



Form I. R.

CERTIFICATE OF INCORPORATION

No. 2252 of 1972-74

I hereby certify that GUJARAT SPICES INDUSTRIES
PRIVATE LIMITED

is this day Incorporated under the Companies Act, 1956 (No. 1 of 1956)
and that the Company is Limited.

Given under my hand at A H M E D A B A D
this THIRD day of APRIL
One thousand nine hundred and SEVENTY-THREE.

Narender
Kumar Bhola

Digitally signed by Narender Kumar Bhola
DN: cn=Narender Kumar Bhola, o=MGPTC,
ou=Registrar of Companies, Gujarat,
c=IN



3/4/73
(J. C. Getha)
Registrar of Companies.
Gujarat.

J. S. C.I.

MGPTC-520-19 Gen. Admn.-GIPTC-(C-363)-14-9 65-6,000.

X GUJARAT SPICES INDUSTRIES Private Limited only
PUT LTD to 119774

Asstt. SUPERINTENDENT OF COMPANIES

MEMORANDUM OF ASSOCIATION

Rs. 750/-

Memo of Assn

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The name changed from
MADHUR FOOD PRODUCTS
LTD to MADHUR INDUSTRIES

Gujarat Spices Industries Private Limited.

LTD vide S/R passed on 16-11-2000
vis u of the Act

The name of the company is GUJARAT SPICES INDUSTRIES PRIVATE LIMITED.

The Registered Office of the Company will be situated in the State of Gujarat 19-1-2001

The objects for which the Company is established are :-

(A) The main objects of the Company to be pursued by the Company on its incorporation are :-

(i) To carry on the business of manufacturing and processing kirana items, spices dry fruits etc. and dealing in other commodities of general consumption either as a wholeseller, retailer or Commission Agents.

(ii) To carry on the business of agency distributorship and manufacturer's representative on the items and articles stated in clause one (1).

(iii) To carry on the business of exporters and importers of merchandise, equipments, articles manufactured or otherwise and produce, deal in or manufacture to or from any country or transport or carry or convey the same from one part of the country to another part thereof.

(iv) To carry on the business of grinding corn and other produce and milling and manufacturing business in the preparation of grain, cereals, products and by-products therefrom.

(B) Objects incidental or ancillary to the attainment of the main objects are :-

(v) To erect acquire or take on lease or hire, work, let and sell, factories, shops, 3-4-73 suitable for manufacturing and processing spices, foodstuff, and dealing for the same.

(vi) To establish, purchase or otherwise acquire, run, conduct and operate cold storage, warehouses, dry storage warehouse for the preservation, storage and treatment of merchandise, food products, farm products and all other articles.

(vii) To build, establish, own, operate, run and manage, market container factory for the purpose of packing preserving and canning vegetable and other edible products including products and by-products manufactured and dealt in by the Company whether in glass, tin, or other sanitary packages for human consumption and to deal in all kinds of machinery, appliances and materials for achieving the said objects and to import, export or otherwise deal with the same in any manner whatsoever.

(viii) To acquire and undertake all or any part of the business, property, plant, and liabilities of any person, firm or company possessed of property suitable for any of the purposes of this company or carrying on any business which this company is authorised to carry on and to pay for any business property or rights purchased or acquired in cash, shares, debentures, debenture-stock or otherwise as may be deemed expedient.

(ix) To promote any Company or Companies for the purpose of acquiring all or any of the property, rights and liabilities of this company or for any other purpose which may seem directly or indirectly calculated to benefit this Company.

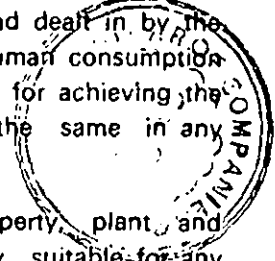
(x) To carry on business as suppliers and contractors to the Government whether Central or State or that of a Union Territory of India, in all their civil, Military, Navy Air or other Departments, Improvement Trusts, Corporations, Municipalities.

A copy of Certificate of Incorporation is attached herewith.

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REGISTRAR OF COMPANIES
GUJARAT
INWARD No...
Primary Receipt No...
1123

Company No... 2252
Date of Destruction...



Notified Areas, Cantonments, Railways, Electric, Telephone and Water Companies and other public and private corporations, bodies, firms and persons.

- (xi) To carry on and work the business of cultivators agriculturists, mechanised or simple farmers growers, refiners, extractors, planters, harvesters and dealers.
 - (xii) To buy, sell, refine, prepare export and deal in provisions of all kinds, both wholesale and retail and whether solid or liquid.
 - (xiii) To deal in purchase and sell of all products or by-products of foodstuff and foodgrains generally and in connection therewith to promote, acquire construct and operate factories, building, mills, refineries.
 - (xiv) To establish, manage and run oil mills, rice mills, flour mills.
 - (xv) To make advances of such sum or sums of moneys upon or in respect of or for the purposes of raw materials, goods, machinery, stores or any other property articles and things required for the purposes of the company upon such terms with or without security as the company may deem expedient.
 - (xvi) To amalgamate with any other company.
 - (xvii) To indemnify members, officers, directors, agents and servants of the company against proceedings, costs, damages, claims and demands in respect of any thing done or ordered to be done by them for and in interests of the company or any loss, damage or misfortune whatever which shall happen in the execution of the duties of their office or in relation thereof.
 - (xviii) To accumulate capital from the profits of the company for any of the purposes of the company, and to use and appropriate the same or any of the company's assets either conditionally or unconditionally to specific purposes, to accumulate funds and to admit any person or persons who have moral or legal claim to participate in the profits and assets of the company.
- (C) Other objects :
- (xix) To carry on the business of hotel, caterers, refreshment rooms and to let upon lease or otherwise the whole or any part of the property of the company for any of the above mentioned purposes or otherwise.
 - (xx) To lend, invest or otherwise employ or deal with moneys belonging to or entrusted to the company upon securities and shares or other movable or immovable property or without security upon such terms and such manner as may be thought proper.
 - (xxi) To raise or borrow moneys, by the issue of shares debentures, bonds, obligation, deposit notes and otherwise howsoever and to utilise the money so raised for the purpose of company's business.
 - (xxii) To adopt means of making known the products of the Company or the items dealt with by the Company as may seem expedient and in particular by advertising in press, by circulars, by purchase and exhibition of works of interest, by publication of brochures, booklets and periodicals and by granting prizes, rewards and donations.
 - (xxiii) To draw, make endorse, discount, execute, issue, negotiate, assign and otherwise deal with cheques, drafts, bills of exchange, promissory notes, hundies, debentures, bonds, bills of lading, railway receipts, warrants and all other negotiable or transferable instruments. The Company will not however carry on Banking business as defined under Banking Companies Act.
 - (xxiv) To take or otherwise acquire or hold shares in any other company having objects altogether or in parts similar to those of this company or carrying on any business capable of being conducted or so as to benefit this company.

- (xxv) To carry on the business of cultivating, producting, manufacturing, processing, purchasing, selling and to export import distribute or otherwise dispose of or deal in all varieties and kinds of farm, dairy forest and agricultural produce and to buy, sell and prepare for market, manipulate import, export and deal in all kinds and varieties of agricultural produce and farm products and to buy, clear, plant and work spices and agricultural produce and to carry on any other trade or businsss whatsoever which can be advantageously or conveniently carried on by the company by way of extension of or in connection with any such business as aforesaid, or is calculated directly or indirectly to develop any branch of the business of the company or to increase the value or turn to account any of company or to increase the value or turn to account any of company's assets, properties or rights.
- (xxvi) To carry on and/or to manage on behalf of constituents activities in the nature of agriculture, dairy farming, cattle breeding and other allied activities.
- (xxvii) To carry on business as exporters and importers and dealers of any goods commodity or article or things whatever and to buy and sell any goods or commodity or article or thing whether for ready or forward delivery.
- (xxviii) To carry on the trade or business of seed crushers, and manufacturers of linseed, cotton, groundnuts and other seeds, oil cakes, oil extractors and oil manufacturers, oil refiners, manufacturers of mannures of all kinds.
- (xxix) To carry on any other business which may seem to the company capable of being carried on in connection with above objects mentioned in this Memorandum or any of them or calculated directly or indirectly to enhance the value of or render profitable any of the company's property or rights.
- (xxx) To do all such other acts, deeds, matters and things as are incidental or conducive to the attainment of the above objects or any of them.
- (D) There are no other objects.

IV. The liability of Members is Limited.

- V. The share capital of the company is Rs. 1,00,000/- (Rupees One Lac) only divided into 1000 (one thousand) shares of Rs 100/- (Rupees one hundred) each with the rights, privileges and conditions attaching thereto as are provided by the Articles of Association of the Company, for the time being with power to increase and reduce the capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions, in such manner as may be permitted by the Companies Act, 1956 or provided by the Articles of Association of the Company for the time being.

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

Name of Subscriber :	Address, description and occupation of subscribers :	No. of Equity shares taken by each subscriber :	Signature :	WITNESS
Babubhai ^{S/o} Manilal Gandhi	1039 Totadaji Pale Rajmaheta Pale Kalupur, Ahmedabad Business	50 (fifty)	B. Manilal	Witness Dinesh H. Mehta Chartered Accountant Son of Shri. Manilal Gandhi 124-135, Shanti-Saundhya Estate Opp. 100 ft. Building, 4th Fl.
Rameen ^{S/o} Handal Parikh	'Sakun', opp. Sarda Patel Stadium, Narayanpura, Ahmedabad. G. Business.	50 (fifty)	R. V. Parikh	

Dated this, 27th day of March, 1973

THE COMPANIES ACT, 1956
(COMPANY LIMITED BY SHARES)

ARTICLES OF ASSOCIATION
OF
MADHUR INDUSTRIES LIMITED

Table "A" not to apply

- 1 The regulations contained in Table "A" in the first schedule to the Companies Act, 1956, shall not apply to the Company, but the regulations for the management of the Company and for the observance of the Members thereof and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the repeal or alternations of, or addition to, its regulations by Special Resolution, as prescribed by the said Companies Act, 1956, be such as are contained in these Articles.

Interpretation

- 2 In the interpretation of these Articles, unless repugnant to the subject or context
- (i) "The Company" or "this Company" means MADHUR INDUSTRIES LIMITED
 - (ii) "The Act" means "The Companies Act, 1956" as amended from time to time or any statutory modification or re-enactment thereof for the time being in force.
 - (iii) "Auditors" means and includes those persons appointed as such for the time being by the Company.
 - (iv) "Board" means a meeting of the Directors duly called and constituted, or as the case may be, the Directors assembled at a Board or acting by circular under these Articles or the Directors of the Company collectively.
 - (v) "Capital" means the capital for the time being raised or authorised to be raised, for the purpose of the Company
 - (vi) "Dividend" includes Bonus.
 - (vii) "In writing" or "written" includes words printed, lithographed, typewritten, represented or reproduced in any mode in visible form.
 - (viii) "Members" means members of the Company holding a share or shares of any class and includes the beneficial owner in the record of the Depository.
 - (ix) "Month" means Calendar month
 - (x) "Office" means the Registered Office for the time being of the Company.
 - (xi) "Proxy" means an instrument whereby any person is authorised to vote for a Member at a General Meeting on a poll.
 - (xii) "The Register" means the Register of Members to be kept as required by section 150 of the Act and where shares are held in dematerialised form "The Register" includes the Register of Beneficial owners maintained by a Depository.

