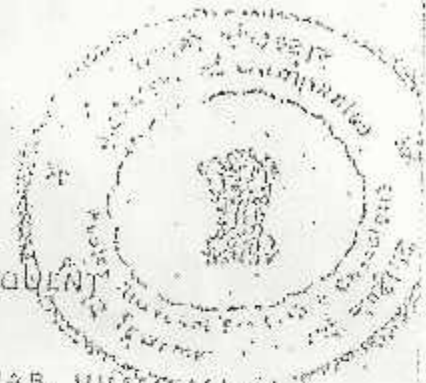


HIMACHAL PRADESH  
GENERAL INDUSTRIES CORPORATION LIMITED

**MEMORANDUM AND ARTICLES  
OF  
ASSOCIATION**



COMPANY No. 3204

FRESH CERTIFICATE OF INCORPORATION CONSEQUENT  
ON CHANGE OF NAME

IN THE OFFICE OF THE REGISTRAR OF COMPANIES, PUNJAB, HIMACHAL  
PRADESH & CHANDIGARH AT JALANDHAR  
(UNDER THE COMPANIES ACT, 1956) (1 OF 1956)

IN THE MATTER OF HIMALAYA FERTILIZERS LIMITED

I hereby certify that HIMALAYA FERTILIZERS LIMITED  
which was originally incorporated on 23rd NOVEMBER, 1974 under the Companies  
Act, 1956 and under the name of HIMALAYA FERTILIZERS LIMITED

having duly passed the necessary resolution in terms of Section 21 of the Companies  
Act, 1956, approval of the Central Government is hereby accorded thereto and the name  
of the said company is this day changed to HIMACHAL PRADESH GENERAL INDUSTRIES  
CORPORATION LIMITED

and this certificate is issued pursuant to  
Section 23 (1) of the said Act.

Given under my hand at Jalandhar this days of 21st SEPTEMBER, 1988

30th BHADRA, SAKA, 1910

*Jatinder Singh*  
(REGISTRAR OF COMPANIES)  
Punjab, H. P. & Chandigarh



MEMORANDUM OF ASSOCIATION  
OF  
HIMACHAL PRADESH GENERAL INDUSTRIES CORPORATION

**Name Clause :**

- I. The name of the Company is Himachal Pradesh General Industries Corporation Limited.

**Registered Office :**

- II. The Registered Office of the Company will be situated in the State of Himachal Pradesh.

**Objects Clause :**

- III. The objects for which the Company is established are :-

**A. MAIN OBEJECTS**

1. To Establish one or more factories, and set up Plant and Machinery to manufacture Granulated Balanced Fertilizers and to carry on incidental and ancillary activities in the State of Himachal Pradesh and other place.
2. To carry on the business as manufactures, processors, producers, buyers, sellers, importers, exporters and dealers in either wholesale or retail and agents of :-
  - (a) All types of Fertilizers including Nitrogenous and Phosphatic fertilizers, insecticides, pesticides, natural manure, artificial manure, chemicals, weedicides, fungicides and remedies of all kinds for agricultural, vegetable, commercial crops and fruit growing or other similar purposes whether produced from vegetable or animal matter or by any chemical process and through wastes of industry and all types of packaging material thereof; and
  - (b) agricultural machinery, water pumps, engines, electric and diesel motors, tractors, other agricultural machinery, tools, implements, automobiles, jeeps, motor cars, motor cycles, trucks, lift vans, trolleys, conveyor belts and their spares; and
3. To manufacture, produce, refine, process, formulate, buy, sell, export, import, or otherwise deal in all classes and kinds of chemicals including without limiting the generality of the foregoing laboratory and scientific chemicals, chemicals of any nature, used or capable of being used in the pharmaceutical industry, agricultural chemicals, drugs, medicines, fertilizers, petro-chemicals, industrial chemicals or any mixtures, derivatives and compound thereof.
4. To manufacture, sell or otherwise to deal in all kinds of electronic goods and allied products;
5. To carry on the business of manufacture of and to sell otherwise to deal in all kinds of hosiery goods, yarn, cotton and silk products, cotton/woolen carpets and their allied products;
6. To carry on the business of manufacture, sell or otherwise to deal in all kinds of detergents, salt and its allied products.
7. To carry on the business of purchase, manufacture sell or otherwise to deal in spirits, wines, Liquors, Industrial & Potable alcohol of all kinds and description as well as other bio-chemicals and formulation products and derivatives thereof.



## B. OBJECTS INCIDENTAL AND ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS :

1. To manufacture, buy, sell, exchange, alter, improve, manipulate, prepare for market import and export and otherwise deal in all kinds of plant, machinery, apparatus, tools, utensils, substance materials and things necessary or convenient for carrying on any of the above specified business or proceedings or usually dealt in by persons engaged in the like business or profession.
2. To acquire the patents, trade marks, concessions and/or any protected processes or privileges or monopolies, exclusive or restricted rights or properties or interests in respect of any or all or about any particular technique or their process of fabrication or manufacture of any kind of manure, chemicals, pesticides, insecticides, drugs, fertilizers, parts, components, machine, machinery or plant and/or for the purpose or functioning of any machinery, machine, plant or component and/or to grant leases or sublet or transfer or dispose of for or without consideration such trade marks, concessions, monopolies or interests to any other particular industry or industries to person or persons or association of persons or institution for any definite geographical territories.
3. To associate with any particular industries, to enter into any joint venture, or partnership, and/or to undertake rendering of technical services in the shape as mentioned in the main objects and other projects.
4. To enter into partnership or into any arrangement for sharing, pooling, Profits, amalgamation, union of interests, co-operation, joint venture, reciprocal concession or otherwise or amalgamate with any person or com any carrying on or engaged in or about to carry on or engage in any business or transaction which this company is authorised to carry on or engaged in any business or undertaking or transaction which may seem capable or being carried-over or conducted so as directly to benefit this company.
5. To carry on any other trade or business which may seem to the company capable of being conveniently carried on in connection with any of the Company's objects.
6. To acquire and undertake the whole or any part of the business property and liabilities and assets of any person, firm or Company carrying on any business, which the Company is authorised to carry on or possessed of property suitable for the purpose of the Company.
7. To take on lease, hire, purchase or otherwise acquire and maintain any lands, rights over or connected with lands, buildings, work plant, machinery apparatus, stock in trade, immovable or movable property of any description, which may be deemed necessary or convenient for any business which the Company is authorised to carry on, or otherwise turn to account and use; exercise, develop or grant leases or licences in respect of the property, rights, or information so acquired.
8. To cause this Company to be registered or recognised in any foreign country or place.
9. To adopt such means of making known the production of the company as may seem expedient and in particular by advertising in the press by circulars, by purchased and exhibition of works of art or interests, by publication of books and magazines or periodicals and by granting prizes, rewards and donations.
10. To borrow or raise or secure the payment of money in such manner as the Company shall think fit and in particular by the issue of debentures, debenture bonds or debenture stocks, perpetual or otherwise secured by mortgage of or any other securities or charges based upon the undertaking of the Company or any part of its property both the present and future including the uncalled capital and the rights of the Company or without any such security, and upon such terms as to priority or otherwise and generally to borrow money in such manner as the company shall think fit and to make such arrangements for obtaining over drafts and other banking financial assistance as may be deemed expedient and for the said purpose to execute necessary deeds in writing.



11. To conduct any scientific, chemical or any other investigation, research or experiment with a view to inventing, perfecting or improving any process which the company is authorised to deal with.

12. To open an account or accounts with any individual firm or Company or with any banks and to pay into and to withdraw money from such account or accounts whether they be in credit or otherwise to make accept, endorse, discount, negotiate and execute and to buy, sell and in promissory notes, bills of exchange, hundies, bills of lading and other negotiable or transferable instruments.

13. To pay for any property or rights acquired by the Company either in cash or by the allotment of fully or partly paid shares of this Company with or without preferential rights in respect of dividend or repayment of capital or otherwise or by any securities, which the Company has power to issue, or partly in one mode and partly in any other and generally on such terms as the Company may determine.

14. To remunerate any person or Company for services rendered in or about the formation or promotion of the Company, or the conduct of its business and to pay the preliminary expenses of the Company.

15. To appoint agents, sub-agents and establish agencies or branches, service centres and departmental stores of the Company in any part of the world

16. To accept payment for any property or rights sold or otherwise disposed of or dealt with by the company, either in cash or by instalments or otherwise or in shares of any Company with or without deferred or preferred of the dividend or repayment of capital or otherwise or in debentures and debenture stock or other securities of any Company or Corporation or by mortgages, or partly in one mode and partly in another and generally on such terms as the Company may determine; and to hold, deal with or dispose of any considerations so received.

17. To employ experts to investigate and examine into conditions, prospects value, character and circumstances, of any concern and undertaking generally of any assets, property or rights, to expend money in experimenting upon, patent or invention which the Company may acquire or propose to deal within the attainments of its main objects.

