appoint  
Manager.

183. The Directors may appoint a Secretary of the Company for such terms at such remuneration and upon such conditions as they may think fit; and any Secretary so appointed may be removed by thim. The Directors may appointed a temporary substitute for the Secretary, who shall for the purposes of these presents, be deemed to be the Secretary. The main function of the Secretary shall be respeonsibility for maintaining registers required to be kept under the Act, for making the necessary returns to the Registrar of Companies under the Act and for getting the necessary documents registered with the Registrar and for carrying out all other administrative and ministerial acts. duties and functions which a Secretary of a Company is normally supposed to carry out, such as giving the necessary notice to the members, preparing agendas of meetings, issuing notice to Directors, preparing minutes of meetings of members and of any Committee of Directors and maintaining minute books and other statutory documents and, he shall carry out and discharge such other functions and duties as the Directors or the Managing Director may from time to time require him to do.

Secretary

## THE SEAL

184. The Board shall provide a Common Seal for the purposes of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the tme being, and the Seal shall never be used except by or under the authority of the Board of a Committee of Directors.
185. Every deed or other instrument to which the Sealof the Company isrequired to be affixed, shall, unless the same is executed by a duly constituted attorney of the Company, be signed by the Managing Director or by two Director or by two Directors; Provided nevertheless that certificates of debentures may be signed by one Directors only or by the Secretary of the Company or by an attorney of the Company duly authorised in this behalf and certificates of shares shall be signed as provided in Article 16.

The Seal.  
its custody  
and use.

Deeds  
how  
executed.

- 189 Where capital is paid up in advance of call upon the footing that the same shall carry interest, such capital shall not whilst carrying interest confer a right to participate in profits.

Capatil paid  
up in adv-  
ance at  
interest not  
to earn  
dividends.

required to be affixed, shall, unless the same is executed by a duly constituted attorney of the Company, be signed by the Managing Director or by two Directors; Provided nevertheless that certificates of debentures may be signed by one Directors only or by the Secretary of the Company or by an attorney of the Company duly authorised in this behalf and certificates of shares shall be signed as provided in Article 16.

186. The Company may exercise the powers conferred by Section 50 of the Act and such powers shall accordingly be vested in the Board.

Seal  
abroad.

## INTEREST OUT OF CAPITAL

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

Payment of  
interest out  
of capital

## DIVIDEND

188. The profits of the company, subject to any special rights relating thereto created or authorised to be created by the Memorandum or these Articles and subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of capital called up on the shares held by them respectively. Provided always that (subject as aforesaid) any capital paid up on a share during the period in respect of which a dividend shall unless the board otherwise determine, only entitle the holder of such share to an apportioned amount of such dividend as from the date of payment.

Division  
of profit.

189. Where capital is paid up in advance of call upon the footing that the same shall carry interest, such capital shall not whilst carrying interest confer a right to participate in profits.

Capital paid  
up in advance  
at interest not  
to earn  
dividends.

190. 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.

Dividends in  
proportion  
to amount  
paid up.

191. (1) The Company in General Meeting may 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 a dividend has been so declared, the warrant in respect thereof shall be posted within forty-two days from the date of the declaration to the shareholder entitled to the payment of the same.

Company  
in General  
Meeting  
may  
declare a  
dividend

- (2) 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 profit of the year or any other undistributed profits of the Company, and the declaration of the Directors as to amount of the net profit of the Company shall be conclusive.