- ✓ (xiii) "Seal" means the Common Seal for the time being of the Company.
- (xiv) "Special Resolution" and "Ordinary Resolution" have the meanings assigned thereto respectively by Section 189 of the Act.
- (xv) "These presents" means these Articles of Association as originally framed or as altered from time to time and includes the Memorandum where the context so requires.
- (xvi) Words importing the masculine gender also include the feminine gender.
- (xvii) Subject as aforesaid any words or expression defined in the Act shall except where the subject or context forbids bear the same meaning in these Articles.
- (xviii) The headings hereto shall not affect the construction
- (xix) "Beneficial owner" shall mean beneficial owner as defined in clause a of sub section 2 of the Depositories Act, 1996.
- (xx) "Depositories Act, 1996" shall include any statutory modification or re-enactment thereof.
- (xxi) "Depository" shall mean a Depository as defined in clause (e) of sub-section (1) of section 2 of the Depository Act, 1996.
- (xxii) "SEBI" means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992.
- (xxiii) "SECURITY" means such security as may be specified by SEBI from time to time
- (xxiv) "Bye-Laws" means by-Laws made by the Depositories under Section 26 of the Depositories Act, 1996.
- (xxv) "Records" includes the records maintained in the forms of books or stored in Computer or in a electronic media, Magnetic discs, tapes, floppies, microfilms or any other media in such form as may be determined by regulations made by SEBI.

Copies of Memorandum and Articles of Association to be given to members

3. Copies of Memorandum and Articles of Association of the Company and other documents referred to in Section 39 of the Act shall be furnished by the company to every member at request, within seven days of the request, on payment of the sum of Rupee One for each copy or such other amount as may be prescribed by the Act.

SHARE CAPITAL

4. The authorised Share Capital of the Company is Rs. 5,00,00,000/- (Rupees Five Crores. Only) divided in to 50,00,000 (Fifty Lacs.) Equity Shares of Rs. 10/- (Rupees Ten Only) each capable of being increased or decreased in accordance with the Company's Regulations and legislative provisions for the time being in that behalf.

Power to increase Capital

5. (a) The Company in general meeting may, from time to time increase the capital by the creation of new shares, such increase to be of such aggregate amount and of such classes and to be divided into shares of such respective amounts as the resolution shall prescribe.
- (b) Subject to the provisions of the Act, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the Company in general meeting shall prescribe, and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company, and with a right of voting at general meeting of the Company in conformity with Sections 87 and 88 of the Act. Whenever

the capital of the Company is increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.

New Capital same as existing Capital.

6. Except so far as otherwise provided by the conditions of issue or by these Articles, 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.

Power to issue Redeemable Preference Shares

7. Subject to the provisions of Sections 80 and 80A of the Act any such new shares may be issued as preference shares which are or at the option of the Company are liable to be redeemed, and the resolution authorising such issue shall prescribe the manner, terms and conditions of the redemption subject however to the following conditions
- (a) no such shares shall be redeemed except out of profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of redemption;
 - (b) no such shares shall be redeemed unless they are fully paid up;
 - (c) the premium, if any, payable on redemption shall have been provided for out of the profits of the Company or the Company's share premium account before the shares are redeemed;
 - (d) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account" a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the Share Capital of the Company shall except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company;
 - (e) subject to the provisions of Section 80 and 80A of the Act, the redemption of preferential share hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf in such manner as the Directors determine;
 - (f) whenever the Company shall redeem any redeemable preference shares, the Company shall, within one month thereafter, give notice thereof to the Registrar of Companies as required by Section 95 of the Act.

Reduction of Capital

8. Subject to the provision of Sections 78, 80, 80A and 100 to 105 of the Act, the Company may from time to time, by special resolution, reduce its capital in any manner for the time being authorised by law, and in particular, hold up again or otherwise. This Article is not to derogate from any power of the Company would have if it were omitted

Sub-division or consolidation of capital

9. Subject to the provisions of Section 94 of the Act the Company in General Meeting may from time to time :
- (i) consolidate and divide all or any of its Share Capital of larger amount than its existing shares;
 - (ii) convert all or any of its fully paid-up shares into stock and reconvert that stock into fully paid-up shares of any denomination;
 - (iii) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any unpaid on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived;

4. (iv) cancel shares which at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the shares so cancelled.

MODIFICATION OF CLASS RIGHTS

Modification of class rights

10. If at any time the share capital by reason of the issue of preference share or otherwise, is divided into different classes of shares all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, and whether or not the Company is being wound up, be varied, modified, abrogated or dealt with the consent in writing of the holders of not less than three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting.
11. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

SHARES

Shares to be numbered progressively and no shares to be subdivided

12. The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned, no share shall be subdivided.

Provided the shares are not held in an electronic and fungible form under the provisions of the Depositories Act, 1996.

Further issue of capital

13. (a) Where at any time it is proposed to increase the subscribed capital of the company by the issue of further new shares, then subject to the provisions of Section 81 of the Act, such further new shares shall be offered to the persons who at the date of the offer are the holder of the equity shares in the Company in proportion, as nearly as circumstance admit to the capital paid up on those shares at that date, and such offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 30 days from the date of the offer within which the offer, if not accepted will be deemed to have been declined. The offer aforesaid shall include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person acceptable to the Board of Directors. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such offer is given that he declines to accept the shares offered the Board of Directors may dispose them off in such manner as they think most beneficial to the company.
- (b) Notwithstanding anything contained in clause (a) hereinabove further new shares aforesaid may be offered to any persons, (whether or not these persons include the persons who, at the date of the offer are holders of the equity shares of the company) in any manner whatsoever:
- (i) If a special resolution to that effect is passed by the company in general meeting; or
 - (ii) Where no such special resolution is passed, if the vote cast (whether on a show of hands or on poll, as the case may be) in favour of the proposal contained in the resolution moved at the general meeting sanctioning the issue of such shares (including the casting of vote, if any, of the chairman) by members who were proxies are allowed by proxy, exceed the votes, if any, cast against the proposal by the members so entitled and voting and the central government is satisfied, on an application made by the Board of Directors in that behalf that the proposal is most beneficial to the company.
 - (iii) Notwithstanding anything contained in clause (a) above, but subject, however to the provisions of Section 81(3) of the Act, the Company may increase its subscribed capital

on exercise of an option attached to the debenture issued or loan raised by the company to convert such debentures or loans into shares, or to subscribe for shares in the company.

- (c) Where any instrument of transfer of shares has been delivered to the company for registration and transfer of such shares has not been registered, the company not withstanding anything contained in any other provision of the Act and these Articles, shall comply with the provisions of Section 206A of the Act by keeping in abeyance in relation to such shares :

- (i) any offer of right shares under clause (a) of sub-section (1) of Section 81 of the Act and Article 13(a) and (b) and
- (ii) any issue of fully paid up bonus shares in pursuance sub-section (3) of Section 205 by capitalisation or profits and reserve of the company under Articles 174 and 175.

Shares under the control of Directors

14. (a) Subject to the provisions of the Act and these Articles, the shares (including any shares forming part of any increased capital of the company) shall be under the control of the Directors, who may issue, allot or otherwise dispose of the same or any of them to such proportion and on such terms and conditions and at such times as the Board of Directors think fit and subject to the sanction of the company in general meeting with full power, to give any person the option or right to call for or be allotted shares of any class of the company either at the premium or at part or at a discount (subject to the provisions of the Sections 78 and 79 of the act in either case) and such option being exercisable for such time and for such consideration as the directors think fit

Power to issue shares in general meetings at premium or at discount

- (b) In addition to and without derogation from the powers conferred on the board under Articles 13(a) and (b) and 14(a) above the company in general meeting may determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or not) in such proportion and on such terms and conditions and (subject to compliance with the provisions of Sections of 78 and 79 of the Act) either at a premium or at a par or at a discount, as such general meeting shall determine and with full power to give any person (whether a member or not) the option to call for or be allotted shares of any class of the company either at a premium or at a par or at a discount (subject to compliance with the provisions of Sections 78 and 79 of the Act, in either case) such option being exercisable at such time and for such consideration as may be directed by such general meeting; or the company in general meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares

Acceptance of shares

- 15 Any application signed by the 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 the Act and these Articles, be a member of the company.

Deposit and calls etc. to be debt payable immediately

16. The money (if any) which the board of Directors shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the inscription of the name of the allottee in the register as the holder of such shares, become a debt due to and recoverable by the company from the allottee thereof, and shall be paid by him accordingly.

Liability of the members

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

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SHARE CERTIFICATE

Certificate of shares

18. (a) A Certificate under common seal of the company specifying any shares held by any member shall be prima facie evidence of the title of the member to such shares.
- (b) 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 other persons appointed by the Board for the purpose; provided that if the composition of the Board permits of, at least one of the aforesaid two Directors shall be a person other than a Managing Director or Wholetime Director. 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 executed and issued in accordance with such other provisions of the Act or the Rules made thereunder as may be in force for the time being and from time to time.

Members' right to certificate

19. (a) Every member of allottee of shares shall be entitled without payment to one certificate for all the shares registered in his name. Every certificate of shares shall specify the denoting numbers of the shares in respect of which it is issued and the amount paid up thereon. For every further certificate the Board of Directors shall be entitled but shall not be bound to prescribe a charge not exceeding one rupee.
- (b) The Company shall comply with the provisions of Section 113 of the Act regarding limitation of time for issue of certificates
- (c) Notwithstanding anything contained in the Articles of Association, the Company shall be entitled to dematerialise its shares, debentures and other securities pursuant to Depositories Act, 1996, and to offer its shares, debentures and other securities for subscription in dematerialised form. The Company shall further be entitled to maintain a Register of Members with the details of Members holding shares both in material and dematerialised form in any media as permitted by law including any form of electronic media.

Fractional Certificate

20. The company may issue such fractional certificates as the Board of Directors may approve in respect of any of the shares of the Company on such terms as the Board of Directors think fit as to the period within which the fractional certificates are to be converted into share certificates.

Renewal of Certificate

21. If any certificate be old, decrept, worn-out, defaced, torn or be otherwise mutilated or rendered useless for any reason whatsoever or there is no further space on the back thereof for endorsements or transfer, then upon production thereof to the Board of Directors, they may order the same to be cancelled and issue of new certificate in lieu thereof; and if any certificate be lost or destroyed, then upon proof thereof to the satisfaction of the Board of Directors and on such indemnity as the Board of Directors deem adequate being given upon such advertisement being published and on such other terms and conditions as the Board of Directors may require, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Such sum not exceeding rupee one as the Board of Directors may from time to time prescribe shall be paid to the company for every certificate issued under this clause. Provided that no fee shall be charged for issue of the new certificate on subdivision or consolidation of share certificate into lots of market units of trading or in replacement of those which are old, decrepit or worn-out or where the case on the reverse for recording transfers have been fully utilised.

The first name of joint-holders deemed sole holder

22. If any share stands in the name of two or more persons, the person first named in the register shall as regards receipt of dividends or cash bonus, or service of notice or any other matter connected

with the company except voting at meeting and the transfer of the shares be deemed the sole holder thereof but the joint holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such shares and for all incidents thereof according to the company's regulations.

Certificate to be delivered to first named of joint holders

23. The certificate of shares registered in the name of two or more persons shall be delivered to the person first named in the register

Declaration by person not holding beneficial interest

24. Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holders of any shares and whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not (except as ordered by the court of competent jurisdiction or as may by law required) be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such shares on the part of any other person whether or not it shall have express or implied notice thereof.

Notice of change of name or on marriage of the member

25. No member who shall change his name or who, being a female shall marry, shall be entitled to recover any dividend or to vote in the name other than the one registered with the company, until notice of the change of name or of marriage, respectively, is given to the company in order that the same be registered after production of satisfactory evidence

Funds of the Company shall not be applied in purchase of or lending on the shares of the company

26. Save as otherwise provided by Section 77 of the Act, the funds of the company shall not be applied in the purchase of or in lending on security of, any share of the company.

- (a) The Company shall be entitled to dematerialise its existing shares, debentures and other securities, rematerialise its shares, debentures and other securities held in the Depositories and/or offer its fresh shares, debentures and other securities, in a dematerialised form pursuant to the Depository Act, 1996 and the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
- (b) Every persons subscribing to securities offered by the company shall have the option to receive securities certificates or to holds the securities with a Depository. Such a person who is the beneficial owner of the Securities can at any time opt out of the Depository, if permitted by the law, in respect of any security in the manner provided by the Depository Act, 1996, and the Company shall, in the manner and within the time prescribed issue to the beneficial owner the required certificates of Securities.

If a person opt to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security and on receipt of information, the depository shall enter in its records the name of allottee as the beneficial owner of the security.