18. To sell, improve, manage, develop, turn to account, exchange, let on rent, royalty, share of profits or otherwise, mortgage, grant licence, easements, option and other rights in respect of and in any other manner deal with or dispose of the undertaking of the Company or any part thereof or all or any of the assets property for the time being of the Company and for any consideration whether in cash or in shares (fully or partly paid) debenture stock or other interests in or securities of any Company having objects altogether or in part similar to those of this Company.

19. To grant annuities, pensions, allowances, gratuities and bonuses to any employees or ex-employees (including Directors and ex-Directors) of the Company, or the relations, connections or dependents of any such persons to establish or support associations, institutions, clubs, schools, funds, schemes and trusts (religious, scientific, educational, provident or otherwise) which may be considered calculated to benefit any such person or the public or otherwise advance the interests of the Company or of its members and to establish and contribute to any scheme for the purchase by trustees of shares in the Company to be held for the benefit of the Company's employees and to lend to the Company's employees to enable them to purchase share of the Company and to formulate and carry into effect any scheme for sharing profit of the Company with its employees or any of them and to subscribe and guarantee money for the charitable or benevolent objects or for any exhibition or for any public, general or useful objects or earmark a portion of the Profits of the Company or create a funds for any such objects or purposes.



20. To subscribe or guarantee money for any national, or charitable, benevolent, public, general or useful objects or funds or for any exhibition or for any purpose which in the opinion of the Board of Directors may be likely directly or indirectly to further the objects of the Company or the interests of its members, to create any reserve fund, sinking and, insurance fund or any other special fund whether for depreciation or for repairing, improving, extending, or maintaining any property of the Company or for any other purpose conducive to the interests of the Company.

21. To do all or any of the above things as principals, trustees, contractors or otherwise and either alone or in conjunction with others and either by or through agents, sub-contractors, trustees or otherwise.

22. To provide for the welfare of employees or ex-employees of the Company, and the wives and families of dependents or connections of such persons by building or contributing to the building of houses, dwelling or chawls or by grants of money, pension, allowances or other payments or by establishing and supporting or aiding in the establishment and support or subscribing or contributing to associations, institutions, funds, trusts, or convenience and by providing or subscribing or contributing to wards, places of instruction and recreation, hospitals and dispensaries, medical and other assistance as the Company shall think fit, and to form, subscribe to or otherwise to assist charitable, benevolent, religious, scientific, national, or other institutions or objects, which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation or of public and general utility or otherwise. And also to give pensions, gratuities or charitable aid to any person or persons who have served the Company or to the wives, widows, families or dependents of such persons and to form and contribute to Provident Fund pension and Benefit funds for the benefit of any person employed by the Company.

23. To enter into any arrangement with any Government or authority, supreme, municipal, local, or otherwise, that may seem conducive to the company's objects or any of them and to obtain from any such Governments or authority its departments or agencies all rights, concessions, and privileges, licences, quotas, which the company may think desirable to obtain and to carry out, exercise and comply with any such arrangements, rights, privileges, and concessions.

24. To do such other things as are incidental or may be thought conducive of the attainment of the above objects or any of them in India or elsewhere in the world as principals, agents or otherwise and either alone or in conjunction with others.

### C. OTHER OBJECTS

1. To carry on the business of printers, publishers, stationers, lithographers, type-founders, stereo-typers, electotypers, photographic printers, photolithographers, chromo lithographers, engravers, die sinkers, book-binders, designers, draftsmen, paper and ink manufacturers, book-sellers, and advertising agents and dealers in or manufacturers, of any other articles or things of a character similar or analogous to the forging or any of them or connected therewith.

2. To lend, deposit or advance money, securities and property to such persons or companies and on such terms as seem expedient and to guarantee the performance of contracts by such persons or companies, in particular customers and others having dealing with the Company, provided that nothing herein contained shall authorise the company to do any Banking business within the meaning of Banking Regulations Act, 1949.

3. To carry on the business of transporters and carriers, clearing agents, shippers, packers, insurers and financiers in all its branches.

4. To transact and conduct any kind of agency business.



5. To manufacture, sell, import, export or otherwise to deal in all type of plastic goods, rubber goods, building material, hardwares, electric goods, paints, varnishes, wood, sugar, agricultural and allied products.
6. To deal in petrol, oil, lubricants and allied products.
7. To carry on the business of seeds, seeds-farms, beverages, wines, poultry farms piggeries milk dairies, fisheries, ghee, butter, ice-cream, cheese, tinned food, oil mills, vanaspati ghee manufacturers, fruit preservation,
8. To carry on the manufacture of nuts, bolts, jacks, machinery and implements of all kinds, boiler makers, metal works, smiths, iron founders, brass founders, metal founts, non-ferrous metal founders, manufacturers of steel, brass, copper, aluminium, zinc, bronze, hituman chromite, nickel and their alloys, castings, rollers, billets, pipes, tubes, bars, rounds, plates, sheets, girders, tees, wires, chains, cones building and sanitary fittings, chains, pulleys, gears, wheels and to undertake the jobs of mechanical engineers and consultants.
9. To carry on the business of garage-keepers, motor and tractor workshops, Petrol pumps, diesel and kerosene oil dealers, and of suppliers.
10. To carry on the business of chemists, druggists, and medicine manufacture, chemical analysts.
11. To carry on the business of assemblers, repairs, cleaners of motors, motor trucks, buses, motor cycles scooters, lorries, motor launches, motor vans, motor boats, aircrafts, gliders, and other conveyances of all type, whether propelled or assisted by means of petrol, spirit, steam gas, electricity, animal or other powers and of engines, chassies, bodies and other things.
12. To carry on the business of civil contractors, civil engineers, machanical engineers, electrical engineers, fitters, paper, card, polythene, card-board, pvc. and other packing material manufacturer.
13. To carry on the business of running, owning, letting on hire, coldstorages, godowns, warehouses, bondage-houses, markets for agricultural products vehicle parks, exhibition grounds, halls, auditoriums cinema halls, research centres, scientific research laboratories, scientific institutions.
14. To manufacture fire bricks of ali kinds, fire clay, stone ware, pipes, bricks, tiles, pottery, earthen wares, sanitary wares, china and terra-cotton rerractories and ceramic wares of all kinds, glass wares and allied goods.
15. To obtain licences of India or elsewhere for prospecting all sorts of major and minor leases, mining rights or mining claims from the Government of India, any State Government or foreign Governments, or other persons, to crush, win, get, quarry, smelt, cladine, refine, dress, amalgamate, manipulate and prepare for market ore, metal and mineral substances of all kinds and to carry on other mettallurgical operations and to carry on business relating to the winning and working of deposits of all sorts of minerals such as lime, stone, clay, bauxite, coal iron, ore red oxide, manganese, chromcore, Kyanire lead, galena, graphites, asbestos, mica, sulphur, phosphate wolfram, tantalum, columbite nickle, tin and other mineral ores and valuable metal or other stones or ores and or to manufacture, purchase sell, dispose of, export or otherwise deal with and to turn to account all such mineral or stones or ores or their products and generally to carry on business of mining in all its branches.
16. To deal in construction machinery, road rollers, earth movers, lifts, cranes.

#### IV. THE LIABILITY OF THE MEMBERS IS LIMITED.

##### Capital Clause :

The Share capital of the Company is Rs.9,00,00,000/- (Rupees Nine Crore only) divided into 90,00,000 equity shares of Rs. 10/- each with rights, privileges and conditions as described in the Articles of Association of the Company.



We, the several persons, whose names and addresses are subscribe 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.

S. No.	Names, addresses, descriptions & occupations of the subscribers	Number of shares taken by each subscriber	Signature of Subscriber	Name & address of witnesses	Signature of witnesses
1.	K. K. Kaw S/o Mr. P. N. Kaw C-24, New Brockhurst Flats, SIMLA-2 Govt. Service	1	Sd/-	U. K. Mahindra S/o F. C. Mahindra 330 Katra Husrain Bux, Khari Baoli Delhi-6 Occupation : Chartered Accountant.	Sd/-
2.	S. K. Chauhan S/o Th. M. Singh, Govt. Service, Director of industries, H. P., SIMLA.	1	Sd/-		
3.	R. C. Sharma S/o Pt Ganga Ram M.D.H.P. Mineral & Industrial, Dev. Corporation Ltd., SIMLA Govt. Service.	1	Sd/-		
4.	D.M. Patel S/o M. S. Patel Vimal Kunj, Nariman Road, Bombay-57 Industrialist	500	Sd/-		
5.	Rajindra Kumar Kakari 8, Jain Mandir Road, New Delhi. Business S/o L. Labhu Ram	500	Sd/-		
6.	G. C. Singh S/o Shri Makhan Singh, 75-B Model Town Patiala Agriculture and Business	500	Sd/-		
7.	Preetam Singh Sahmbi S/o S. Karam Singh, Prop. Preetam Bus Service, Main Gate, Chhatarpur (M. P.)	500	Sd/-		

Dated this 18th day of November, 1972,



**The Companies Act, 1956**  
**COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**HIMACHAL PRADESH GENERAL INDUSTRIES CORPORATION**

**TABLE A not to apply but Company to be governed by these Articles :**

1. No regulation contained in Table A in the First Schedule to the Companies Act, 1956 or in the Schedule to any previous Companies Act, shall apply to this Company, but the regulations for 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 Company with reference to the repeal or alteration of, or addition to, its regulations by Special Resolution, as prescribed by the Companies Act, 1956, be such as are contained in these Articles.