But not  
larger than  
recommended  
by  
Directors



192. Subject to the provisions of the Act, the Directors may from time to time pay to the members on account of the next forthcoming dividends such interim dividends as in their judgment the position of the Company justified. Interim Dividend
193. Subject to the provisions of the Act, the Directors may retain the dividends payable upon shares in respect of which any person is, under Article 51 hereof, entitled to transfer, until such person shall become a member in respect of such shares or shall duly transfer the same. Retention of dividends until completion of transfer under article 51.
194. 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 and Company's right of reimbursement thereout.
195. Unclaimed dividends shall be dealt with in the manner prescribed by Section 205 A, 205 B and other applicable provisions of the Act. Unclaimed Dividend.
196. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer. Transfer of shares must be registered.
197. Unless otherwise directed by any member, any dividend may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled, or in case of joint holders, to that one of them first named in the Register in respect of the joint holding. Every such cheque 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 person entitled thereto, by the forged endorsement of any cheque or warrant or the fraudulent recovery thereof by any other means. Dividends how remitted.
198. Any General Meeting declaring a dividend may make a call on the members for such amount as the meeting fixes, but so that the call on such 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 that the dividend may, if so arranged between the Company and the members, be set off against the calls. Dividends and Call together.
199. No dividend shall be payable except in cash; provided that nothing in this clause shall be deemed to prohibit the capitalisation of profits or reserves of the Company for the purpose of issuing fully paid-up Bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the Company. Nothing in this clause shall be deemed to affect in any manner the operation of Section 208 of the Act. Satisfaction of dividends.

### CAPITALISATION

200. (1) Any General meeting may upon the recommendation of the Board resolve that any amounts standing to the credit of the Share Premium Account or the capital Redemption Reserve Account or any monies, investments or other assets forming part of the undivided profits (including profits or surplus monies arising from realisation and (where permitted by law) from the appreciation in value of any capital assets of the Company) standing to the credit of the 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 capitalised. Capitalization.

- (a) By the issue distribution as fully paid up shares of the Company; or
- (b) 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 sum 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.

- (2) Such issue and distribution under sub-clause (1) (a) above and such payment to credit of unpaid share capital under sub-clause (1) (b) above shall be made to, among and in favour of the members or any class of them or any of them entitled thereto and in accordance with their respective rights and interests and in proportion to the amount of capital paid up on the share held by them respectively in respect of which such distribution under sub-clause (1) (a) or payment under sub-clause (1) (b) above shall be made on the footing that such members become entitled thereto as capital.
- (3) The Directors shall give effect to any such resolutions 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 as distributed under sub-clause (1) (a) above or (as the case may be) for the purpose of paying, in whole or in part, the amount remaining unpaid on the shares which may have been issued remainin unpaid on the shares which may have been issued and are not fully aid under subclause (1) (b) 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.
- (4) 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 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 made such arrangement for the acceptance, allotment and sale of such shares, and fractional certificates or otherwise as they may think fit.
- (5) 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**

201. (1) The Company shall keep at its Office, proper books of account with respect to
- (a) All sum of money received and expended by the Company andthe matters in respect of which the receipt and expenditure take place;
  - (b) All sales and purchases of goods by the Company;
  - (c) The assets and liabilities of the Company;

- (d) Such particulars relating to the utilisation of material of labour or other items of costs to the extent required by Section 209 of the Act.

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 the other place.

- (2) If the Company shall have a branch office, whether in or outside India, proper books of account relating to the transactions effected at that office shall be kept at that office, and proper summarised returns, made upto date at intervals of not more than three months, shall be sent by the branch office to the Company at its Registered office or other place in India, as the Board thinks fit, where the main books of the Company are kept.
202. (1) All the aforesaid books shall give a fair and true view of the affairs of the Company or of its branch office, as the case may be, with respect to the matters aforesaid, and explain its transactions. As to Books of Amount of the company or its Branch office.
- (2) The books of account shall be open to inspection by any Director during business hours.
- (3) The books of account of the Company relating to a period of not less than eight years immediately preceding the current year together with the vouchers relevant to any entry in such books of account shall be preserved in good order.
203. The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books and documents of the Company or any of them, shall be open to the inspection of the members, and no member (not being a Director) shall have any right of inspecting any account or books or document of the Company except as conferred by statute or authorised by the Directors or by a resolution of the Company in General Meeting. Inspection by members.
204. The Board of Directors shall lay before each Annual General Meeting a profit and Loss Account for the financial year of the Company and a Balance Sheet made up as at the end of the financial year which shall be a date which shall not precede the day of the meeting by more than six months or such extended period as shall have been granted by the Registrar under the provisions of the Act. Statment of account to be furnished to general meeting.
205. (1) Subject to the provisions of Section 211 of the Act, every Balance Sheet and Profit and Loss Account of the Company shall be in the Forms set out in Parts I and II respectively of Schedule VI of the Act, or as near thereto as circumstances admit. Balance sheet and Profit and Loss Account.
- (2) So long as the Company is a holding Company having a subsidiary, the Company shall conform to section 22 and other applicable provisions of the Act.
- (3) If in the opinion of the Board, and of the current assest of the Company have not a value on realisation in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion shall be stated.