- (c) All securities held by a Depository shall be dematerialised and be in fungible form-Nothing contained in section 153, 153A, 153B, 187B, 187 C AND 372 A of the Companies Act, 1956 shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.
- (d) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

Save as otherwise provided above, the Depository as a registered owner of the securities shall not have any voting rights or any other rights in respect of securities held by it

8 The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by the Depository.

- (e) Notwithstanding anything in the act or these Articles to the contrary, where securities are held in a Depository the records of the beneficial ownership may be served by such Depository on the Company by means of a electronic mode or by delivery of floppies or disc.

UNDERWRITING AND BROKERAGE

Commission may be paid

27. (a) Subject to the provisions of Section 76 of the Act the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any share or debenture in the Company, or procuring, or agreeing to procure subscription (whether absolutely no conditionality) for any shares or debentures in the company, such commission shall not exceed 5% on the nominal value of the share or 2.5% on the nominal value of the debenture in each case subscribed or to be subscribed.

Brokerage

- (b) The Company may also, on any issue of shares of debentures pay such brokerage as may be lawful.

INTEREST OUT OF CAPITAL

Interest out of Capital

28. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or building or the provision of any plant, which cannot be made profitable for any lengthy period the company :
- (a) 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 condition and restriction provided by section 208 of the Act; and
- (b) may charge the same to the capital as part of the cost of construction of the work or building or the provision of the plant.

CALLS

Calls

29. The Board of Directors may, from time to time by a resolution passed at a meeting of the Board (and not be circular resolution) make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and each member shall pay the amount of every call so made on him to the person and at the time and place appointed by the Board. A call may be made payable by installments.

Notice of the calls

30. Not less than thirty day's notice of any call shall be given by the company specifying the time and place of payment, and the persons to whom such calls shall be paid; Provided that before the time for payment of such call the Board of Directors may by notice in writing to the members revoke the same or extend the time for payment thereof.

Amount payable at fixed time or new issue payable at calls

31. If by the terms of issue of any shares or otherwise any amount is made payable at any fixed time or installment at fixed time (whether on account of the amount of the share capital or by way of premium) every such amount of installment shall be payable as if it were a call duly made by the Board of Directors and of which due notice had been given, and all the provisions herein contained in respect of calls shall relate and apply to such amount or premium or installments accordingly.

Calls to date from resolution

32. Call shall be deemed to have been made at the time when the resolution authorising such calls, was passed at a meeting of the Board of Directors.

When interest on call, or installments payable

33. If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof, the holder for the time being of the shares in respect of which the call shall have been made or the installments shall be due, shall pay interest for the same at the rate of 12% per annum from the date appointed for the payment thereof to the time of the actual payment, or at such other rate as the Board of Directors may from time to time determine. The Board of Directors may however in their absolute discretion forego payment of any interest where in their opinion the circumstances so justify.

Proof on trial of suit for money due on shares

34. On the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the company in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money sought to be recovered appears on the Register of Members of the Company as their holders, at or subsequently to the date at which the money sought to be recovered is alleged to have become due, 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 to the member or his representative in pursuance of these presents, and it shall not be necessary to prove the appointment of the Directors who made such calls nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt

Partial payment not to preclude forfeiture

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

Payment in anticipation of calls may carry interest

36. The Board of Directors may, if it thinks fit, agree to and receive from any member willing to advance the same, all or any part of the amount due upon the share held by him beyond the sums actually called for and upon the amount so paid in advance or upon so much thereof as from time to time exceeds the amount of the call then made upon the shares in respect of which such advance has been made, the Company may pay or allow interest at such rate as the member paying such sum in advance and the Board of Directors agree upon. The Board of Directors may at their absolute discretion repay at any time any amount so advanced or may at any time re-pay the same upon giving to the member notice in writing of not less than three months. Provided that moneys paid in advance of calls for any shares may carry interest but shall not confer a right to dividend or to participate in profits.

FORFEITURE AND LIEN

If money payable on share not paid notice to be given to the member

37. If any member fails to pay any call or installments of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board of Directors may, at any time thereafter while the call or installments remain unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued by the Company by reason of such non-payment

Terms of the Notice

38. The notice shall name the day (not being earlier than thirty days from the date of the notice) and a place or places on and at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of the nonpayment of which the call was made or installment is payable, will be liable to be forfeited

in Default of payment share to be forfeited

39. If the requisition of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may, at any time thereafter and before the payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

Notice of forfeiture to the member

40. When any share shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register.

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

41. Any share so forfeited shall be deemed to be the property of the company, and may be sold, reallocated or otherwise disposed off, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board of Directors may think fit.

Power to annul forfeiture

42. The Board of Directors may at any time before any share so forfeited shall have been sold, reallocated or otherwise disposed off, annul the forfeiture thereof upon such condition as it thinks fit.

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

43. Any member whose share shall have been forfeited shall notwithstanding the forfeiture be liable to pay and shall forthwith pay to the company on demand all calls, installments, interest and expenses owing in respect of such share at the time of the forfeiture, together with interest thereon from the time of forfeiture the payment not exceeding 12% per annum or such other rate as the board of directors may determine, and the Board of Directors may enforce the payment thereof, or any part thereof, if it thinks fit.

Effect of forfeiture

44. (a) The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in and all claims and demand against the company in the respect of the share, except only such of those rights incidental to the share, except only such of those rights by these presents are expressly saved.
- (b) A declaration in writing that the declarant is a director or secretary of the company and that certain shares in the company have been duly forfeited on a date stated in declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.

Company's lien on share

45. (a) The company shall have a first and paramount lien on every share other than fully paid-up shares for all moneys whether presently payable or not payable at fixed time in respect of such shares PROVIDED THAT the Board of Directors may at any time declare any share to be wholly or in part exempt from the provision of these Articles.
- (b) Any lien on shares shall extend to all dividends from time to time declared in respect of such share.
- (c) Unless otherwise agreed, the registration of a transfer of share shall operate as a waiver of the company's lien, if any, on such shares.

Enforcement of lien by sale

46. For the purpose of enforcing such lien, the Board of Directors may sell the shares subject thereto in such manner as they think fit; but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served as provided for service of documents in these Articles, on such member, his heirs, executors or administrators and default shall have been made by him or them in the payment, fulfillment, or discharge of such

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debts, liabilities, or engagements for seven days after such notice. To give effect to any such sale, the Board may authorise some person to execute an instrument of transfer in respect of the share sold and to transfer the share sold to the purchaser thereof and the purchaser shall be registered as the holders of the shares comprised in any such transfer. Upon any such sale as aforesaid the certificate in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the directors shall be entitled to issue a new certificate or certificates in lieu thereof to the purchaser concerned.

Application of proceeds of sale

47. The net proceeds of any such sale after payments of the costs of such sale shall be applied in or towards satisfaction of the debts, liabilities, or engagements of such member and the residue (if any) or the short fall (if any) shall be paid to or recovered from him, his heirs, executors, administrations or assigners, as the case may be.

Validity of sale under Article 41 and 46

48. (a) Upon any sale after forfeiture or the enforcing a lien in purported exercise of the power hereinbefore given, the Board of Directors may cause the purchaser's name to be entered in the register in respect of the shares sold, and the purchaser shall not be bound to see the regularity of the proceeding, or to the application of the purchase money and after his name has been entered in the register in respect of such shares, the validity of the sale and of the entry in the register in respect of such share sold shall not be impeached by any person, and the remedy (if any) of any person aggrieved by the sale shall be in damages only and against the company exclusively.

Cancellation of share certificate of forfeited shares

- (b) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the company have been provisionally surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect where any share under the power in that behalf herein contained are sold by the board of Directors and the certificate in respect thereof has not been delivered upto the company by the former holders of such shares, the Board of Directors may issue a new certificate for such shares distinguishing it in such manner as it may think fit from the certificate not so delivered.

Application of forfeiture provisions

49. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by terms of the issue of a share becomes payable at a fixed time, whether on account of the amount of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

TRANSFER AND TRANSMISSION OF SHARES

Transfer form

50. The company shall keep a book to be called "register of transfer", and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of shares.

Execution and Registration of transfer etc.

51. No transfer shall be registered unless a proper instrument of transfer has been delivered to the company in the prescribed form and in accordance with the provisions of Section 108 of the Act. Every such instrument of transfer shall be duly stamped and executed both by the transferor and the transferee and witnessed. The transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register in respect thereof.

- (a) Notwithstanding anything contained in the Articles of Association in the case of transfer of shares or other marketable securities where the Company has not issued any certificates and where such shares and securities are being held in an electronic and fungible form the provisions of the Depositories Act, 1996 shall apply.

Directors' right to decline to register transfer

52. (a) Subject to the provisions of Section 111 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956 The Board may refuse to register any transfer of, or the transmission

by operation of law of the right to any shares or interest of a member in the Company. Provided however that the registration of a share shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever, Provided further that in the event of refusal any such transfer of, or the transmission of the right to any shares or interest of a member in the Company, the Company shall, within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of such refusal to the transferee and the transferor or the person giving intimation of such transmission, as the case may be, giving reasons for such refusal.

Provided however that the registration of a share shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the company on any account whatsoever.

Provided further that in the event of refusal to register any such transfer of, or the transmission of the right to any shares or interest of member in the company, the company shall, within one month from the date on which the instrument or transfer, or the intimation of such transmission, as the case may be, was delivered to the company, send notice of such refusal to the transferee and the transferor or the person giving intimation of such transmission, as the case may be giving reasons for such refusal.

Company may refuse to register more than three persons

- (b) The Board of Directors shall be entitled to decline to register more than three persons as the joint holders of any shares.

Notice to transferor and transferee of refusal to transfer shares

53. If the Board of Directors refuse to register a transfer of any shares, they shall within two months from the date on which the transfer was lodged with the Company send to the transferee and the transferor notice of the refusal in accordance with the provisions of the Act

Restriction on transfer

54. No transfer shall be made to a person of unsound mind or insolvent.

Transfer to be presented with evidence to title

55. (a) Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by the certificate or certificates of the shares to be transferred, and such other evidence as the Board of Directors may require to prove the title of the transferor, his right to transfer the shares and generally under and subject to such conditions and regulations as the Board of Directors shall from time to time prescribe.
- (b) Every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board of Directors. But any instrument of transfer which the Board of Directors may decline to register shall, on demand, be returned to the person depositing the same.

Fee on Transfer

56. There shall be paid to the Company, in respect of transfer or transmission of any number of shares to the same party, such sum as shall be determined by the Board of Directors in conformity with the regulations of the Stock Exchanges concerned.

Transfer Books when closed

57. The Board of Directors shall have power to close the Register of Members and/or the Register of Debenture holders at such time or times and for such period or periods as the Board may deem expedient in accordance with the provisions of the Act

Title to shares of deceased member

58. The executors or administrators of a deceased member shall be the only persons recognised by the Company as having any title to his share except in case of joint holders, in which case the surviving holder or holders or the executors or administrators of the last surviving holders shall be

the only persons entitled to be recognised, but nothing herein contained shall release the estate of any share jointly held by him. The Company shall not be bound to recognise such executor or administrators unless he shall have first obtained probate or Letters of Administration or other legal representation as the case may be from a duly constituted Court in India to grant such probate or Letters of Administration, provided nevertheless that in cases, which the Board in its discretion consider to be special cases and in such cases only, it shall be lawful for the Board of Directors to dispense with the production of probate or Letters of Administration or a Succession Certificate upon such terms as to indemnity publication of notice or otherwise as the Board of Directors may, deem fit.

- Registration of persons entitled to shares otherwise than by transfer (Transmission clause)**
 59 Subject to the provisions of these Articles any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Board of Directors (which the Board shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under the Article or his title, as the Board of Directors think sufficient, be registered as a member in respect of such shares, or may, subject to the regulation as to transfer hereinabove contained, transfer such shares. This clause is hereinafter referred to as "The Transmission Clause".