**INTERPRETATION**

**Interpretation clause :**

2. In the interpretation of these Articles, unless repugnant to the subject or context :—

**"The Company" or "This Company"**

"The Company" or "This Company" means Himachal Pradesh General Industries Corporation Limited.

**"The Act"**

"The Act" means the Companies Act, 1956, or any statutory modification thereof for the time being in force.

**"Auditors"**

"Auditors" means and includes persons appointed as such for the time being by the Company.

**"Board" or "Board of Directors"**

"Board" or "Board of Directors" means a meeting of the Directors of the Company duly called and constituted, or, the case may be, the Directors assembled at a meeting of the Board of the Directors of the Company collectively.

**"Capital"**

"Capital" means the share capital for the time being raised or authorised to be raised, for the purpose of the Company.



**"Debenture"**

"Debenture" includes Debenture Stock.

**"Directors"**

"Directors" means Directors for the time being of the Company or, as the case may be, the Directors assembled at a Board and shall include Alternate Directors.

**"Dividend"**

"Dividend" includes bonus.

**"Executor" or "Administrator"**

"Executor" or "Administrator" means a person who has obtained Probate or Letters of Administration, as the case may be, from some Court of competent jurisdiction and shall include the holder of a Succession Certificate authorising the holder thereof to negotiate or transfer the share or shares of the deceased member and shall also include the holder of a Certificate granted by the Administrator-General under Section 31 of the Administrator-General's Act, 1913.

**"Gender"**

Words importing the masculine gender also include the feminine gender.

**"In Writing" or "Written"**

"In writing" and "Written" include printing, lithography and other modes of representing or reproducing words in a visible form.

**"Legal Representative"**

"Legal Representative" means a person who in law represents the estate of deceased Member.

**"Member"**

"Member" means the duly registered holder from time to time of the shares of the Company.

**"Meeting" or "General Meeting"**

"Meeting" or "General Meeting" means a meeting of Members.

**"Annual General Meeting"**

"Annual General Meeting" means a General Meeting of the members held in accordance with the provisions of Section 166 of the Act.

**"Extraordinary General Meeting"**

"Extraordinary General Meeting" means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.

**"Month"**

"Month" means a calendar month.

**"Office"**

"Office" means the Registered Office for the time being of the Company.

**"Paid up"**

"Paid up" includes credited as paid up.



**"Person"**

"Persons" include corporations and firms as well as individuals.

**"Register of Members"**

"Register of Members" means the Register of Members to be kept pursuant to the Act.

**"The Registrar"**

"The Registrar" means a Registrar of the Companies.

**"Seal"**

"Seal" means the Common Seal for the time being of the Company.

**"Secretary"**

"Secretary" includes a temporary or assistant secretary and any person or persons appointed by the board to perform any of the duties of a Secretary.

**"Share"**

"Share" means share in the share capital of the Company, and includes stock, except where a distinction between stock and shares is expressed or implied.

**"Singular number"**

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

**"Special Resolution"**

"Special Resolution" shall have the meaning assigned thereto by Section 189 of the Act.

**"Year" and "Financial Year"**

"Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2 (17) of the Act.

**Marginal notes :**

The marginal notes used in these Articles shall not affect the construction thereof.

Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles as in the Act.

**CAPITAL AND INCREASE AND REDUCTION OF CAPITAL**

**Amount of Capital :**

3. The authorized share capital of the Company is Rs. 9,00,00,000/- (Rupees Nine Crore only) divided into 90,00,000 (Ninety lakh) equity shares of Rs. 10/- each.

4. Any unclassified shares of the Company for the time being (whether forming part of the original capital or of any increased capital of the Company), may be issued either with the sanction of the Company in General Meeting or by the Board, with such rights and privileges annexed thereto and upon such terms and conditions as the General Meeting sanctioning the issue of such shares may direct, and if no such direction shall be given and in all other cases as the Directors shall determine and, in particular, such share may be issued with a preferential qualified right to dividends and in distribution of assets of the Company and any Preference shares may be issued on the terms that they are or at the option of the Company are liable to be redeemed.



**Increase of Capital by the Company and how carried into effect :**

5. The Company in General Meeting may from time to time by an Ordinary Resolution, increase the capital by the creation of new shares, such increase to be of such respective amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as by the General Meeting creating the same shall be directed and if no direction be given by General Meeting, as the Board shall determine; and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Sections 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.

**New capital same as existing capital :**

6. Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares, shall be considered as part of 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.

**Redeemable Preference Shares :**

7. Subject to the provision of Section 80 of the Act, the Company shall have the power to issue Preference shares which are or at the option of the Company are liable to be redeemed and redemption of Preference shares hereunder may be effected in accordance with the terms and conditions of their issue and failing that in such manner as the Directors think fit.

**Provisions to apply on issue of Redeemable Preference Shares :**

8. On the issue of Redeemable shares under the provision of Article hereof, the following provisions shall take effect.

(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 purposes of the redemption;

(b) No such shares shall be redeemed unless they are fully paid;

(c) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company's Shares 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 shares 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.

**Reduction of Capital :**

9. The Company may (subject to the provisions of Sections 78, 80 and 100 to 105 (both inclusive of the Act), from time to time by Special Resolution, reduce its capital Redemption Reserve Account or the Share Premium Account in any manner for the time being authorised by law, and in particular, capital may be paid off on the footing that it may be called up again or otherwise. (This Article is not to derogate from any power the Company would have if it were omitted).



### **Modification of rights :**

10. Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued shares of the class or is confirmed by a Special resolution passed at a separate General Meeting of the holders of shares of that class. This Article is not to derogate from any power the Company would have if this Article were omitted.

## **SHARES AND CERTIFICATES**

### **Register and Index of Members :**

11. The company shall cause to be kept a Register and Index of Members in accordance with Sections 150 and 151 of the Act.

### **Shares to be numbered progressively and no share to be sub-divided :**

12. The shares in the capital shall be numbered progressively according to their several denominations and except in the manner herein-before mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

### **Further issue of capital :**

13. (a) Where it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of un-issued share capital or out of increased share capital, then such further shall be offered to the persons who at the date of the offer are holders of the equity shares of the Company, in proportion as nearly as circumstances admit, to the capital paid up on those shares at that date. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than thirty days from the date of offer within which the offer if not accepted will be deemed to have been declined. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declined to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company.

(b) Notwithstanding anything contained in the preceding sub-clause, the Company may :—

(i) by a special resolution; or

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

Offer further shares to any person or persons and such person or persons may or may not include the persons who at the date of the offer, are the holders of the equity shares of the Company.

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



#### **Sale of fractional shares :**

14. If and whenever as the result of issue of new or further shares or any consolidation or sub-division of shares, any shares become held by members in fractions, the Board shall subject to the provisions of the Act and the Articles and to the directions of the Company in General Meeting, if any, sell those shares, which members hold in fractions, for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion, the net proceeds 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, and he shall not be bound to see the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

#### **Shares under control of the Board :**

15. Subject to the provisions of these Articles and of the Act, the shares in the capital of the Company for the time being, (including any shares forming part of any increased capital of the Company), shall be under the control of the Board, who may allot or otherwise dispose of the same to such persons on such terms and conditions and subject to the provisions of Sections 78 and 79 of the Act either at a premium or at par or at a discount and at such times as the Board thinks fit. Provided that the option or right to call for shares shall not be given to any person except with the sanction of the Company in General Meeting.

#### **Power also to Company in General Meeting to issue shares :**

16. In addition to and without derogating from powers for that purpose conferred on the Board under Articles 14 and 15 of these articles, the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine to issue further shares out of the authorised but unissued capital of the Company and may determine that any share, (whether forming part of the original capital or of any increased capital of the Company), shall be offered to such persons, (whether Members or holders of debentures or not) in such proportion and on such terms and conditions and subject to compliance with the provisions of Section 78 and 79 of the Act, either at a premium or at par or as a discount, at such General Meeting shall determine and with full power to give any person, (whether a Member or a holder of debentures of the Company or not), the option to call for or be allotted shares of any class of the Company, (subject to compliance with the provisions of Sections 78 and 79 of the Act), either at a premium or at par or at a discount 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 :**

17. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall for the purposes of these Articles be a member.

#### **Board may allot shares as fully paid-up :**

18. Subject to the provisions of the Act and these Articles, the Board may allot and issue shares in the capital of the Company as payment for any property, (including goodwill of any business), sold or transferred, good or machinery supplied or for services rendered to the Company, either in or about the conduct of business of the Company and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash and if so issued shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.