206. (1) Every Balance Sheet and very Profit and Loss Account of the Company shall be signed on behalf of the Board of Directors by not less than two Directors of the Company one of whom shall be the Managing Director, if there be one. Authentic-  
ation of  
Balance-  
sheet and  
profit and  
loss  
Account.
- (2) The Balance sheet and the Profit and loss Account shall be approved by the Board of Directors before they are signed on behalf of the Board in accordance with the provisions of this Articles and before they are submitted to the Auditors for their report thereon.
207. The profit and loss Account shall be annexed to the Balance sheet, and the Auditors, Report including the Auditors' special or supplementary report, if any, shall attached thereof. Profit and  
loss Account  
to be ann-  
exed and  
auditors rep-  
ort to be  
attached to  
the Balance  
sheet.
208. (1) Every balance sheet laid before the Company in General meeting shall have at tached to if a Report by the board of Directors with re-  
spect to the state of the Company's affairs, the amounts, if any, which  
it proposes to carry to any Reserves in such Balance Sheet, the amount  
if any, which it recommends to be paid by way of dividend, and mate-  
rial changes and commitments, if any affecting the financial position of  
the company which have occured between the end of the financial  
year of the Company to which the Balance Sheet relates and the date  
of the Report. Board's  
Report to  
be attached  
to balance  
sheet.
- (2) The Report shall, so far as it is material for the appreciation of the  
state of the Company is affairs by its members and will not in the Board's  
opinion be harmful to the business of the Company or of any of its  
subsidiaries, deal with any charges which have accrued during the  
financial year in the nature of the Company's business, in the Company's  
Subsidiaries or in the nature of the business carried on by them and  
generally in the classes of business in which the Company has an  
interest.
- (3) The Board shall also give the fullest information and explanations in  
its Report or in cases falling under the proviso in Section 222 of the  
Act in an addendum to that Report, on every reservation, qualification  
or adverse remark contained in the Auditors's Report.
- (4) The Board's Report and addendum (if any) thereto shall be signed  
by its Chairman if he is authorised in that behalf of the Board; and  
where he is not so authorised in that behalf by the Board; and where  
he is not so authorised shall be signed by such number of Directors as  
are required to sign the Balance Sheet and the Profit and Loss Ac-  
count of the Company by virtue of sub-section (1) and (2) of Section  
215.
- (5) The Board shall have the right to charges any person not being a  
Director with the duty of seeing that the provisions of sub-clauses (1)  
to (3) of this Article are complied with.
209. The Company shall comply with the requirments of section 219 of the Act. Right of  
members  
to copies  
of balance  
sheet and  
auditors  
reports.

### ANNUAL RETURNS

210. Every Balance sheet and profit and loss account shall be audited by one or more auditors to be appointed as herein after mentioned. Annual  
Returns
211. (1) The company at the annual general meeting in each to year shall ap-  
point an auditor or auditors to hold office from the conclusion of that Account to  
be Audited

meeting until the conclusion of the next annual general meeting, and shall, within seven days of the appointment, give intimation thereof to every auditor so appointed unless he is a retiring auditor.