Directors' right to refuse registration

60. Subject to the provisions of the Act, the Board of Directors shall have the same right to refuse to register a person entitled by the transmission to any shares or his nominee, as if he were the transferee named in any ordinary instrument of transfer presented for registration

The Company is not liable for disregard of notice prohibiting registration of transfer

- 61 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 (as shown or appearing in the register) to the prejudice of a person having or claiming any equitable right, title or interest to or in the said shares notwithstanding that the Company may have had notice prohibiting registration of such transfer and may have entered such notice or referred thereto in any book or record of the Company and the Company shall not be bound or required to regard to attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting to do so, notwithstanding that the notice may have been entered in or referred to in some book or record of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board of Directors shall so think fit.

Provision for Transfer of shares applicable to Transfer of Debentures

- 62 The provisions of these Articles shall mutatis mutandis apply to the transfer of or the transmission by operation of law of the right to Debentures of the Company.

- [A] (a) NOTWITHSTANDING ANYTHING CONTAINED in these Articles, every holders of shares or Debentures of the Company may, at any time, nominate a person to whom his shares or Debentures shall vest in the event of his death and the provisions of sections 109A and 109B of the Act shall apply in respect of such nomination
- (b) No person shall be recognised by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the company during the lifetime of the holders of the shares or Debentures of the Company in the manner specified under section 109A of the Act.
- (c) The Company shall not be in any way responsible for transferring the shares and /or Debentures consequent upon such intimation in the event of Death.
- (d) If the holders of the shares or Debentures survive the nominee, then the nomination made by the holders shall be of no effect and shall automatically stand revoked.
- [B] The company shall keep a book to be called the Register of Transfers and therein shall be entered the particulars of every transfer or transmission of any shares held in dematerialised form.

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BORROWING POWERS

Power to borrow

63. (a) Subject to the provisions of Sections 58A, 58B, 292 and 293 of the Act and these Articles, the Board of Directors may from time to time at its discretion by a resolution passed by a Meeting of the Board, accept deposits from members, either in advance of calls or otherwise or accept deposits from the public and may generally raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company. Provided, however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's Bankers in the ordinary course of the business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such moneys without the consent of the Company in general meeting.

Acceptance of Fixed Deposits

- (b) The Company may invite or renew either from the public or from its members deposit upto the limit and in the manner and subject to the rules and conditions prescribed by the Central Government as contemplated under the Act and the rules framed thereunder.

The payment or repayment of moneys borrowed

64. Subject to the provisions of the Act and these Articles the payment or repayment of moneys borrowed aforesaid may be secured in such manner and upon such terms and conditions in all respect as the Board of Directors may think fit, and, in particular, pursuant to resolution passed at a meeting of the Board and not passed by a circular resolution by the issue of bonds perpetual or redeemable debenture or debenture-stock of the Company, or any mortgage or charge or security upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being

Terms of issue of Debentures

65. Any debentures, debenture stock or other securities may be issued subject to the provisions of the Act at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending general meeting of the Company and the right to appoint Directors and otherwise. Debentures carrying the right of conversion into or allotment of shares shall be issued only with the consent accorded by a resolution of the Company in general meeting.

Mortgage of uncalled capital

66. (a) If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Board of Directors shall subject to the provisions of the Act and these Articles make calls on the member in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed or, if permitted by the Act may, by instrument under the Company's Seal, authorise the person in whose favour such mortgage or security is executed or any other person in trust for him, to make calls on the members in respect of such uncalled capital, and the provisions hereinbefore contained in regard to calls, shall, mutatis mutandis, apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Board's power or otherwise, and shall be assignable if expressed so to be.

Priority of charge on uncalled capital

- (b) Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charge and shall not be entitled, by notice to the share-holder or otherwise to obtain priority over such prior charge.

Indemnity may be given

67. Subject to the provisions of the Act and these Articles if the Directors or any of them or any other persons shall become personally liable for the payment of any sum primarily due from the Company

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by reason of furnishing any guarantee or otherwise the Directors may execute or cause to be executed any mortgage charge or security over or affecting whole or any part of the assets of the Company by way of security indemnity to secure the Directors or persons so becoming liable as aforesaid from any against any loss in respect of such liability arising out of the said guarantee.

GENERAL MEETINGS

Annual or Ordinary General Meeting

68. The Annual General Meeting shall be held in accordance with Section 166 of the Act and shall be called for a time during business hours, on a day that is not a public holiday and shall be held either at the Registered Office of the Company or at some other place within the city or town where the Registered Office or the Company is situated as the Board of Directors may determine and the notice calling the meeting shall specify it as the Annual General Meeting.

Right to attend General Meeting

69. Every member of the Company shall be entitled to attend every general meeting either in person or by proxy, and the Auditor of the Company shall have the right to attend and to be heard at any general meeting on any part of the business which concerns him as Auditors

Reports, Statements and Registers to be laid on the table

70. At every Annual General Meeting of the Company there shall be laid on the table the Director's Reports and audited statement of accounts, auditor's report (if not already incorporated in the audited statement of accounts), the proxies lodged and the Register of Directors; Shareholders maintained under Section 307 of the Act. The Auditor's report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.

Distinction between Annual and Extra Ordinary Meeting

71. All general Meetings other than Annual General Meetings shall be called Extra-ordinary General Meetings.

Who may call an Extra Ordinary General Meeting

72. The Board may, whenever it thinks fit, call an Extra-ordinary General Meeting. If at any time there are not within India Directors capable of acting who are sufficient in number to form a quorum, any Director may call an Extra-ordinary General Meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board at such time and place as he may determine.

Calling of Extra-ordinary General Meeting on requisition

73. The Board of Directors of the Company shall on the required of such number of members of the Company as is specified in sub-section (4) of 169 of the Act, forth-with proceed duly to call an Extra-ordinary General Meeting of the Company, and in respect of any such requisition and of any meeting to be called pursuant thereto, all the other provisions of Section 169 of the Act and of any statutory modification or reenactment thereof for the time being shall apply

Notice of Meeting

74. A General Meeting of the Company may be called by giving not less than 21 days notice in writing. However, General Meeting may be called after giving a shorter notice than 21 days, if consent is accorded thereto as provided in Section 171 of the Act.

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 others, those members shall be taken into account for the purposes of this Article in respect of the former resolutions but not in respect of the later.

Contents of Notice

75. Every notice of a meeting of the Company shall specify the place, the date and hour of the meeting and shall contain a statement of the business to be transacted thereat. No general meeting, annual or extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been specially mentioned in the notice or notices upon which it was convened.

Special Business

76. Where any type of business to be transacted at the meeting are deemed to be special as provided in Section 173 of the Act, there shall be annexed to the notice of the meeting a statement setting out all material facts regarding each such item of business including in particular, the nature and extent of the interest, if any, therein of every Director and the Manager, if any, of the Company and the provisions of the said Section 173 of the Act shall apply accordingly.

Service of Notice

77. A document may be served by the Company on any member thereof and the Notice of every meeting of the Company shall be given to every member in any manner authorised by and as provided in Sections 53 and 172 of the Act.

Notice to be given to the Auditors

78. 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 set out in Section 172 of the Act for giving notice to any member or members of the Company.

Omission to give notice not to invalidate Meeting

79. The accidental omission to give notice of any meeting to or the non-receipt of any notice by the member or other person to whom it should be given shall not invalidate the proceedings at the meetings.

Resolutions requiring Special Notice

80. Where by any provision contained in the Act or in these Articles, special notice is required of any resolution, notice in respect of the same shall be given to the Company and be the Company as provided in Section 190 of the Act.

PROCEEDINGS OF GENERAL MEETINGS**Quorum**

81. Five members personally present shall be a quorum for a General Meeting. No business shall be transacted at any general meeting unless requisite quorum shall be present at the commencement of the business.

If quorum not present meeting when to be dissolved and when to be adjourned

82. (a) If within half an hour from the time appointed for the meeting of the Company a quorum is not present, the meeting, if convened upon the requisition of members, shall stand dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place or to such other day, time and place as the Board may determine.
- (b) If at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, those members who are present shall be a quorum and may transact the business for which the meeting was called.

Chairman of General Meeting

83. The chairman and in his absence the Vice-Chairman, if any, of the Board of Director shall be entitled to take the chair at every General Meeting. If there be no such Chairman or if any, meeting he or the Vice-chairman, if any shall not be present within fifteen minutes after the time appointed for holding such meeting or is unwilling to act, the Directors present may choose one of themselves to be Chairman and in default of their doing so, the members present shall choose a Director as Chairman and if no Director is present or if all the Directors present decline to take the chair, then the members present shall choose one of themselves to be Chairman.

If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of these Articles, the Chairman elected on a show of hands shall exercise all the powers of the Chairman for the purpose of conducting the poll, under the said provisions. If some other person is elected Chairman as a result of the poll, he shall be Chairman for the rest of the meeting.

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How questions to be decided at meetings

84. Every question submitted to a General Meeting and every resolution put to the vote at a General Meeting, unless a poll is demanded as hereinafter provided, be in the first instance decided by a show of hands.

Chairman's declaration of result of voting by show of hands to be conclusive

85. A declaration by the Chairman, that on a show of hands a resolution 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.

Demand for poll

86. (i) At any General Meeting unless a poll is (before or on declaration of the result of voting on any Resolution on show of hands), ordered to be taken by the Chairman of the meeting on his own motion or on a demand made in that behalf by members present in person or by proxy and holding shares in the Company which confer a power to vote on the Resolution not being less than one tenth of the total voting power in respect of the Resolution, or on which an aggregate sum of not less than fifty thousand Rupees has been paid up, a declaration by the Chairman that a Resolution has or has not been carried either unanimously, or by a particular majority and an entry to that effect in the book containing the minutes of the proceedings of the General Meeting of the Company shall be conclusive evidence of the fact, without proof of the number or the proportion of the votes cast in favour of or against the Resolution.
- (ii) The demand for a poll may be withdrawn at any time by the person or person who made the demand.

Time of taking poll

87. A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in the Article 82 hereof) shall be taken at such time not being later than forty-eight hours from the time when the demand was made, as the Chairman may direct.

Power to adjourn General Meeting

88. The Chairman of a General Meeting may, with the consent of the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than business left unfinished at the meeting at which the adjournment took place.

Right of member to use his votes differently

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

Scrutineers at poll

90. (i) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him.
- (ii) The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and to fill vacancies in the office of scrutineers arising from such removal or from any other cause.
- (iii) Of the two scrutineers, appointed under this Article 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.

Other business may proceed notwithstanding demand of poll

91. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

Chairman's decision conclusive on vote or poll

92. (a) The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting by show of hands. The Chairman present at the taking of poll shall be sole judge of the validity of every vote tendered at such poll.

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Manner of taking poll and result thereof

(b) (i) Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which the poll shall be taken.

(ii) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

Motion how decided in case of equality of votes

(c) In the Case of any 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.

Resolutions passed at adjourned meetings

93. Where a resolution is passed at an adjourned meeting of:

(a) the Company ; or

(b) the holders of any class of shares in the Company;

The resolution shall, for all purposes, be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

Registration of Certain Resolutions and Agreements

94. A copy of each of the resolutions as mentioned in Section 192 of the Act together with a copy of the statement of material facts annexed under Section 173 to the notice of meeting in which such resolution has been passed, or agreements as mentioned in the said Section 192 shall, be printed or typewritten and duly certified under the signature of a officer of the Company and filed with the Registrar within the time prescribed under 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 said Section 192 shall be embodied in or annexed to every copy of the Articles issued after the passing of the resolution of the making of the agreement.

Minutes of General Meeting

95. The Company shall cause minutes of the proceedings of every General Meeting to be entered in the book kept for the purpose and the minutes shall contain and include the matters specified in Section 193 of the Act.

Inspection of Minutes Books of General Meeting

96. The books containing the aforesaid minutes shall be kept at the Registered Office of the Company and be open to the inspection of any member without charges as provided in Section 196 of the Act and any member shall be furnished with a copy of any minutes in accordance with the terms of that section.

VOTES OF MEMBERS

Votes may be proxy or attorney

97. Subject to the provisions of the Act and these Articles, votes may be given either personally or by an Attorney or by proxy or in the case of a body corporate also by a representative duly authorised under Section 187 of the Act.