**Deposit and calls act to be a debt payable immediately :**

19. The money, (if any), which the Board 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 of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

**Liability of members :**

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

**Share Certificates :**

21. (a) Every member or allottee of shares shall be entitled without payment, to receive one certificate specifying the name of the person in whose favor it is issued, the share to which it relates and the amount paid up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letters of acceptance or of renunciation, or in cases of issues of bonus shares. Every such certificate shall be issued under the Seal of the Company which shall be affixed in the presence of two Directors or persons acting on behalf of the Board under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose, and the two Directors or their attorneys and the secretary or other person shall sign the share certificate, provided that if the composition of the Board permits, at least one of the aforesaid two Directors shall be a person other than a Managing Director or a whole time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating the date of issue.

(b) Any two or more joint allottees of a share shall, for the purpose of this Article, be treated as a single Member, and the certificate of any share, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all them. For any further certificate the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding Rupee one. The company shall comply with the provisions of Section 113 of the Act.

(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp; provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

**Renewal of share certificates :**

22. (a) No certificate of any share or shares shall be issued either in exchange for those which are subdivided or consolidated or in replacement of those which are defaced, torn, old decrepit or worn out or where the cages on the reverse for recorded transfers have been duly utilised, unless the certificate in lieu of which it is issued is surrendered to the Company. The Company shall not charge any fee—(i) for registration of transfer of shares and debenture (ii) for sub-division and consolidation of share and debenture, certificates and sub-division of Letters of Allotment and Split, Consolidation, Renewal and Pucca Transfer Receipts into denominations corresponding to the market in its of trading (iii) for sub-division of renounceable Letter of Right (iv) for issue of new certificates in replacement of those which are old, decrepit or worn out or where the cages on the reverse for recording transfers



have been fully utilized (v) for registration of any Power of Attorney Probate, Letters of administration of similar other documents.

(b) When a new share certificate has been issued in pursuance of sub-Article (a) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "Issued in lieu of share certificate No. sub-divided/replaced/on consolidation of shares."

(c) The Company agrees that it will not charge any fees exceeding those which may be agreed upon with the Exchange (i) for issue of new certificates in replacement of those that are torn, defaced, lost or destroyed, (ii) for sub-division and consolidation of share and debenture certificates and for sub-division of Letters of Allotment and Split, Consolidation, Renewal and Pucca Transfer Receipts into denominations other than those fixed for the market units of trading.

(d) When a new share certificate had been issued in pursuance of sub-Article (c) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "Duplicate issued in lieu of share certificate No. . The word "Duplicate" shall be stamped or punched in bold letters across the face of the share certificate.

(e) Where a new share certificate has been issued in pursuance of sub-Articles(a) of (c) or this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against the name of the person to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued and the necessary changes indicated in the Register of Members by suitable cross reference in the "Remarks" column.

(f) All blank forms to be used for issue of shares shall be printed and the printing shall be done only on authority of a resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or such other person as the Board may appoint for the purpose, and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.

(g) The Managing Director of the Company for the time being or if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates referred to in sub-Article (f) of this Article.

(h) All books referred to in sub-Article(g) of this Article, shall be preserved in good order permanently, and all certificates surrendered to the Company shall immediately be defaced by the word "Cancelled" being stamped or punched in bold letters and may be destroyed after the expiry of three years from the date on which they are surrendered, under the authority of a resolution of the Board and in the presence of a person duly appointed by the Board in this behalf.

#### **Fractional Certificates :**

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

#### **The first named joint holder deemed sole holder for certain purposes :**

24. If any share stands in the names of two or more persons the person first named in the Register of Members shall as regards receipt of dividends or bonus, or service of notices and all or any other matters connected



with the Company except voting at meetings and the transfer of 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 share, and for all incidents thereof according to the Company's regulations.

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

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

**Funds of Company may not be applied in purchase of shares of the Company :**

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

**Commission :**

27. The Company may exercise the powers of paying commission conferred by Section 76 of the Act, provided that the rate percent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the said Section and the commission shall not exceed 5 percent of the price at which any shares, in respect whereof the same is paid, are issued or  $2\frac{1}{2}$  per cent of the price at which any debentures are issued (as the case may be). Such commission may be satisfied by the payment in cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.

**Brokerage :**

28. The Company may also on any issue of shares, pay such brokerage as may be lawful. Provided such brokerage shall only be paid to the members of recognised Stock Exchange and to the Bankers to the issue.

**INTEREST OUT OF CAPITAL**

**Interest may be paid out of capital :**

29. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provision of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate and subject to the condition and restrictions provided by Section 203 of the Act, and may charge the same to capital as part of the cost of construction of the work or building or the provision of plant.

**CALLS**

**Board may make calls :**

30. The Board may from time to time subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, (and not by circular (resolution), make such call as it thinks fit upon the Members in respect of all moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be payable by instalments.

**Notice of call :**

31. Thirty day's notice at the least of every call otherwise than on allotment shall be given specifying the time of payment and if payable to any person other than the Company the name of the person to whom the



call shall be paid; provided that before the time for payment of such call the Board may by notice in writing to the Members revoke the same.

**Call to date from resolution :**

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

**Call may be revoked or postponed :**

33. A call may be revoked or postponed at the discretion of the Board.

**Liability of joint holders :**

34. The joint holders of a share shall be jointly and severally liable to pay all instalments and calls due in respect thereof.

**Board may extend time :**

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

**Calls to carry interest :**

36. If any Member or allottee fails to pay the whole or any part of any call or instalment, due from him on the day appointed for payment thereof, or any such extension thereof, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board; but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member.

**Sums deemed to be calls :**

37. Any sum which by the terms of issue of a share or otherwise, become payable on allotment or at any fixed date or by instalments at a fixed time whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue or otherwise the same become payable; and the case of non-payment all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.

**Proof on trial of suit for money due on shares :**

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



**Partial payment not to preclude forfeiture :**

39. Neither a judgment or decree in favour of the Company for calls, nor 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 :**

40. (a) The Board may, if it thinks fit, agree to and receive from any Member willing to advance the same, all or any part of the amounts due on his shares beyond the sums actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board may pay or allow interest, at such rate (not exceeding without the sanction of the Company in General Meeting 9 per cent per annum) as the Member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or at any time repay the same upon giving to the Member three month's notice in writing. Provided that any amount but shall not in respect thereof confer a right to dividends or to participate in profits.

(b) No Member paying any such amount in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

**LIEN**

**Company to have lien on shares :**

41. The Company shall have a first and paramount lien on every share, (not being a fully paid share), for all moneys whether presently payable or not, called or payable at a fixed time in respect of that share, but the Company shall have no general lien on such partly paid up share. The Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company shall have no lien on its fully paid up shares unless otherwise agreed the Registration of a transfer of a share shall operate as a waiver of the Companies lien, if any, on such share.

**As to enforcing lien by sale :**

42. For the purpose of enforcing such lien the Board may sell the shares subject thereof in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their members to execute a transfer thereof on behalf of and in the name of such Member. No sale shall be made until such period as aforesaid shall have elapsed and until notice in writing of the intention to sell shall have been served on such Member or his legal fulfilment, or discharge of such debts, liabilities or engagements for Thirty days after such notice.

**Application of proceeds of sale :**

43. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue if any, shall, (subject to a like lien for sums not presently payable as existed upon the shares before the sale), be paid to the person entitled to the shares at the date of the sale.



## FORFEITURE OF SHARES

### **If money, payable on share not paid, notice to be given to Member :**

44. If any Member fails to pay any call or instalment or any part thereof or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or instalment or any part thereof or other moneys remain unpaid or a judgment or decree in respect thereof remain unsatisfied give notice to him or his legal representatives requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

### **Terms of Notice :**

45. The notice shall name a day, (not being less than Thirty from the date of the notice), and a place or places on or before which such call or instalment or such part or other moneys as aforesaid and interest thereon (at such rate as the Board shall determine and payable from the date on which such call or instalment ought to have been paid), and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or instalment is payable, will be liable to be forfeited.

### **In default of payment shares to be forfeited :**

46. If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been, may at any time thereafter before payment of all calls, instalments, other moneys due in respect thereof, interest and expenses as aforesaid by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of forfeited share and not actually paid before the forfeiture.

### **Notice of forfeiture to a Member :**

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

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

48. Any share so forfeited shall be deemed to be property of the company and may be sold, re-allotted 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 shall think fit.

### **Member still liable to pay money owing at time of forfeiture and interest :**

49. Any member whose shares have been forfeited shall not withstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand, all calls, instalment interest, and expenses and other moneys owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce, (if it thinks fit), payment thereof as if it were a new call made at the date of forfeiture.

### **Effect of Forfeiture :**

50. The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the company, in respect of the share and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.



### **Evidence of Forfeiture**

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

### **Validity of sale under Articles 43 and 49 :**

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

### **Cancellation of share certificate in respect of forfeited shares**

53. 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 previously surrendered to it by the defaulting Member), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to the persons or person entitled thereto.