- (2) At any annual general meeting a retiring auditor by whatsoever authority appointed, shall be re-appointed unless
- (a) He is not qualified for re-appointment;
  - (b) He has given the Company notice in writing of his unwillingness to be re-appointed;
  - (c) A resolution has been passed at that meeting appointing somebody instead of him or providing expressly that he shall not be re-appointed; or
  - (d) Where notice has been given of an intended resolution to appoint some person or persons in the place of a retiring Auditor, and by reason of the person or of all those persons, are as the case may be the Resolution cannot be proceeds with.

Provided that before any re-appointment of an auditor is made by the company a written certificate shall be obtained by the company from the auditor proposed to be so appointed to the effect that the appointment or the re-appointment if made will be in accordance with the limits specified in section 224 (1-B) of the Act.

- (3) Where at an Annual General Meeting no Auditors are appointed or re-appointed the central government may appoint a person to fill the vacancy.
- (4) The Company shall, within seven days of the Central Government's power under sub-clause (3) becoming exercisable give notice of that fact to that Government.
- (5) The Directors may fill any casual vacancy in the office of Auditor, but while any such vacancy continues, the surviving or continuing Auditor or Auditors (if any) may act, but where such vacancy is caused by the registration of an Auditor, the vacancy shall only be filled by the Company in General Meeting.
- (6) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a Resolution for appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Section 190 of the Act, and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with Section 190 of the Act, and all the other provisions of Section 225 of the act shall apply in the matter. The provisions of this sub-clause shall also apply to a Resolution that a retiring Auditor shall not be re-appointed.
- (7) The person qualified for appointment as Auditors act as are not qualified for appointment as Auditors shall be appointed Auditors of the Company.
- (8) Non of the persons mentioned in Section 226 of the Act as are not qualifeid for appointment as Auditors shall be appointed Auditors of the Company.

Qualification  
dis-qualifi-  
cation of  
Auditors.

212. The Company shall comply with the provisions of Section 228 of the Act in relation to the audit of the accounts of branch offices of the Company, except to the extent to which any exemption may be granted by the Central Government in that behalf. Audit of Branch offices.
213. The remuneration of the Auditor shall be fixed by the Company in general Meeting, except that the remuneration of any Auditors appointed to fill any casual vacancy may be fixed by the Directors. Remuneration of Auditors.
214. (1) Every Auditor of the Company shall be a right of access at all times to the books and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanation as may be necessary for the performance of the duties of the Auditors. Rights and duties of Auditors.
- (2) All notice of, and other communications, relating to any Central Meeting of a Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditor of the Company; and the Auditor shall be entitled to attend any General Meeting and to be heard at any Central Meeting which he attends on any part of the business which concerns him as Auditor.
- (3) The Auditor shall make a Report to the member of the Company on the accounts examined by him, and on every Balance sheet and Profit and Loss Account and on every other document declared by the Act to be part of or annexed to the Balance sheet or Profit and loss Account, which are laid before the Company in General Meeting during his tenure of office, and the Report shall state whether, in his opinion and to the best of his information and according to the explanations given to him, the said accounts give the information required by the Act in the manner so required and give a true and fair view :-
- (i) In the case of the Balance Sheet, of the state of the Company's affairs as at the end of its financial year, and
- (ii) In the case of the Profit and Loss Account, of the profit and loss for its financial year.
- (4) The Auditors Report shall also state :
- (a) Whether he has obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit;
- (b) Whether, in his opinion, proper books of account as required by law have been kept by the Company so far as appears from his examination of those books and proper returns adequate for the purposes of his audit have been received from branches not visited by him.
- (c) Whether the report on the accounts of any branch office audited under Section 228 of the Act by a person other than the Company's Auditor has been forwarded to him as required by clause (c) subsection (3) of that Section and how he has dealt with the same in preparing the Auditor's report (d) Whether the Company's Balance Sheet and Profit and loss Account dealt with by the Report are in agreement with the books of account and returns.

- (5) Where any of the matters referred to in this Article is answered in the negative or with a qualification the Auditors Report shall state of reason for the answer.

215. Every account of the Company when audited and approved by a General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period the account shall forthwith be corrected, and thenceforth shall be conclusive.