Number of votes to which Members entitled

98. Subject to the provisions of the Act and these Articles upon a show of hands every member entitled to vote and present in person (including a body corporate present by a representative duly authorised in accordance with the provisions of Section 187 of the Act and Article 99) or by Attorney shall have one vote

No voting by proxy on shown of hands

99. No members not personally present shall be entitled to vote on a show of hands unless such member is present by Attorney or unless such member is a body corporate present by a representative

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duly authorised under Section 187 of the Act in which case such Attorney or representative may vote on a show of hands as if he were a member of the Company.

Votes in respect of shares of deceased and bankrupt member

30. Any person entitled under the Transmission Clause (Article 59 hereof) to transfer any shares may vote at any General Meeting in respect thereof in the same manner as if he were 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 Directors in that behalf of his right to transfer such shares, unless the Directors shall have previously admitted his right to transfer such shares or his right to vote at such meeting in respect thereof

Joint Holders

31. Where there are joint registered holders of any shares any one of such persons may vote at any meeting either personally or by Attorney duly authorised under Power of Attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be personally present at any meeting then one of the said person so present whose name stands first or higher on the Register in respect of such share shall alone be entitled to vote in respect thereof.

Instrument appointing proxy

02. (a) Any members entitled to attend and vote at 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
- (b) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his Attorney duly authorised in writing or if such appointer is a corporation, under its common seal or the hand of an officer or any attorney duly authorised by it.

Members' right to appoint proxy to be stated in notice

03. (a) Every notice convening a meeting of the Company shall state that a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be member of the Company.
- (b) A proxy shall be entitled to vote only on a poll

Instrument appointing proxy to be deposited at office

04. The instrument appointing a proxy and the Power of Attorney or other authority (if any) under it is signed or a notarially certified copy thereof shall be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the meeting at which the person named in instrument proposes to vote.

When vote by proxy valid through authority revoked.

05. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or transfer of the share in respect of which the vote is given provided no intimation in writing of the death, revocation or transfer shall have been received at the Registered Office of the Company or by the Chairman of the meeting at which the vote is given.

Forms of proxy

06. Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in the form set out in Schedule IX of the Act.

Time and place to inspect the proxies lodged

07. Every members 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,

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provided not less than three days' notice in writing of the intention so to inspection is given to the Company.

No member entitled to vote when any call due to Company

108. No member shall be entitled to vote at any General Meeting either personally or by proxy or as proxy for another member or be reckoned in a quorum while any call or other sum shall be due and payable to the Company in respect of any of the share of such member or in respect of any shares on which the Company has or had exercised any right of lien.

DIRECTORS

Number of Directors

109. (a) Until otherwise determined by a General Meeting, and approved by the Central Government and subject to Section 252 of the Act the number of Directors shall not be less than 3 (three) nor more than 12 (twelve).

First Directors

- (b) The first Directors of the Company are :

1. SHRI BABUBHAI MANILAL GANDHI
2. SHRI RAMESHBHAI NANDLAL PARIKH

Special Directors

110. (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 nominee and their successors in office appointed under these Articles shall be called special Directors of the Company

Terms of Office of Special Directors

- (b) The Special Directors appointed under this Article shall be entitled to hold office until requested to retire by the Government, Financial Institution, persons, firm or corporation who may have appointed them and will not be bound to retire by rotation or be subject to Articles 125 and 126 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 Government, Financial Institution, person, firm or corporation who appointed such Special 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 rights and privileges and be subject to the same obligation as any other Director of the Company.

NOMINEE DIRECTOR

Nominee Directors

111. Notwithstanding anything to the contrary contained in these Articles, so long as any moneys, remain owing by the Company to the industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The Industrial Credit and Investment Corporation of India Limited (ICICI), The Industrial Reconstruction Bank of India Limited (IRBI), Life Insurance Corporation of India (LIC), Unit Trust of India (UTI), General Insurance Corporation of India (GICI), National Insurance Company Limited (NIC), The Oriental Insurance Company Limited (OIC), The New India Assurance Company Limited (NIA), United India Insurance Company Limited (UII) or a State Financial Corporation or any financial institution owned or controlled by the Central Government by Central Government or State Government by themselves (each of the above is hereinafter in this Articles referred to as "the Corporation") out of any loans/debenture assistance granted by them to the Company or so long as the Corporation holds or continues to hold Debentures/Shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of

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any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, whole-time or non-whole-time (which Director or Directors is/are hereinafter, referred to as "Nominee Directors") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s

The 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 liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The 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 on the Corporation ceasing to hold Debentures, shares in the Company 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 to attend all General Meetings, Board Meetings and to meetings of the Committee of which the Nominee Director/s is/are Member/s as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.

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

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

Debenture Director

- 112 (1) (a) Any trust deed for securing Debentures or Debenture-stock of the Company may provide for the appointment of a Director by the Trustees thereof or by the holders of Debentures (hereinafter referred to as "the Debenture Director") for and on behalf of the holders of Debentures or Debenture Stock for such period as is therein provided not exceeding the period for which the Debentures or Debenture-stock shall remain outstanding and may empower such Trustee or holders of Debentures or Debenture-stocks for the removal from office of such Debenture Director and on a vacancy being caused whether by resignation, death, removal or otherwise, for appointment of another Debenture Director in his place. A Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed from office except as provided as aforesaid

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- (b) 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.

Appointment of Special Director/Collaborator Director

- (2) (a) In connection with any collaboration arrangement with any company or corporation or firm or person for supply of technical know-how and/or machinery or technical advice, the Directors may authorise such company, corporation, firm or person (hereinafter in this clause referred to as "Collaborator") to appoint from time to time any person or persons as Director or Directors of the company (hereinafter referred to as "Special Director") and may agree that such Special Director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for the office of such Director, so however, that such Special Director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the company and such collaborator under the collaboration arrangements or at any time thereafter.
- (b) The collaborator may at any time and from time to time remove any such Special Director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time, appoint any other persons as a Special Director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the company at its Registered Office.
- (c) It is clarified that every collaborator entitled to appoint a Director under this Article may appoint one or more such person or persons as Director(s) and so that if more than one collaborator is so entitled there may at any time be as many Special Directors as the collaborators eligible to make the appointment

Appointment of Alternate Director

113. Subject to the provisions of section 313 of the Act 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 State in which meetings of the Board are ordinarily held and such appointment shall have effect and such appointee, whilst he holds office as an Alternate Director, shall be entitled to notice of meetings of the Directors and to attend and vote there at accordingly. An Alternate Director appointed under this Article 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 Article for the automatic reappointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the Alternate Director

Provided always that no person shall be appointed by the Board as an Alternate Director who shall not have been previously selected and approved in writing by the Original Director or by the party which had appointed the Original Director as Special Director under Article 110.

Directors may fill up vacancies and add to their number

114. (1) Subject to the provisions of Section 260, 262 and 284(6) of the Act, the Board of Directors shall have power, at any time and from time to time, to appoint any person to be a Director either as an addition to the Board or to fill a casual vacancy occurring on account of the office of any Director appointed by the Company in general meeting being vacated before his term of office would expire in the normal course, but so that the total number of Directors shall not at any time exceed the maximum fixed in Article 109(a) above. Any person so appointed as an addition to the Board shall retain his office only upto the date of the next Annual General Meeting of the Company. Any person appointed to fill a casual vacancy as aforesaid shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid.

When the company and candidate for office of Director must give notice

- (2) No person not being retiring Director shall be eligible for an appointment to the office of Director at any General Meeting unless he or some member intending to propose him has not less

than fourteen days before the meeting, left at the office a notice in writing under his hand signifying his candidature for the office of Director of the intention of such member to propose him as a candidate for that office as the case may be to such member if the person succeeds in getting elected as a Director. The company shall inform its members of the candidature of a person for the office of the Director or the intention of a member to propose such person as a candidate for that office, by serving individual notices on the members not less than seven days before the General Meeting

Provided that it shall not be necessary for the company to serve individual notices upon the member as aforesaid if the company advertise such candidature or intention not less than seven days before the General Meeting in atleast two news papers circulating in the place where the office is located of which one is published in the English language and the other in the regional language of that place.

Qualification of Directors

115. A Director shall not be required to hold any equity shares to qualify him to act as a Director of the Company.

Remuneration of Directors

116. Subject to the provisions of Sections 198, 309, 310 and 311 of the Act, the remuneration, traveling and other expenses payable to the Directors of the Company may be as hereinafter provided :

- (a) Unless otherwise determined by the Company in General Meeting or by the terms and conditions of remuneration of the Managing Director or Director, each Director shall be entitled to receive out of the funds of the Company for each meeting of the Board or a committee thereof attended by him such fee as has been determined or as may from time to time be determined by the Board but not exceeding such sum as may from time to time be prescribed by or under the Act and applicable to the company
- (b) In addition to the remuneration payable as above, the Directors may allow and pay to any Director who is not a bonafide resident of the place where a meeting is held and who shall come to such place for the purpose of attending the meeting, such sum as the Board may consider fair compensation for traveling, hotel and other expenses incurred by him, in attending and returning from meeting of the Board of Directors or any Committee thereof of General Meetings of the Company.
- (c) If any Director be called upon to perform extra services or special exertions or efforts, the Board may arrange with such Director for such special remuneration for such extra service or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board subject to the provisions of the Act and such remuneration may be in addition to his remuneration above provided.
- (d) In addition to the remuneration payable under sub-clause (c) above, the Directors may allow and pay to any Director such sum as the Board may consider fair compensation for travelling, hotel and other expenses incurred by him in connection with the business of the Company.
- (e) The maximum remuneration of a Director for his service shall be such a sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Director or the committee thereof attended by him

Directors may act notwithstanding vacancy

117. The continuing Directors may act notwithstanding vacancy in their body; but so that subject to the provisions of the Act if the number falls below the minimum number above fixed and notwithstanding the absence of a quorum, the Directors may act for the purposes of filling up vacancies or for calling General Meeting of Extra-ordinary General Meeting of the Company or in emergencies

When office of a Director to be vacated

118. (1) The office of a Director shall become vacant on any of the grounds, as applicable, in Sections 283(1) and 314 of the Act.

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- (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

Loan to Directors

119. The company shall observe the restrictions imposed in the matter of grant of loans to Directors and other persons as provided in Section 295 of the Act.

Board Resolution at a Meeting necessary for certain contracts

120. (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 purchase or supply of any goods, materials or services or
- (b) for underwriting the subscription of any share or in debentures of the Company.
- (2) Nothing contained in the foregoing Clause (1) shall affect :
- (a) the purchase of goods and materials from the Company or the sale of goods and materials to the company, by any Director, relative, firm, partner or private company as aforesaid for cash at prevailing market price; or
- (b) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company or supply of any goods, materials and services in which either the Company or the Director, relative, firm, partner or private company as the case may be regularly trades or does business.

Provided that such contract or contracts do not relate to goods and materials the value of which, or services the costs 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 clauses (1) and (2), a Director relative, firm, partner or private company as aforesaid may, in circumstances of urgent 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 Article shall be accorded by a resolution passed at a meeting of the Board and not otherwise; and the consent of the Board required under clause (1) above shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months if the date of which it was entered into.
- (5) If the consent is not accorded to any contract under this Article anything done in pursuance of the contract shall be avoidable at the option of the Board

Directors may contract with Company

121. (1) Subject to the provisions of this Article and the restrictions imposed by Article 120 and the other Article hereof and the Act and the observance and fulfillment thereof no Director shall be disqualified by reason of his office from contracting with the Company either as vendor, purchaser, agent, broker or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested, be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised as a result of or in pursuance of any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation

thereby established, but it is declared that the nature of his interest must be disclosed by him as provided in the Act.

Disclosure of interest

- (2) Every Director who is in any way whether, directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement enter 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 in the manner set out in Section 299 of the Act

Disclosure of Interest

- (3) Nothing in Clause (2) hereof shall apply to any contract or arrangement entered into or to be entered into between the Company and any other Company where any one of the Director of the Company or two or more of them together holds or hold not more than 2 per cent of the paid up share capital in the other Company.