### **Power to annual forfeiture :**

54. The Board may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of annual the forfeiture there of upon such conditions as it thinks fit.

## **TRANSFER AND TRANSMISSION OF SHARES**

### **Register of Transfers :**

55. The Company shall keep a "Register of transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share.

### **Form of transfer :**

56. Every instrument of transfer of shares shall be in writing in the usual common form or in such form as may be prescribed under the Act and shall be delivered to the Company within such time as may be prescribed under the Act.

### **Application for transfer :**

57. (1) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee.

(2) Where the application is made by the transferor and related to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.

### **To be executed by transferor and transferee :**

58. Every such instrument of transfer shall be executed both by the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof.



#### **Transfer books when closed :**

59. The Board shall have power on giving not less than Twenty one days previous notice by advertisement in a newspaper circulating in the city, town or village in which the Registered Office of the Company is situated to close the transfer books, the Register of Members and/or Register of Debenture holders, at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in such year as to it may seem expedient.

#### **Board may refuse to register transfer :**

60. Subject to the provisions of Section 111 of the Act, or any statutory modification of the said provisions for the time being in force the Board may, as its own absolute and uncontrolled discretion and without assigning any reason, decline to register or acknowledge any transfer of shares and in particular may so decline in any case in which the Company has a lien upon the shares or any of them or whilst any moneys in respect of the shares desired to be transferred or any of them remain unpaid or unless the transferee is approved by the Board and such refusal not be affected by the fact that the proposed transferee is already a Member. The registration of a transfer shall be conclusive evidence of the approved of the Board of the transfer. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

#### **Refusal to register person entitled by transmission :**

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

#### **Death of one or more joint holders of shares :**

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

#### **Title to shares of deceased member :**

63. The Executors or Administrators or the legal representatives of a deceased Member, (not being one of two or more joint-holders), shall be the only persons recognised by the Company as having any title to the shares registered in the name of such Member, provided that the Board may in its absolute discretion dispense with production of Probate or Letters of Administration or Succession certificate, upon such terms as to indemnify or otherwise as the Board may in its absolute discretion deem fit and may under Article 66 of these Articles register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased Member, as a Member.

#### **No transfer to minor, etc. :**

64. The Board shall not knowingly issue or register a transfer of any share to a minor or insolvent or person of unsound mind.

#### **Registration of persons entitled to shares otherwise than by transfer :**

65. Subject to the provisions of Articles 63 and 64 any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any Member, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board, (which it shall not be under any obligation to



give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder; provided nevertheless, that if such person shall elect to have his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.

**Rights of such person :**

66. A person entitled to a share by transmission may, until the Board otherwise determines as provided by Article 175 of these Articles, receive and give discharge for any dividends, bonuses or other moneys payable in respect of the share, but he shall not be entitled to vote at meetings of the Company save as provided in Article 112 of these Articles or save as aforesaid and save as provided in Article 194 of these Articles to any of the rights and privileges of a Member, unless and until he shall have become a Member in respect of the shares.

**Transfer to be presented with evidence of title :**

67. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the shares, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

**Conditions of registration transfer :**

68. Before the registration of a transfer, the Certificate or certificates of the share or shares to be transferred must be delivered to the Company alongwith, (save provided in Section 103 of the Act), a properly stamped and executed instrument of transfer.

**No fee on transfer or transmission :**

69. No fee shall be payable to the Company, in respect of the transmission of shares.

**Company not liable for disregard of notice prohibiting registration of a transfer :**

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

**Transfer of debentures :**

71. The provisions of these Articles shall mutatis mutandis apply to the transfer or transmission by operation of law of debentures of the Company.

**Copies of Memorandum and Articles of Association to be sent by the Company :**

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



## BORROWING POWERS

### **Power to borrow :**

73. Subject to the provisions of Sections 292 and 293 of the Act and of these Articles, the Board may, from time to time at its discretion, accept deposits from Members, (either in advance of calls or otherwise), and from other persons and generally borrow or raise or secure the payment of any sum or sums of money for the purposes of the Company. Provided, however that where the moneys to be borrowed together with the moneys already borrowed, by the Company, (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), 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 shall not borrow such moneys without the consent of the company in General Meeting.

### **Conditions on which money may be borrowed :**

74. Subject to the provisions of the Act and these Articles, the Board may borrow, raise and secure the payment of such sum or sums such manner and upon such terms and conditions in all respect as they think fit and in particular by the issue of bonds, perpetual or redeemable debentures or debenture-stock, or any mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the whole or any part of the property of the Company, (both present and future). Provided however that the Board shall not, except with the consent of the Company in General Meeting Mortgage, charge, or otherwise encumber, the Company's uncalled capital for the time being or any part thereof.

### **Bonds, debentures etc. to be subject to control of Board :**

75. Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company. Provided that debentures with right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.

### **Mortgage of uncalled capital :**

76. Subject to the provisions of the Act and these Articles, if any uncalled capital of the Company is included in or charged by any mortgage or other security, the Board shall make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed, or if permitted by the Act, may be instrument under 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 here-in before 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.

### **Register of Mortgages etc. to be kept :**

77. The Board shall cause a proper Register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company; and shall cause the requirements of Sections 118, 125 and 127 to 144, (both inclusive), of the Act in that behalf to be duly complied with, so far as they are required to be complied with by the Board.

### **Register and Index of Debenture-holder-holders :**

78. The Company shall, if at any time it issues debentures, keep a Register and Index of Debenture-holder in accordance with Section 152 of the Act.



## SHARE WARRANTS

### Power to issue warrants :

79. The Company may issue share warrants subject to and in accordance with, the provisions of Sections 114 and 115; and accordingly the Board may in its discretion, with respect to any share which is fully paid up, on application in writing signed by the persons registered as holder of the share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the person signing the application, and on receiving the certificate (if any) of the share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.

### Deposit of share warrants :

80. (1) The bearer of a share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a Member at any Meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the share included in the deposited warrant.

(2) Not more than one person shall be recognised as depositor of the share warrant.

(3) The Company shall, on two days written notice, return the deposited share warrant to the depositor.

### Privileges and disabilities of the holders of share warrants :

81. (1) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a Member at a meeting of the company, or be entitled to receive any notices from the Company.

(2) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the shares included in the warrant, and he shall be a Member of the Company.

### Issue of new share warrant or coupon :

82. The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

## CONVERSION OF SHARES INTO STOCK AND RECONVERSION

### Shares may be converted into stock :

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

### Rights of stock-holder :

84. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privileges or advantages, (except participation in the dividends and profits of the Company and in the assets on winding up), shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.



## MEETING OF MEMBERS

### Annual General Meeting, Annual Summary :

85. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings other than Annual General Meetings shall be called extraordinary General Meetings. The Annual General Meeting shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 166 (1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for at a time during business hours, on a day that is not a public holiday, and shall be held at the Registered Office of the Company or at some other place within the city, town or village in which the Registered Office of the Company is situated, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meetings. Every Member of the Company shall be entitled to attend the Annual General Meeting either in person or by proxy and the Auditor of the Company shall have right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table, the Director's Report and Audited Statement of Accounts, Auditor's Report, the Proxy Register with proxies and the Register of Director's Shareholdings which latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall comply with Sections 159 and 220 of the Act within the stipulated time.

### Extra ordinary General Meeting :

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

### Requisition of Members to state object of meeting :

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

### On receipt of requisition, Board to call meeting and in default, requisitionists may do so :

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

### Meeting called by requisitionists :

89. Any meeting called under the foregoing Articles by the requisitionists, shall be called in the same manner, as nearly as possible, as that in which a Meeting is to be called by the Board.

### Twenty-one day's notice of meeting to be given :

90. Twenty-one day's notice at the least of every General Meeting, Annual or Extra-ordinary, and by whomsoever called specifying the day, place and hour of Meeting, and the general nature of the business to be transacted



thereat, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company. Provided that in the case of an Annual General Meeting with the consent in writing of all the Members entitled to vote thereat and in case of any other Meeting, with the consent of Members holding not less than 95 per cent of such part of the paid-up share capital of the Company as gives a right to vote at the Meeting, a Meeting may be convened by a shorter notice. In the case of an Annual General Meeting, if any business other than (i) the consideration of the accounts, Balance Sheet and Report of the Board of Directors and Auditors, (ii) the declaration of a dividend, (iii) the appointment of Directors in place of those retiring, (iv) the appointment of, and fixing of the remuneration of the Auditors, is to be transacted, and in the case of any other Meeting in any event, there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest if any therein of every Director and the Manager (if any). Where any such item of business relates to or affects any other company, the extent of share-holding interest in that other company of every Director and the Manager (if any), of the company shall also be set out in statement if the extent of such shareholding interest is not less than 20 per cent of the paid-up share capital of that other company. Where any item of business consists of the according of approval to any document by the Meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

**Omission to give notice not to invalidate a resolution passed :**

91. The accidental omission to give any such notice as aforesaid to any of the Members, or the non-receipt thereof, shall not invalidate any resolution passed at any such Meeting.