Account when audited and approved to be conclusive except as to errors discovered within three month.

## DOCUMENTS AND SERVICE OF DOCUMENTS

216. (1) A document (which expression for this purpose shall be deemed to include and shall include any summons, notice, requisition, process, order, judgement or any other document in relation to or in the winding up of the Company) may be served or sent by the Company on or to any member either personally or by sending it by post to him at his registered address, or if he has no registered address in India to the address, if any, supplied by him to the

How documents is to be served on members.

- (a) Service thereof shall be deemed to be effected by properly addressing the document to the member at his registered address or to the address, if any, supplied by him to the

- (2) Where a document is sent by post :-

Sing pre-paying and posting a letter containing the notice provided that where a member has intimated to the Company in advance that document should be sent to him under a certificate of posting or by registered post with or without acknowledged due and has deposited with the Company a sum sufficient to defray the expenses of doing such service of the document shall not be deemed to be effected unless it is sent in the manner intimated by the member; and

- (b) such service shall be deemed to have been effected :

- (i) In the case of a notice of a meeting at the expiration of forty-eight hours after the letter containing the notice is posted, to any place in India and one hundred and twenty hours after such letter is posted by air-mail to any place outside India.
- (ii) In any other case, at the time at which the letter would be delivered in the ordinary course of post.

217. 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 neighbourhood of the office of the Company shall be deemed to be duly served on him on the day on which the advertisement appears.

Service on member having no registered address.

218. A document may be served by the Company to the persons entitled to a share in consequences of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the legal representatives of the deceased, or assignees of the insolvent or by any like description, at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled, or (until such an 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 had not occurred.

Service on Persons acquiring shares on death or insolvency of members.

- 219 Subject to the provisions of the Act, and these Articles, Notice of General Meeting shall be given;
- (i) To members of the Company as provided by Article 85 in any member authorised by Article 221 or 222 as the case may be or as authorised by the Act.
- (ii) To the persons entitled to a share in consequence of the death or insolvency of a member as provided by Article 223 or as authorised by the Act;
- (iii) To the Auditor or Auditros for the time being of the Company in any manner authorised by Article 221 or the Act in the case of any member or members of the Company.
- 220 Subject to the provisions of the Act. any documnt required to be served or sent by the Company on or to the members or any of them and not expressly provided for any 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 neighbourhood of the Company.
- 221 Every person who, by operation of law, transfer or other means what ever, shall become entitled to any share, shall be bound by every document in respect of such share which, previously to his name and address being entered on the Register, shall have been duly served on or sent to the person from whom he derives his title to such share.
- 222 All notices to be given on the part of shareholders shall be left at or sent by registered post to the office of the Company.
- 223 Any notice to be given by the Company shall be signed by the managing Director, Deputy Managing Director or by a Director or Secretary, or by such Office as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.

Persons  
entitled to  
Notice of  
General  
Meeting

Advertise-  
ment.

Members  
bound by  
document  
given to  
previous  
holders

Service of  
Notice by  
Share  
holders.

How notice  
to be  
signed.

### AUTHENTICATION OF DOCUMENTS

- 224 Save as otherwise expressly provided in the Act or these Articles a document or proceeding requiring authentication by the company be signed by Director or Secretary or an authorised Officer of the Company, and need not be under its seal.

Authentic-  
ation of  
documents  
and  
proceedings.

### WINDING UP

225. It the Company shall be would up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital such assets shall be distributed so, that, as nearly as may 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, the assets 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 amongst the members in proporation to the capital, at the commencement of the winding up paid up or which ought to have been paid up on the shares held by them respectively. But this clause is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.
226. (1) If the Company shall be would up, the Liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide amongst the members, in spice or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

Distribution  
of assets.

Distribution  
in specie.



- (2) For the purpose aforesaid, the Liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (3) The Liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributors as the Liquidator, with the like sanction shall think fit, but so that no member whereon there is any liability.