Interested Directors not to participate or vote in Board's proceeding

122. An interested Director defined in the preceding Article 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; not 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.

- (i) to any contract of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or a surety for the Company
- (ii) to any contract or arrangement entered into with public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely 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 a Director thereof, he having been nominated as such Director by the Company or in his being a member holding not more than two per cent of the paid-up share capital of such Company.
- (iii) in case a notification is issued under sub-section (3) of Section 300 of the Act to the extent specified in the notification.

Director not to hold office or place of profit Register of Contracts

123. The Company shall comply with the provisions of Section 314 of the Act.

Register of contracts

124. (1) The Company shall keep one or more Registers in which shall be entered separately particulars of all contractor or arrangements to which Section 297 or Section 299 of the Act applies as the case may be.
- (2) The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the firms and bodies corporate of which notice has been given by him under sub-section (3) of Section 299 of the Act
- (3) The register aforesaid shall be kept at the Registered Office of the Company and it shall be open to inspection at such office and extracts may be taken therefrom and copies thereof may be required, by any member of the Company to the same extent, in the same manner and on payment of the same fee, as in the case of the register of member of the company and the provisions of Section 163 shall apply accordingly

ROTATION OF DIRECTORS

Retirement of Directors by rotation

125. (1) Not less than two-thirds of the total number of Directors have and except the permanent Director of the Company shall be person whose period of office is liable to determination by retirement

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of Directors by rotation and save as otherwise expressly, provided in the Act and these Articles, be appointed by Company in General Meeting.

- (2) The remaining Directors shall be appointed in accordance with the provisions of these Articles.

Ascertainment of Directors retiring by rotation and eligibility for reappointment

126. (1) At every Annual General Meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office.
- (2) Subject to Section 284(5) of the Act, 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 persons who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves be determined by lot. A retiring Director shall be eligible for re-appointment.

Company to appoint successors

127. Subject to the provisions of Section 261 of the Act, the Company at the Annual General Meeting of which a Director retires in manner aforesaid, may fill up the vacated office by electing the retiring Director or some other person thereto.

Provisions in default of appointment

128. (a) 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 holiday at the same time and place
- (b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy the retiring Director shall be deemed to have been reappointed at the adjourned meeting unless :
- (i) at the meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;
 - (ii) 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;
 - (iii) he is not qualified or is disqualified for appointment;
 - (iv) a resolution whether special or ordinary, is required for the appointment or re-appointment by virtue of the provisions of the Act; or
 - (v) the proviso to sub-section (2) of Section 263 of the Act is applicable to the case.

Single Resolution for the appointment of several Directors prohibited

129. At a General Meeting of the Company, a motion shall not be made for the appointment of two or more persons as Directors of the Company by a single Resolution and the provisions of section 263 of the Act in this behalf shall apply in all respects.

Company may increase or reduce the number of Directors

130. Subject to Sections 255 and 259 of the Act, the Company may, by ordinary resolution from time to time, increase or reduce the number of Directors, within the limits fixed in that behalf by these Articles and may alter their qualification.

Removal of Directors

131. (1) Subject to the provisions of Section 284 and other applicable provisions of the Act and these Articles, the Company may remove any Director before the expiration of his period of office and appoint another person in his place. The person so appointed shall hold office during such

time as the Director in whose place he is appointed would have held the same if he had not been removed.

- (2) Special notice as provided in Article 80 or Section 190 of the Act shall be given of any resolution to remove a Director under Clause (1) of this Article or to appoint some other person in place of a Director so removed at the Meeting at which he is removed.

Notice of candidature for office of Directors

- 132 (1) 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 alongwith deposit of Rs. 500/- which shall be refunded to such person or, as the case may be to such member, if the person succeed in getting elected as Director and has complied with the provisions of the Act Provided that it shall not be necessary for the Company to serve individual notices upon the member as aforesaid if the Company advertise such candidature or intention not less than seven days before the General Meeting in atleast two newspapers circulating in the place where the office is located, of which one is published in the English language and the other in the regional language of that place.
- (2) Every person (other than a person who has left at the office of the Company a notice under Section 257 signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company, the consent in writing to act as Director, if appointed.
- (3) A Director other than
- (a) a Director re-appointed after retirement by rotation or immediately on the expiry of his terms of office; or
 - (b) an additional or alternate Director or a person filling a Casual Vacancy in the office of a Director under Section 262 of the Act, appointed as a Director or reappointed as an additional or alternate Director immediately upon the expiry of his term of office, or
 - (c) a person named as a Director of the Company under the articles as first registered; shall not act as a Director of the Company unless he has within 30 days of his appointment signed and filed with the Register of Companies his consent in writing to act as such Director.

PROCEEDINGS OF THE BOARD OF DIRECTORS

Meeting of Directors

- 133 The Directors may meet together as a Board for the dispatch of business from time to time and shall so meet at least once in every three month 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 may think fit

When meeting to be convened

- 134 A Director may and upon the request of a Director, the Secretary shall, at any time, convene a meeting of the Board of Directors. Notice of every meeting of the Directors 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

Quorum

- 135 Subject to Section 287 of the Act, the quorum for a meeting of the Board of Directors shall be one-third of its total strength (excluding Directors, if any, whose 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

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to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time.

Adjournment for meeting for want of quorum

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

Chairman

137. The Directors may from time to time elect one of their Members to be Chairman of the Board of Directors to preside over the meeting and determine the period for which he is to hold office. The Directors may likewise appoint a Vice-Chairman of the Board of Directors to preside over the meeting at which the Chairman shall not be present. If no such Chairman and/or Vice-Chairman is elected or if at any meeting of the Board of Directors the Chairman and/or the Vice-Chairman are not present within five minutes of the time appointed for holding the same the Directors present shall choose one of their Members to be Chairman of such meeting

Questions at Board Meetings how decided

138. Questions arising at any Board Meeting, shall be decided by a majority of votes and in case of any equality of votes, the Chairman shall have a second or casting vote.

Power of Board Meeting

139. A meeting of the Board of 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 which by or under the Act or these Articles or the Regulations of the Company are for the time being vested in or exercisable by the Board of Directors generally

Directors may appoint Committees and delegate powers

140. Subject to the restrictions contained in Section 292 of Act the Board of directors may delegate any of their power to Committees of the Board consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such Committee of every Committee of the Board, either wholly or in part and either as to persons or purposes, so formed shall, in the exercise of the power so delegated conform to any regulations that may from time to time be imposed on it by the Board in conformity with such regulation and in fulfillment of the purposes of their appointment but not otherwise shall have the like force and effect as if done by the Board. 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 and may reimburse them all the expenses incidental thereto incurred by them.

Meeting of Committee

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

Resolution by Circular

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

Act of Board of Committee valid notwithstanding defective appointment, etc.

143. All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director, shall notwithstanding that it shall afterwards be discovered that there was some

defect in the appointment of such Directors or Committee or person acting as aforesaid or that they or any of them were disqualified or had vacated office or that the appointment of any of them and been terminate by virtue of any provisions contained in the Act or in these Article, be as valid as if every such person had been duly appointed and was qualified to be a Director and had not vacated office or his appointment had not been terminated.

Minutes of proceedings of Directors and Committee to be kept

144. The Company shall cause minutes of the meetings of the Board of Directors and of Committee of the Board to be duly entered in a books provided for the purpose in accordance with the relevant provisions of Section 193 of the Act. The minutes shall contain a fair and correct summary of the proceedings at the meeting including the following :

- (i) The names of the Directors present at such meetings of the Board of Directors and of any Committee of the Board;
- (ii) all orders made by the Board of Directors and Committee of the Board and of all appointments of officers and Committees of Directors,
- (iii) all resolutions and proceedings of meetings of the Board of Directors and Committees of the Board; and
- (iv) in the case of such resolution passed at a meeting of the Board of Directors or Committees of the Board, the names of Directors, if any, dissenting from or not concurring in the resolution; or abstain from voting.

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

145. All such minutes shall be signed by the Chairman of the meetings as recorded or by the person who shall preside as Chairman at the next succeeding meeting and all minutes purposed to be so signed shall for all purposes whatsoever be prima facie evidence of the actual passing of the resolutions recorded and the actual and regular transaction or occurrence of the proceedings so recorded and of the regularity of the meeting at which the same shall appear to have taken place.

Registers Books and Documents to be maintained by the Company

146. The Company shall maintain the following Registers, Books and Documents namely .

- (a) Register of Investment not held in Company's name according to Section 49 of the Act
- (b) Register of Mortgages and changes according to Section 143 of the Act.
- (c) Register of Members and an Index of Members according to Sections 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 interest according to Section 301 of the Act.
- (f) Register of Directors according to Section 303 of the Act.
- (g) Register of Director's Shareholding according to Section 307 of the Act.
- (h) Register of Investment in share or debentures of bodies corporate in the same group according to section 372 of the Act.
- (i) Books of Accounts in accordance with the provisions of Section 209 of the Act
- (j) Copy of instrument creating any charge requiring registration according to Section 136 of the Act.
- (k) Copies of Annual Returns prepared under Section 159 of the Act together with the copies of Certificates and Documents required to be annexed thereto under Section 161

- (l) Register of Renewed and Duplicate Certificate according to rule (2) of the Companies (Issue of Share Certificates) Rules, 1960.
- (m) Register of Deposits according to Rule 7 of the Companies (Acceptance of Deposits) Rules, 1975 or any modification or replacement thereof.
- (n) Register of Foreign Members.

Inspection of Registers, etc.

147. The said Registers, Books and Documents 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 be provided in the Act for the time being in force.

POWER OF DIRECTORS

Power of Directors

148. The management and control of the business of the Company shall be vested in the Directors who may exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do all such acts and things as are not by the Act or any statutory modification thereof for the time being in force or by any other Act or by the Memorandum or by these Articles, required to be exercised by the Company in General Meeting, subject nevertheless to any regulations of these Articles or to the provisions of the Act or any statutory modifications thereof for the time being in force or to any other Act or to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting by 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. Provided that the Board of Directors shall not except with the consent of the Company in General Meeting :
- (a) Sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking.
 - (b) Remit or give time for the repayment of any debt due by a Director.
 - (c) Invest, otherwise than in trust securities, (the amount compensation received by the Company in respect of the compulsory acquisition after the commencement of the Companies Amendment Act 1960), of any such undertaking as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time.
 - (d) Borrow moneys in excess of the limits provided in Article 63.
 - (e) Contribute to charitable and other funds not directly relating to the business of the Company or welfare of its employees, any amount and aggregate of which will, in any financial year, exceed fifty thousand rupees or five per cent of its average net profit as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater.

Certain powers to be exercised by the Board only at meeting

149. (1) Without derogating from the power vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means or resolutions passed at Meeting 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.

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- (e) The power to make loans.

Provided that the Board may by resolution passed at a meeting delegate to any Committee of Directors or to Managing or Wholetime Director or any other Principal Officer of the Company or to a Principal Officer of any of its branch offices, the powers specified in (c), (d) and (e) of this clause to the extent specified in the Act on such conditions as the Board may prescribe.

- (2) 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 power referred to in (a), (b), (c), (d) and (e) of Clause (1) above.

Specific powers of the Board

150. Without prejudice to the general power conferred by Articles 63 and 148 and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles but subject to the restrictions contained in the last preceding two Articles, the Directors shall have the following powers, that is to say, power

To pay commission and interest

- (1) To pay and charge to the capital account of the company any commission or interest lawfully payable thereout under the provisions of sections 76 and 208 of the Act.

To Acquire property

- (2) Subject to Sections 292 and 297 of the Act, to purchase or otherwise acquire for the Company any property right or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such titles as all the then prevailing circumstances of the case may justify in the interest of the company.

To pay for property in debentures, etc.

- (3) At their discretion and subject to the provisions of the Act, to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, mortgages or other securities of the Company and any such shares may be issued either as fully paid up and such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

To insure properties

- (4) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings machinery goods stores produce and other movable property of the Company either separately or jointly, also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.