**Notice of business to be given :**

92. No General Meeting, Annual or Extraordinary, shall be competent to enter into, discuss or transact any business which has not been mentioned in the notice or notices by which it was convened.

**Quorum at General Meeting :**

93. Five Members present in person shall be a quorum for a General Meeting. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act.

**If quorum not present, Meeting to be dissolved or adjourned :**

94. If, at the expiration of half an hour from the time appointed for holding a Meeting of the Company, a quorum shall not be present, the Meeting, is convened by or upon the requisition of Members, shall stand dissolved, but in any other case, the Meeting shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day and such other time and place within the city, town or village in which the Registered Office of the Company is situated, as the Board may determine, and if at such adjourned Meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the Meeting, the Members present shall be a quorum, and may transact the business for which the Meeting was called. It shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned Meeting.

**Chairman of General Meeting :**

95. The chairman if any, of the Board shall preside as chairman at every general meeting of the company. If at a meeting the Chairman is not present within fifteen minutes after the time appointed for holding such meeting, or is unwilling to act as Chairman of the meeting, the members present shall choose another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair, then the members present shall elect one of their members entitled to vote, to be Chairman of the meeting.



**Business confined to election of Chairman, whilst chair vacant :**

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

**Chairman's casting vote :**

97. The Chairman with the consent of the meeting may adjourn any meeting from time to time and from place to place within the City, Town or Village in which the Registered Office of the Company is situate, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the Meeting which was adjourned.

**Questions at General Meeting how decided :**

98. At any General Meeting, a resolution put to the vote of the Meeting shall be decided on a show of hands, unless a poll is, (before or on the declaration of the result of the show of hands), demanded by at least five Members having the right to vote on the resolution and present in person or proxy, or by the Chairman of the Meeting or by any Member or Members present in person or by proxy and having not less than one-tenth of the total voting power in respect of the resolution or by any Member or Members present or by proxy any holding shares in the Company conferring a right to vote on the resolution, being shares on which an aggregate sum has been paid-up which is not less than one-tenth of the total sum paid-up on all the shares conferring that right, and unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.

**Chairman's casting vote :**

99. In the case of an equality of votes, the Chairman shall both on a show of hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Member.

**Poll to be taken if demanded :**

100. If a poll is demanded as aforesaid, the same shall subject to Articles 95 and 103 be taken at such time, (not later than forty-eight hours from the time when the demand was made), and place within the City, Town or Village in which the Registered office of the Company is situated and either by open voting or by ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the Meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

**Scrutineers at poll :**

101. Where a poll is to be taken, the Chairman of the Meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a Member, (not being an officer or employee of the Company), present at the Meeting provided such a Member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from such removal or from any other cause.

**In what case poll taken without adjournment :**

102. Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting forthwith.



**Demand for poll not to prevent transaction of other business :**

103. The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a Meeting for the transaction of any business other than the question on which the poll has been demanded.

**Publication of reports of proceedings of General Meeting :**

104. No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 192 of the Act to be contained in the Minutes of the proceedings of such Meeting.

**VOTES OF MEMBERS**

**Members in arrears not to vote :**

105. Subject to the provisions of the Act, no Member shall be entitled to vote either personally or by an attorney or by proxy for another Member at any General Meeting or Meeting of a class of shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised, any right of lien.

**Number of votes to which Member entitled :**

106. Subject to provisions of these Articles, every Member not disqualified by the last preceding Article, shall be entitled to be present, and to speak and vote as such Meeting, and on a show of hands every Member present in person shall have one vote and upon a poll, the voting right of such Member present, either in person or by proxy, shall be his share of the paid-up Equity capital of the Company, held alone or jointly with any other person or persons. Provided however, if any preference shareholder be present at any Meeting of the Company, save as provided in Clause (b) of Sub-Section (2) of Section 87 of the Act, he shall have a right to vote only on resolutions placed before the Meeting which directly affect the rights attached to his Preference Shares.

**Casting of votes by a Member entitled to more than one vote :**

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

**How Members non-composmentis may vote :**

108. If any Member be a lunatic, idiot, or non-composmentis, the vote in respect of his share or shares shall be by his committee or other legal guardian; provided that such evidence of the authority of the person claiming to vote as shall be accepted by the Directors shall have been deposited at the Office of the Company not less than forty-eight hours before the time of holding a meeting.

**Votes of Joint Members :**

109. If there be joint registered holders of any shares, any one of such persons may vote at any meeting or may appoint another person (whether a Member or not), his proxy in respect of such shares, as if he were solely entitled thereto; but the Proxy so appointed shall not have any right to speak at the Meeting and if more than one of such joint-holders be present at any Meeting, that one of the said persons so present whose name stands higher on the Register of Members shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint-holders shall be entitled to be present at the Meeting. Several executors or administrators of a deceased Member in whose name shares stand shall for the purpose of these Articles be deemed joint-holders thereof.



#### **Voting in person or by proxy :**

110. Subject to the provisions of these articles votes may be given personally or by an attorney or by proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorised in accordance with Section 187 of the Act and such representative shall be entitled to exercise the same rights and powers, (including the right to vote by proxy), on behalf of the body corporate which he represents as that body could exercise if it were an individual Member.

#### **Votes in respect of deceased and insolvent Member :**

111. Any person entitled under Article 66 to any share 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 forty-eight hours at least before the time of holding the Meeting or adjourned Meeting as the case may be at which he proposes to vote he shall satisfy the Board of his right to such shares and give such indemnity (if any) as the Board may require unless the Board shall have previously admitted his right to vote at such Meeting in respect thereof.

#### **Appointment of proxy :**

112. Every proxy, (whether a Member or not); shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the common Seal of such corporation or be signed by an officer or an attorney duly authorised by it. In case of Member who is of unsound mind or who is minor, his committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the Meetings.

#### **Proxy either for specified Meeting or for a period :**

113. An instrument of proxy may appoint a proxy either for the purposes of a particular Meeting specified in the instrument and any adjournment thereof or it may appoint a proxy for the purpose of every Meeting of the Company, or of every Meeting to be held before a date specified in the instrument and every adjournment of any such meeting.

#### **Person present by proxy not entitled to vote on a show of hands :**

114. No person present only by proxy shall be entitled to vote on a show of hands.

#### **Deposit of Instrument of Appointment :**

115. The instrument appointing a proxy and the power of attorney or other authority, (if any), under which it is signed or a notarially certified copy of that power of attorney, shall be deposited at the Office not later than forty-eight hours before the time for holding the Meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. An attorney shall not be entitled to vote unless the power of attorney or other instrument appointing him or notarially certified copy thereof has either been registered in the records of the Company at any time not less than forty-eight hours before the time for holding the Meeting at which the attorney proposes to vote, or is deposited at the Office of the Company not less than fortyeight hours before the time fixed for such Meeting as aforesaid. Notwithstanding that a power of attorney or other authority has been registered in the records of the Company, the Company may by notice in writing addressed to the Member or the attorney, given at least fourteen days before the Meeting, require him to produce the original power of attorney or authority and unless the same is thereon deposited with the Company not less than forty-eight hours before the time fixed for the Meeting, the attorney shall not be entitled to vote at such Meeting unless the Board in their absolute discretion excuse such non-production and deposit.

#### **Form of proxy :**

116. Every instrument of proxy whether for a specified Meeting or otherwise should, as far as circumstances admit, be in any of the form set out in Schedule IX of the Act.



**Custody of instrument :**

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

**Validity of votes given by proxy notwithstanding death of Member :**

118. 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 of any power of attorney under which such proxy was signed; or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the Office before the Meeting.

**Time for objections to votes :**

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

**Chairman of any Meeting to be the judge of validity of any vote :**

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

**Minutes of General Meeting and inspection thereof by Members :**

121. (1) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such Meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.

(2) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each Meeting in such book shall be dated and signed by the Chairman of the same Meeting within the aforesaid period of thirty days or in the event of the death or in liability of that Chairman within that period by a Director duly authorised by the Board for that purpose.

(3) In no case the minutes of proceedings of a Meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(4) The Minutes of each Meeting shall contain a fair and correct summary of the proceeding thereat.

(5) All appointments of Officers made at any Meeting aforesaid shall be included in the minutes of the Meeting.

6. Nothing herein contained shall require or be deemed to require the inclusion in any such Minutes of any matter which in the opinion of the Chairman of the Meeting is, or could reasonably be regarded as, defamatory of any person, or is irrelevant or immaterial to the proceedings, or is detrimental to the interest of the Company. The Chairman of the Meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the Minutes on the aforesaid grounds.

7. Any such Minutes shall, be evidence of the proceedings recorded therein.

8. The book containing the Minutes of proceedings of General Meeting shall be kept at the Registered



Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Board determines, to the inspection of any Member without charge.

**DIRECTORS**

122. Until otherwise determined by a General Meeting and subject to Section 252 of the Act, the number of Directors shall not be less than three nor more than twelve.