### **SECRETARY CLAUSE**

- 227 No member shall be entitled to visit or inspect the Company's work without the permission of the Board 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 Boards or the Managing Director it will be inexpedient in the interest of the members of the Company to communicate to the public.

Secrecy clause.

### **INDEMNITY AND RESPONSIBILITY**

- 228 (a) Subject to the provisions of Section 201 of the Act, every Director, Managing Director, Deputy Managing Director, whole-time Director, Manager, Secretary and other Officer or employee of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay, all costs, losses and expenses (including travelling expenses) which any such Director, managing Director, deputy managing Director, Whole-time Director, Manager or Officer or employees may incur or become liable to by reason of any contract entered into or act or deed done by him as such Director, Managing Director, Deputy Managing Director, whole-time Director, Manager, Secretary, Officer or employee or in any way in the discharge of his duties.
- (b) Subject as aforesaid, every Director, Managing Director, Deputy managing Directors, whole-time Director, Manager Secretary or other officer or employee of the Company shall be indemnified against any liability incurred by them or him in defending any proceedings whether civil or criminal, in which judgment is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is given to him by the Court.
- 229 Subject to the provisions of Section 201 of the Act, no Director or other Officer of the Company shall be liable for the acts, receipts, neglects or defaults or any other Director or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious 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 judgement or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through wilful misconduct or neglect or dishonesty.

Director's and others right of indemnity

When Directors, and others right of indemnity lost.

We, the several persons whose names, address, description are hereinto subscribed, are desirous of being formed into a company in accordance with and 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 to our respective names.

Name, Address Occupations and Description of Subscribers	No. of equity shares taken by each Subscriber	Signature of the Subscribers.	Signature of witness with address description and Occupations
<b>SHANTILAL DAVE</b> S/o. Bhikhalal Dave C/o. S. Deepakkumar & Co., Shop No. 82, 4th lane, Gandial Galli, Managaldas Market, Bombay - 400 002.  Business.	100	Sd/-	Sd/- <b>SUNDERJI GOSAR</b> S/o. Morarji Gosar Chartered Accountant 6, Kusum Kunj, 371, Linking Road, Khar (West) Bombay - 400 052.
<b>DEVSHANKAR DAVE</b> S/o Amrutlal Dave "Shivkrupa", Pritam Society, Plot No. 1, Bharuch - 392 002.  Business.	100	Sd/-	
<b>YASHWANT OZA</b> S/o. Chhagalal Oza "YAHARSH", Chikuwadi, Ankleshwar - 393 001. Dist. Bharuch (Guj.)  Business.	100	100 Sd/-	

Name, Address Occupations and Description of Subscribers	No. of equity shares taken by each Subscriber	Signature of the Subscribers.	Signature of witness with address descriptoin and Occupations
<b>PANKAJ C. DAVE</b> S/o. Chhaganlal Dave C/o. S. Mukeshkumar & Bros. Shop No. 3/20, 389/391. Shaikh Memon Street. Bombay - 400 002.  Business.	100	Sd/-	Sd/- <b>SUNDERJI GOSAR</b> S/o. Morarji Gosar Chartered Accountant 6, Kusum Kunj, 371, Linking Road, Khar (West) Bombay - 400 052.
<b>NARENDRA J. SHAH</b> S/o. Javerilal Shah C/o. Hind Rajasthan Bldg. Dadar (C. Rly.) Bombay - 400 014.  Chartered Accountant.	100	Sd/-	
<b>SURYAKANT U. MOTA</b> S/o. Umershi Mota, C/o. Hind Rajasthan Bldg. Dadar (C. Rly.) Bombay - 400 014.  Business.	100	Sd/-	
<b>MOHANLAL J. TRIVEDI</b> S/o. Jayshankar Tridevi, C/o. S. Deepakkumar & Co. Shop No. 82, 4th Lane, Ghadial Galli, Mangaldas Market, Bombay - 400 014.  Business.	100	Sd/-	
<b>TOTAL</b>	<b>700</b>		