To open accounts

- (5) To open account with any bank or bankers or with any Company firm or individual and to pay moneys and draw money from any such account from time to time as the Directors may think fit.

To secure contracts by mortgage

- (6) To secure the fulfilment of any Contracts, Agreement of 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 appoint Trustees

- (7) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purposes and to execute and do all such acts and things as may be required in relation to any such trust and to provide for the remuneration of such Trustee or Trustees

To bring and defend actions etc.

- (8) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due or of any claims or demands by or against the Company and to refer any claims or demands by or against the Company or any differences to arbitration and observe, perform implement and enforce any awards made thereon.

To act in matters relating to insolvents

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

To give receipts

- (10) To make discharges for moneys payable to the Company and for the claims and demands of the Company.

To invest moneys

- (11) Subject to the provisions of Sections 292, 293(1), 295, 370 and 372 of the Act, to invest and deal with any moneys of the Company, 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. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.

To give security by way of indemnity

- (12) To execute in the name of and on behalf of the Company in favour of the Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefits of the Company, such mortgages of the Company's property (present and 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 authorise signature of receipts, cheques, etc.

- (13) To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptance, endorsements, cheque, dividend warrants, release, contracts and documents and to give the necessary authority for such purpose.

To give percentage

- (14) 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 office or other person employed by the Company a commission on the profits of any particular business or transactions and to change such bonus or commission as part of the working expenses of the Company.

To give gratuities, etc.

- (15) To provide for the welfare of the Director or Ex-Directors or the employees or ex-employees of the Company and the wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwellings or chawls or by grants of money pensions gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to provident fund and other associations, institutions funds or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board of Directors shall think fit and to subscribe or contribute or otherwise to assist other institutions or object or for any exhibition or for any public general or useful objects.

To establish reserve funds

- (16) Before recommending any dividends, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to depreciation fund, or to an insurance fund or as a reserve fund or sinking fund or any special fund to meet contingencies or to repay debentures or debenture-stock or for special dividends or for equalising dividend or for repairing, improving, extending and maintaining any of the property of the Company and for such other purpose (including the purposes referred to in the preceding clause), as the Board of Directors may, in their absolute discretion, think conducive to the interest of the Company and to invest the

several sums so set aside or so much thereof as required to be invested, upon such investment (other than shares of the Company) as they may think fit and from time to time to deal with and vary such investments and dispose off and apply and expand all or any part thereof for the benefit of the Company, in such manner and for such purpose as the Board of Directors, in their absolute discretion think conducive to the interest of the Company, notwithstanding that the matters to which the Board of 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 Fund into such special funds as the Board of Directors may think fit and to employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the Company or in the purchase or repayment of debenture or debenture-stock and that without being bound to keep the same separate from the other assets and without being bound to pay interest on the same, with power however to the Board of Directors, at their discretion to pay or allow to the credit of such funds interest at such rate as the Board of Directors may think proper.

To appoint employees

- (17) To appoint and at their discretion, remove or suspend such managers, secretaries, officers, assistants, supervisors, 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, entitlement to remunerations and to require security in such instances and to such amount as they may think fit and also without prejudice as aforesaid, from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the two next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.

Local Laws

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

Local Board

- (19) From time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of such Local Board or any managers or agents and to fix their remuneration.

Delegation of powers to Local Boards, etc.

- (20) Subject to the provisions of Section 292 of the Act and Article 149 from time to time and at any time to delegate to any such Local Board or any member or members thereof or any managers or agents so appointed any of the powers, authorities and discretions for the time being vested in any of the powers, authorities and discretions 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 clause 19 of this Article may be made on such terms and subject to such conditions 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.

Power of Attorney

- (21) At any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers authorities and discretions and for such period and subject to such conditions as the Board of Directors, may from time to time think fit.

May enter into contracts etc.

- (22) Subject to Sections 294, 297 and 300 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company, to enter into all such negotiations, arrangements and contracts and rescind and vary all such arrangements or contracts and execute and do all such acts, deeds, and things in the name on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company.

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Delegation of Powers

- (23) Generally subject to the provisions of the Act and these Articles to delegate the powers, authorities and discretion vested in the Directors to any person, firm, company, or fluctuating body or persons as aforesaid.

May make bye-laws

- (24) From time to time to make, vary and repeal bye-laws for the regulations of the business of the Company, its officers and servants.

MANAGING OR WHOLE-TIME DIRECTOR(S) OR MANAGER

Power to appoint Managing or Wholetime Directors

151. (a) The Directors may from time to time appoint one or more of their body to be Managing or Whole-Time Director/Directors of the Company, for a fix term not exceeding five years at one time for which he or they is or are to hold such office and may from time to time subject to the provisions of any contract between him or them and the Company remove or dismiss him or them from office and appoint or reappoint the same person or others in his or their place or places.
- (b) Subject to any contract between him and the Company, a Managing or Whole-time Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Director to retire, but (subject to the provisions of any contract between him and the Company) he shall be subject to the same provisions as to resignation and removal as the other Directors of the company and he shall, ipso facto and immediately, cease to be a Managing Director if ceases to hold the office of Director from any cause.
- (c) The Company in General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole-time Director or Directors of the Company and may exercise all the powers referred to in this article.

What provision they shall be subject to

152. The remuneration of a Managing Director or Whole-time Director shall (subject to the provision of any contract between him and company) from time to time be fixed by the Directors and may be by way of commission on net profits of the company or partly by one and partly by the other.

Duties and power of Managing or Whole-time Director(s)

153. (a) The Directors may from time being such of the power exercisable under these presents by the directors, as they may think fit, and may confer such powers for such time, and to be exercised for such objects and purpose and upon such terms and conditions and with such restriction as they think expedient, with or to the exclusion of and in substitution for, all or any of the powers of the Director in that behalf and may from time to time, revoke, withdraw, alter or vary all or any of such powers.
- (b) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors, where necessary) all or any of the powers, authorities and discretion for the time being vested in him in particular from time to time provided by appointment of any attorneys for the management and transaction of the affairs of the company in any specified locality in such manner as they may think fit.

General

- 154 Notwithstanding anything contained in these Articles, the Managing Directors is expressly allowed generally to work for and contract with the Company and specially to do the work for the Company upon such terms and condition and for such remuneration (subject to the provision of the Act) as may from time to time be agreed between him and the Directors of the Company.

Manager may be appointed

155. (a) "Subject to the applicable provisions of the Companies Act including Section 197A and Section 269 the Directors may for time to time after obtaining such sanction and approvals as may be necessary appoint any individual or individuals as Manager or Managers for the Company
- (b) As appointed shall exercise the power and authority conferred upon him by an Agreement entered into between him and the Company and/or by a resolution of the Board or General Meeting shall be subject to the obligation and restriction imposed in that behalf by the Companies Act

COMMON SEAL

The Seal custody and use

156. (i) The Directors 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 Director shall provide for safe custody of the Seal for the time being

Deeds how executed

- (ii) The Seal of the company shall not be affixed to any instrument except by the authority of a Resolution of the Board authorised by it in that behalf and except in the presence of at least one Director and of the Secretary or such other person as the Board may appoint for the purpose and such one Director and Secretary and other person as aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence

Authentication of documents and proceeding

157. Save as otherwise expressly provided by the Act, a document or proceeding requiring authentication by the Company may be signed by a Director or Company Secretary or other officer authorised in that behalf by the Board of the Company and need not be under its Seal

ANNUAL RETURNS

Annual Returns

158. The Company shall requisite annual returns in accordance with Sections 159 and 161 of the Act and shall file with the Registrar three copies of the balance sheet and profit and loss account in accordance with Section 220 of the Act.

DIVIDENDS

Dividends

159. 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 any law for the time being in force and subject to these Articles shall be divisible among the members in proportion to the amount of capital paid 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 dividend is declared shall, unless the Directors otherwise determined, only entitle and shall be deemed always to have only entitled, the holder or such share to an apportioned amount of such dividend as from the date of payment.

160. The Company in General Meeting may subject to section 205 of the Act, declare dividends, to be paid to members according to their respective rights and interests in the profits by the shareholders subject to any law for the time being in force and may fix the time for payment but no dividend shall exceed the amount recommended by the Board of Directors. However, the Company on General Meeting may declare a smaller dividend than recommended

Dividend only to be paid out of profit

161. No dividend shall be paid otherwise than out of the profits of the year or any other undistributed profits of the year or any other undistributed profits or otherwise than in accordance with the provisions

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of Sections 205, 206 and 207 of the Act or any other law for the time being in force. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.

Interim Dividend

162. Subject to the provisions of the Act or of any law for the time being in force, the Board of Directors may, from time to time, pay to the Members interim dividends as, in their judgements, the position of the Company justifies.

Capital paid-up in advance and carrying interest not to earn dividend

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

Dividend in proportion to amount paid up

164. The Company shall pay dividends in proportion to the amount paid up or credited on each share, where a larger amount is paid up or credited as paid up on some shares than on others.

Retention of dividends until completion of transfer under Article 59

165. The Board of Directors may, if they so think fit, retain the dividends payable upon shares in respect of which any person is under Article 59 entitled to become a member or which any person under that Article is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same.

No member to receive dividend whilst indebted to the Company right to reimbursement thereof

166. 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 without prejudice to any other right of the company deduct from the interest or dividend payable to any member all sums of money so due from him to the Company.

Transfer of shares must be registered

167. (a) A transfer of shares shall not pass the right to any dividend declared thereon before the Registration of the transfer.
- (b) Where any instrument of transfer of shares has been delivered to the company for registration and the transfer of such shares has not been registered by the company, the company, notwithstanding anything contained in any other provisions of the Act, shall comply with the provisions of section 205A of the Act by transferring the dividend in relation to such shares to the special account referred to in Section 205A of the Act unless the Company is authorised by the registered holder of such shares in writing up pay such dividend to the transferee specified in such instrument of transfer.

Dividend to joint holder

168. Any one of several persons who are registered as the joint holders of any share may give effectual receipts for all dividends and payment on account of dividends in respect of such share.

Dividends how remitted

169. Unless otherwise directed, any dividend may be paid by cheque or warrant sent through post to the registered address of the member or person entitled, or in case of joint holders to that one of them first named in the register in respect of the joint holding. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The company shall not be liable or responsible for any cheque or warrant lost in transit or for any dividend and lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means. Several executors or administrators of a deceased member in whose sole name any share stands, shall for the purposes of this clause be deemed to be joint holders thereof.
170. Any dividend remained un-paid or un claimed after having been declared by the company shall be dealt with by the company in accordance with Section 205A of the Act.

Dividend after transfer of profits to reserves

171. No dividend shall be declared or paid by the company for any financial year except out of the profits of the company for that year arrived at after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act

Dividend payable in cash

- 172 (a) No dividend shall be paid otherwise than in cash

No forfeiture of unclaimed dividend

- (b) There shall be no forfeiture of unclaimed dividend

Dividend and call together

173. Any general meeting declaring a dividend may make a call on the members on such amount as the meeting fixes, but so that the on each member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the company and the members to be set off against the calls

CAPITALISATION

Capitalisation of reserves, etc.