123. (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. The corporation, firm, or person shall be entitled from time to time to remove any such Director or Directors and appoint another or others in his or their places. Notwithstanding anything contained in these Articles such Director(s) shall not be required to hold any share qualification or be liable to retire by rotation or otherwise resign his/their office. Such a Director shall be entitled to the same rights and privileges and be subject to the same obligation as any other Director of the Company.

(b) If at any time the Company obtains any loans from any financial or credit or development Corporation and over or any Central or State Government or enters into underwriting arrangements with the above corporation or Government and if it is a term of such loan or of the underwriting arrangement that the corporation or Government shall have the right to appoint one or more Directors then subject to the terms and conditions of such loan or underwriting arrangements the Corporation or Govt. shall be entitled to appoint one or more Directors, as the case may be, to the Board of Directors of the Company and to remove from office any Director(s) so appointed who resigns or otherwise vacates the office. Any such appointment or removal shall be made in writing and by a resolution of the Board of Directors of such Corporation or order of the Govt. or by any person duly authorised by it and shall be served at the office of the Company. The Director or Directors so appointed shall not be liable to retire by rotation and shall not be required to hold any qualification shares.

(c) Any trust deed securing and covering the issue of debentures of the Company may provide for the appointment of a Director (in these presents referred to as "the debenture Director") for and on behalf of the debenture holders for such period as is therein provided not exceeding the period for which the debentures or any of them shall remain outstanding and for the removal from office of such debenture Director and, on a vacancy being caused whether by resignation, death, removal or otherwise, for appointment of a debenture Director in the vacant place. The Debenture Director shall not be liable to retire by rotation or be removed from office except as provided as aforesaid, and shall not be required to hold any qualification shares.

\* (d) "If and as long as the Governor of Pradesha or his nominees hold not less than fifty one percent of the subscribed and paid up equity share capital of the Company, he shall have right by a notification in writing signed by him or his authorised nominee, addressed to the Company to appoint as many directors as he deems fit, together with the Chairman, Managing Director(s) and whole time director(s) subject to provisions of Clause 122 and on a vacancy occurring in any such office for any reason whether by resignation, death, removal or otherwise of any person so appointed to appoint others in the vacant place(s) provided that proportion of directors so appointed to total number of directors shall not exceed the proportion of equity shares held by him to the total subscribed and paid up equity capital of the Company."

*Handwritten signature*  
S. S. S. S.

"The Directors appointed under this sub-article as mentioned herein above shall not be bound to hold any qualification shares, if any."

"Three of the nominee directors out of the directors nominated as above shall be non-rotational directors. The Chairman, Managing Director(s) and whole-time directors subject to the provisions of the Companies Act, 1956 and the terms of appointment and these articles, shall be non-rotational directors."

Approved by the Board of Directors  
Date: 10.10.1996

BY ORDER OF THE BOARD OF DIRECTORS  
*Handwritten signature*  
(S. S. S. S.)  
MANAGING DIRECTOR



(e) All directors other than the non-rotational Directors shall be elected by the Shareholders of the Company in general meeting subject to the provisions of sub-articles(a), (b), (c) and (d) hereof, and shall be liable to retirement by rotation as here-in-after provided.

(f) The first Directors of the Company shall be as under :

1. Mr. Shant Kumar Chauhan.
2. Mr. Ram Chand Sharma.
3. Mr. Maharaj Krishan Kaw.
4. Mr. Balwant Singh Jogi.
5. Mr. G. C. Singh.
6. Mr. Rajender Kumar Kakaria.
7. Mr. Dabyyabhai Mangalbai Patel.
8. Mr. Preclam Singh Sahmbi.

**Wholtime Directors :**

124. Subject to the provisions of the Act the Board of Directors may from time to time appoint one or more wholtime Directors of the Company from amongst the Directors of the Company and define, limit or restrict his/their powers and duties and determine his/their remuneration and the designation of his/their office and may at any time remove any such person(s) from such office.

**Appointment of Alternate Directors :**

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

**Directors may fill up vacancies and add to their number :**

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

**Qualification of Directors :**

127. Unless otherwise determined by the General Meeting or as provided in these articles the Directors shall be required to hold a minimum of five hundred equity shares of Rs. 10/- (Ten) each in the company as qualification of his or her eligibility as a Director which shall be required within two months of the appointment.

**Remuneration for attending Board Meetings :**

128. The remuneration payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such amount not exceeding Rs. 250/- as the Board may fix.

**Directors not residents of the place. Where Meeting held may receive extra compensation :**

129. The Board may allow and pay to any Director who travels for the purpose of attending, the returning from a meeting or in connection with the business of the Company or for the purpose of the Company, such sum as



the Board may consider fair compensation for travelling, boarding lodging and/or other expenses, in addition to any fee for attending such Meeting as specified in Article 129 or other remuneration payable to him.

#### **Remuneration of Directors :**

130. Subject to the provisions of Sections 309 to 311 of the Act, and in the case of the Managing Director, subject to the provisions of Article 148 the Board shall have power to pay such remuneration and/or commission to a Director for his services, whole-time, or part-time to the Company or for services of a professional or other nature rendered by him as may be determined by the Board. If any Director, being willing, shall be called upon to perform extra services, or to make any special exertions in going to or residing at a place other than the place where the Office of the Company is situated or where such Director usually resides, or otherwise for the Company's business or for any of the purposes of the Company then, subject to provisions of Section 309 to 311 of the Act, the Board shall have power to pay to such Director such remuneration as may be determined by the Board.

#### **Continuing Directors may act notwithstanding any vacancy :**

131. The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the minimum number fixed by Article 123 hereof the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or of summoning a General Meeting, but for no other purpose.

#### **When office of Directors to be vacated :**

132. (1) Subject to Sections 283 (2) and 314 of the act the office of a Director shall be vacated if :

- (a) he is found to be of unsound mind by a Court of competent jurisdiction; or
- (b) he applies to be adjudicated an insolvent; or
- (c) he is adjudged an insolvent; or
- (d) he is convicted by a Court of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months; or
- (e) he fails to pay any calls made on him in respect of shares of the Company held by him whether alone or jointly with others, within six months from the date fixed for the payment of such call, unless the Central Government has by notification in the Official Gazette removed the disqualification incurred by such failure; or
- (f) he absents himself from three consecutive Meetings of the Board or from all Meetings of the Board for a continuous period of three months, whichever is longer, without leave of absence from the Board; or
- (g) he, (whether by himself or by any person for his benefit or on his account), or any firm in which he is a partner, or any private company of which he is a director, accepts a loan, or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act; or
- (h) he acts in contravention of Section 299 of the Act; or
- (i) he becomes disqualified by an order of the court under section 203 of the Act; or
- (j) he is removed in pursuance of Section 284 of the Act.

#### **Resignation :**

(2) Subject to the provisions of the Act, a Director may resign his office at time by notice in writing addressed to the Board of Directors and such resignation shall become effective upon its acceptance by the Board.



### Director may contract with Company :

133. (1) A director or his relative, a firm in which such Director or relative is a partner, or any other person in such firm, or a private company of which the Director is a member or director may enter into any contract with Company for sale, purchase or supply of any goods, materials or services or for underwriting the subscription of any shares in, or debentures of the Company, provided that the sanction of the Board is obtained before or within three months of the date on which the contract is entered into in accordance with Section 297 of the Act.

- (2) No sanction however shall be necessary to :—
- (a) any purchase of goods and materials from the Company, or the sale of goods or materials to the Company, by any such Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or
  - (b) any contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other, for sale, purchase or supply of any goods, 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, where the value of the goods and materials or the cost of such services do not exceed Rs. 5,000/- in the aggregate in any year comprised in period of the contract or contracts.

Provided that in circumstances of urgent necessity, the Company may without obtaining the consent of the Board enter into any such contract or contracts with the Director, relative, firm, partner or private company, even if the value of such goods or materials or the cost of such services exceeds Rs. 5,000/- in the aggregate in any year comprised in the period of the agreement, if the consent of the Board shall be obtained to such contract or contracts at a Meeting within three months of the date on which the contract was entered into.

- (3) The Directors, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract of the fiduciary relation thereby established.

### Disclosure of interest :

134. A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a Meeting of the Board in the manner provided in Section 299 (2) of the Act; Provided that it shall not be necessary for a Director to disclose his concern or interest in any such contract or arrangement entered into or to be entered into with any other company where any of the Directors of the Company or two or more of them together holds hold not more than 2 per cent of the paid-up share capital in the other company. A general notice given to the Board by the Director, to the effect that he is a Director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time by a fresh notice given in the last month of the financial year in which it would have otherwise expired. No such general notice, and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first Meeting of the Board after it is given.



### **Interested Directors not to participate or vote in Board's proceedings :**

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

- (a) any contract or indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company.
- (b) any contract or arrangement entered into or to be entered into with a public company or a private company which is subsidiary of a public company in which the interest of the Director consists solely—
  - (i) in his being—
    - (a) a Director of such company and
    - (b) the holder of not more than shares of such number or value therein as is requisite to requalify him for appointment as a Director thereof, he having been nominated as such Director by his Company, or
  - (ii) in his being a member holding not more than 2 percent of its paid-up share Capital.