- 174 Any General Meeting may resolve that any moneys, investment or other assets forming part of the undivided profits of the company standing to the credit of the reserve fund including any sum transferred to such fund upon realisation of the capital gain on transfer of assets of the company or any Capital Redemption Reserve Fund or in the hands of the company and available for dividend or representing premium received on the issue of shares and standing to the credit of the share premium account be, subject to the provisions of Section 78 of the Act, capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportion on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares or debentures or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares or debentures or debenture-stock, and that such distribution or payment shall be accepted by such share holders in full satisfaction of their interest in the said capitalised sum

Surplus on realisation may be capitalised

- 175 Notwithstanding anything contained in any other provisions of the Articles or of the Act, the fully paid up Bonus share pursuant to provisions of Section 205(3) of the Act and Article 172 on share in respect of which instrument of transfer of shares has been delivered to the Company for registration and the transfer of shares has not been registered by the Company shall be held in abeyance pending transfer

Fractional Certificates

- 176 For the purpose of giving effect to any resolution under the two last preceding Articles, the Directors may settle any difficulty which may arise in regard to the distribution as they think expedient, and in particular may issue fractional certificate, and may (fix the value for distribution of any specific assets, and may) determine that cash payments shall be made to any members upon the footing of the so fixed or that fractions of less value than Re. 1/- may be disregarded in order to adjust the rights of old parties, and may vest any such cash or specific assets in trustees upon such trusts for the purposes entitled to the dividend or capitalised funds as may seem expedient to the Directors and generally may make such arrangement for the acceptance, allotment and sale of such shares or other specific assets and fractional certificates or otherwise as they may think fit Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Companies Act, 1956 and the Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund and such appointment shall be effective

Power to sell fractional Certificate

- 177 If and when a member becomes entitled to any shares in fractions, the Directors may subject to the provisions of the Act and these Articles sell these shares which members hold in fractions for

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the best price reasonably to be direction of the Company in General Meeting, if any, consolidate and obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion the net products of the sale thereof. For the purpose of giving effect to any such sale the Directors may authorise any person to transfer the shares sold to the purchaser thereof comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be effected by any irregularity or invalidity in the proceedings in reference to the sale.

ACCOUNTS

Books of Account to be kept

178. (1) The company shall cause to be kept proper books of account with respect to :
- (a) All sums of money received and expended by the Company and the matters in respect of which receipts and expenditure take place;
 - (b) All sales and purchases of goods by the Company;
 - (c) The assets and liabilities of the Company
- (2) If the company shall have a branch office, whether in or outside India, proper books of account relating to the transactions effected at the office shall be kept at the 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.

Books where to be kept

179. The books of account shall be kept at the Registered Office of the Company or at such other places as the Board of Directors think fit and shall be open to inspection by any Director during business hours.

Books of Account to be preserved

180. The books of account of the Company relating to a period of not less than eight years immediately preceding the current year shall be preserved in good order.

Inspection by member

181. The Board of Directors shall from time to time determine whether and to what and at what time and places and under what conditions or regulations the records and documents of the Company or any of them as are in law open for inspection by members, shall be open for the inspection for the members.

Statement of account to be furnished to General Meeting

182. 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 in the manner and within the period provided in the Act.

Balance Sheet and Profit and Loss Account

183. (a) 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 Part I and II respectively of Schedule IV of the Act, or as near thereto as circumstances admit.
- (b) So long as the Company is a holding Company having a subsidiary, the Company shall conform to section 212 and other applicable provisions of this Act.
- (c) If in the opinion of the Board, any of the current assets of the Company have not a value or realisation in the ordinary course of business atleast equal to the amount at which they are stated, the fact that the Board is of that opinion shall be stated.

Authentication of Balance Sheet and Profit and Loss Account

- 184 (1) Every Balance Sheet and every Profit and Loss Account of the Company signed on behalf of the Company shall be signed on behalf of the Board of Directors by its Manager or Secretary, if any, and by not less than two Directors of the Company, one of whom shall be a Managing Director, if there is one
- (2) When only one Director is for the time being in India, the Balance Sheet and Profit and Loss Account shall be signed by such Director and in such a case there shall be attached to the Balance Sheet and the Profit and Loss Account a statement signed by him explaining the reason for non-compliance with the provisions of Clause (1) above.
- (3) The Balance Sheet and the Profit and Loss Account shall be approved by the Board before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to the Auditors for their report thereon.

Profit and Loss Account to be annexed and Auditors' Report to be attached to the Balance Sheet

- 185 Printed copy of every Balance Sheet (including the Profit and Loss Account, the Auditors' Report and every other documents required by law to be annexed or attached as the case may be, to the Balance Sheet) which is to be laid before the company in Annual General Meeting shall be made available for inspection at the Registered Office of the company during working hours for a period of twenty-one days before the date of the Meeting

A statement containing the salient features of such documents in the prescribed form or the copies of the documents aforesaid as the company may deem fit will be sent to every member of the company and to every trustee for the holders of any debentures issued by the company, not less than twenty-one days before the date of the meeting, subject to the provisions of Section 219 of the Act

Board's Report to be attached to Balance Sheet

- 186 (1) Every Balance Sheet laid before the Company in General Meeting shall have attached to it a report by the Board of Directors with respect to (a) the state of the Company's affairs; (b) the amounts, if any, which it proposes to carry to any Reserve in such Balance Sheet, (c) the amount, if any, which it recommends to be paid by way of dividend and (d) material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet relate and the date of the report.
- (2) The report shall, so far as it is material for the appreciation of the State of the Company's 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 changes which have occurred 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 general in the classes of the business in which the Company has interest
- (3) The Board's report shall also give full information regarding its employees and any other information as may be required to be given from time to time under the Act or Rules made thereunder
- (4) The Board shall also give the fullest information and explanation in its report or in class falling under the proviso to Section 222 of the Act in an addendum to that report, on every reservation, qualification or adverse remark contained in the Auditor's Report
- (5) The Board's Report and addendum (if any) thereto shall be signed by its Chairman if he is 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 Account of the Company by virtue of clauses (1) and (2) of Article 184
- (6) The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of Clauses (1) to (3) of this Article are complied with

Right of members to copies of Balance Sheet and Auditor's Report

187. (1) Printed copy of every Balance Sheet (including the Profit and Loss Account, the Auditors' Report and every other document required by law to be annexed or attached to as the case may be, to the Balance Sheet) which is to be laid before the Company in Annual General Meeting shall be made available for inspection at the Registered Office of the Company during working hours for a period of twenty one days before the date of the meeting. A statement containing the salient features of such documents in the prescribed form or the copies of the documents aforesaid, as the Company may deem fit will be sent to every members of the Company and to every trustee for the holders of any debentures issued by the meeting, subject to the provisions of Section 219 of the Act.

Provided that if the copies of the documents aforesaid are sent less than 21 days before the date of the meeting, they shall, notwithstanding that fact, be deemed to have been duly sent if it is so agreed by all the members entitled to vote at the meeting.

Provided further that if the shares are listed on a recognised stock exchange, a copy of documents aforesaid shall not be sent if the copies of the documents aforesaid are made available for inspection at the registered office of the Company during working hours for a period of twenty-one days before the date of the meeting and a statement containing the salient features of such documents as may be prescribed under sub-section (1) of Section 219 of the Act or copies of the documents aforesaid, as the Board of Directors may deem fit, is sent to every member of the Company, to every trustee for the holders of any debentures issued by the Company and to all other persons entitled as aforesaid, not less than twenty one days before the date of the meeting.

- (2) Any member or holder of debenture of the Company and any person from whom the Company has accepted a sum of money by way of deposit shall, on demand, be entitled to be furnished free of the cost with a copy of the last Balance Sheet of the Company and of every document required by law to be annexed or attached thereto, including the Profit and Loss Account and the Auditors' Report.

AUDIT

Accounts to be audited

188. Once at least in every year the accounts of the Company shall be examined, and the true and fair view of statement of affairs of the Profit and Loss Account and Balance Sheet ascertained by an Auditor/Auditors to be appointed as herein provided.

Appointment of Auditors

189. The Auditors shall be appointed and their rights and duties shall be regulated in accordance with Sections 224 to 233 of the Act.

When account to be deemed conclusive

190. Every account and the Director's Report thereon when audited and adopted by the Company in 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 that account shall forthwith be corrected and shall be conclusive. Provided further that such accounts and the Director's Report thereon may be amended or modified or varied at any time thereafter with the consent of the Company accorded by an Ordinary Resolution.

DOCUMENTS AND SERVICE OF DOCUMENTS

How documents to be served on members

191. (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 to his registered address or (if he has not registered address in India) to the address, if any, within India supplied by him to the Company for the giving of notices to him.
- (2) Where document is sent by post :

- (a) such thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing the notice provided that where a member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by due and has deposited with the Company a sum sufficient to defray the expenses of doing so, 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, and
 - (ii) in any other case, at the time at which the letter would be delivered in the ordinary course of cost.

Service on members having no registered address

192. If a member has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him, documents advertised in a newspaper circulating in the neighbourhood of the Registered Office of the Company shall be deemed to be duly served on him on the day on which the advertisement appears

Service on person acquiring shares on death or insolvency of member

193. A document may be served by the Company on the person entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased or assignee of the insolvent or by any like description at the address (if any) in India supplied for the purpose by the person 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.

Persons entitled to notice of General Meeting

194. 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 77 in any manner authorised by Articles 197 and 198 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 193 or as authorised by the Act;
 - (iii) to the auditor or auditors for the time of the Company, in any manner authorised by Article 77 or by the Act in the case of any member or members of the Company.

Advertisement

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

Members bound by document given in previous holders

196. Every person, who by operation of law, transfer, or other means whatsoever, 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 be duly served on or sent to the person from whom he derives his title to such share.

How notice to be signed

197. The signature to any notice to be given by the Company may be written, typed or printed

Notice to joint holders

198. A notice may be given by the Company to the joint-holders of a share by giving the notice to the joint holder named first in the register in respect of shares. Several executors or administrators of a deceased sole holder shall be deemed to be jointly entitled for the purpose of this Article.

WINDING UP

Distribution of assets

199. If the Company shall be wound up, and the assets available for distribution amongst 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 come by the members in proportion to the capital paid-up, or which ought to have been paid-up, at the commencement of the winding up, on the shares held by them respectively. And if in a winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid-up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion 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 Article is to be without prejudice to the rights of the holder of shares issued upon special terms and conditions.

Distribution in specie or kind

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

Right of shareholders in case of sale

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

INDEMNITY

Indemnity

202. Subject to the provisions of Section 201 of the Act, every Director, Manager and other officer or servant of the Company shall be indemnified by the Company against and it shall be the duty of Directors out of the funds of the Company to pay, all losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into or act or thing done by him as such officer or servant or in any way in the discharge of his duties including expenses, and in particular, and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Manager, Officer or servant in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted by the Court, and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company.

Individual responsibility of Directors

203. Subject to the provisions of Section 201 of the Act, no Director, Manager or other officer of the Company shall be liable for the acts, omissions, neglects of any other Director or officer or for

signing or for any loss or expenses to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any scrutiny 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 with whom any moneys, securities, or effects shall be deposited or for any loss occasioned by an error of judgement, omission, default or oversight on his part, or for any other loss, damage, or misfortunes whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own dishonesty.

SECURITY CLAUSE

204. No member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to required discovery of any information respecting any details of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process, of any other matter which may related to the conduct of the business of the Company and which in the opinion of the Director would be inexpedient in the interest of the Company to disclose

SOCIAL OBJECTIVE

- 205 The company shall have among its objectives the promotion and growth of the national economy through increased productivity, effective utilisation of material and manpower resources and continued application of modern scientific and management techniques in keeping with the national aspirations and the company shall be mindful of its social and moral responsibility to the consumers, employees, shareholders, society and the local community.

GENERAL POWER

- 206 Wherever in the Companies Act, it has been provided that the company shall have any right privilege or authority or that the company could carry out any transaction only, if the company is so authorised by its Articles, then and in that case these Regulations hereto authorise and empower the company to have such rights, privilege or authority and to carry such transactions as have been permitted by the Act

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

Sr. No.	Names, Addresses, Descriptions, Occupations and Signature of the Subscribers	Number of Equity Shares taken by each Subscriber	Name, Address Description and Occupation of the Common Witness
1.	Babubhai Manilal Gandhi Son of Manilal Gandhi 1039, Totadaji's Pole, Rajamehta Pole, Kalupur, Ahmedabad. Business Sd/-	50 (Fifty)	Common Witness To both Dinesh M. Mehta Son of Muljibhai Chunilal Mehta 124-125, Shanti Sadan Estate, Opp. Dinbai Tower, Laldarwaja, Ahmedabad-1. Chartered Accountant Sd/-
2.	Ramesh Nandlal Parikh Son of Nandlal Parikh 'Satkar', Opp. Sardar Patel Stadium, Navrangpura, Ahmedabad-9. Business Sd/-	50 (Fifty)	
Total :		100 (One Hundred)	

Place : Ahmedabad

Dated this 27th day of March, 1973.