### **Register of Contracts in which Directors are interested :**

136. The Company shall keep a Register in accordance with Section 301 (1) of the Act and shall within the time specified in Section 301 (2) of the Act enter therein such of the particulars as may be relevant having regard to the application thereto of Section 297 or Section 299 of the Act, as the case may be. The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the bodies corporate and firms of which notice has been given by him under Article 135. The Register shall be kept at the Registered Office of the Company and 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 Register of Members of the Company and the provisions of Section 163 of the Act shall apply accordingly.

### **Directors may be Directors of Companies promoted by Company :**

137. A director may be or become a Director of any Company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as Director or Shareholder of such Company except in so far as Section 309 (6) or Section 314 of the Act may be applicable.

## **RETIREMENT AND ROTATION OF DIRECTORS**

### **Retirement and rotation of Directors :**

138. At every Annual General Meeting of the Company, one-third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office. The non-rotational Directors and Debenture Directors, if any, shall not be subject to retirement under this Article and shall not be taken into account in determining the rotation of retirement or the number of Directors to retire.



#### **Ascertainment of Directors retiring by rotation and filling of vacancies :**

139. Subject to Section 284(5) of the Act, the Directors to retire by rotation under Article 139 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. Subject to the provisions of the Act and the Articles, a retiring Director shall retain his office until dissolution of the Meeting at which his re-appointment is decided or his successor is appointed.

#### **Eligibility for re-election :**

140. A retiring Director shall be eligible for re-election.

#### **Company to appoint successors :**

141. Subject to Sections 258 of the Act, the Company at the General Meeting at which a Director retires in manner aforesaid, may fill up the vacated office by electing such retiring Director or some other person thereto.

#### **Provision in default of appointment :**

142. (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 re-appointed as the adjourned meeting, unless :—

- (i) at the Meeting or at the previous Meeting, a resolution for the re-appointment 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, expressed his unwillingness to be so re-appointed;
- (iii) he is not qualified or is disqualified for re-appointment;
- (iv) a resolution, whether special or ordinary is required for the appointment or re-appointment by virtue of any provisions of the Act; or
- (v) the provision to sub-section (2) of Section 263 of the Act is applicable to the case.

#### **Company may increase or reduce the number of Directors :**

143. Subject to Section 259 and other applicable provisions of the Act and these Articles, the Company may, by ordinary resolution, from time to time, increase or reduce the number of Directors, and the Company may, subject to the provisions of Section 284 of the Act, remove any Director before the expiration of his period of office and appoint another qualified in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

#### **Notice of candidature for office of Director except in certain case :**

144. (1) A person, (other than a retiring Director), shall not be eligible for appointment to the office of Director at any General Meeting, unless he or some Member intending to propose him has, not less than 14 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.



(2) The Company shall inform its Members of the candidature of the person for the Office of Director or the intention of a Member to propose such person as candidate for that office by serving individual notices on the Members not less than seven days before the Meeting.

Provided that it shall not be necessary for the Company to serve individual notices upon the Members as aforesaid if the Company advertises such candidature or intention not less than seven days before the Meeting in at least two newspapers circulating in the place where the office of the Company is located of which one is published in the English language and the other in the regional language of that place.

(3) Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 257 of the Act 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 a Director.

(4) A person other than—

(a) a Director re-appointed after retirement by rotation or immediately on the expiry of his term of office, or

(b) an additional or alternate Director or a person filling a casual vacancy in the office of the Director under Section 262 of the Act, appointed as a Director or re-appointed as an additional or alternate Director immediately on the expiry of his term of office.

shall not act as a director of the Company, unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.

#### **Register of Directors and notification of change to Registrar :**

145. (a) The Company shall keep at its Registered Office, a Register containing the particulars of its Director, Manager, Secretary and other persons mentioned in Sectioned 303 of the Act, and shall otherwise comply with the provisions of the said Section in all respects.

#### **Register of shares or debentures held by Directors :**

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

#### **Disclosure by Director of appointment to or relinquishment from any other body corporate :**

146. (a) Every Director, (including a person deemed to be a Director by virtue of the Explanation to sub-section (1) of Section 303 of the Act,) Managing Director, Manager, or Secretary of the Company shall within twenty days of his appointment to any of the above offices or as the case may be, relinquishment of such offices in any other body corporate disclose to the Company, the particulars relating to his office in the other body corporate which are required to be specified under sub-section (1) of Section 303 of the Act.

#### **Disclosure by a Director of his holdings of shares and debentures of Company, etc :**

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



### **Managing Director**

147. (a) The Company may by ordinary resolution or the Directors may subject to the provisions of Sections 268 and 269 of the Act, from time to time appoint one or more of the Directors to be the Managing Director or Managing Directors of the Company for a term not exceeding five years at a time 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 another or others in his or their place or places.

(b) Subject to the provisions of Sections 267, 268, 269, 309, 310, 311, 316 and 317 and other applicable provisions of the Act and of these Articles, if and so long as the Governor Himachal Pradesh and/or his nominee holds not less than fifty-one percent of the subscribed and paid up equity share capital of the Company, he shall have right to appoint under intimation to the Company one of the Six Directors to be nominated vide clause 123 (d) of the article, the Managing Director of the Company. On a vacancy occurring in the office of the Managing Director for any reason whatsoever, he shall have the right to designate another member of the Board for such appointment, and shall fix the terms and conditions of appointment. The Managing Director, as the case may be, so appointed shall have such powers exercisable upon such terms and conditions and subject to such restrictions as the Board may from time to time determine.

### **Restrictions of Management :**

148. The Managing Director shall not exercise the powers to :—

- (a) make calls on Shareholders in respect of money unpaid on their shares in the Company, and
- (b) issue debentures and

except to the extent specified in a resolution passed at a Board Meeting shall also not exercise the powers to

- (c) borrow moneys,
- (d) invest the funds of the company, and
- (e) make loans.

### **Special Position of Managing Director :**

149. A Managing Director or Managing Directors shall not, while he or they continue to hold that office, be subject to retirement by rotation in accordance with Article 139. If he or they cease to hold the office of Director he or they shall ipso facto and immediately cease to be a Managing Director or Managing Directors.

## **PROCEEDING OF THE BOARD DIRECTORS**

### **Meeting of Directors :**

150. The Directors may meet together as a Board for the despatch of business from time to time and unless the Central Government by virtue of the provision to Section 285 of the Act otherwise directs, shall so meet as required under Section 285 of the Act. The Directors may adjourn and otherwise regulate their meetings at they think fit. The provisions of this Article shall not be deemed to be contravened merely by reason of the fact that a Meeting of the Board which had been called in compliance with the terms herein mentioned could not be held for want of a quorum.

### **Notice of Meetings of the Board :**

151. Five clear day's notice at least of every Meeting of the Board shall be given in writing to every Director at his usual address. Provided, however, that the Chairman of the Board shall have the power to convene



a Meeting of the Board or to request the Secretary of the Company to convene a Meeting of the Board by giving a shorter notice. Such notice may be sent by hand delivery post or by cable or telegram depending upon the circumstances.

**Quorum :**

152. Subject to Section 287 of the quorum for a Meeting of the Board shall be one-third of the total number of Directors for the time being (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 three Directors, whichever is higher. Provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of remaining Directors, that is to say, the number of Directors who are not interested, present at the Meeting being not less than three shall be the quorum during such time.

**Adjournment of Meetings for want of quorum :**

153. If a Meeting of the Board could not be held for want of a quorum, then the Meeting shall automatically stand adjourned to such other time as may be fixed by the Chairman not being later than seven days from the date originally fixed for the Meeting.

**When meeting to be convened :**

154. A Director may at any time and the Secretary upon the request of a Director shall convene a Meeting of the Board by giving a notice in writing to every Director at his usual address.

**Chairman :**

155. The Governor of Himachal Pradesh shall have the right by a notification in writing addressed to the Company to appoint one of Directors of the Company to be the Chairman of the Board. On a vacancy occurring in such office for any reason whatsoever whether by death, removal, retirement or otherwise, the Governor shall have the right by a similar notification to appoint another director in the vacancy and the Director so appointed shall then be the Chairman. In the absence of the Chairman, the Board may elect one of their members to be the Chairman of the meeting. Any appointment under this article shall become effective forthwith upon receipt of the notice mentioned above by the Company.

**Questions at Board Meetings how decided :**

156. Questions arising at any meeting of the Board shall be decided by a majority of votes provided that such majority shall include the affirmative vote of at least one non-retiring Director under Article 124 hereof or of his Alternate Director or the Managing Director appointed pursuant to Article 148 hereof. In the case of an equality of votes, the Chairman shall have a second or casting vote; provided that if any non-retiring Director is unable to attend a Board Meeting, but addresses a written communication to the Board, expressing his concurrence or approval to the passage of any particular resolutions by the Board, such communication shall for the purpose of this Article be deemed to be his affirmative vote.

**Powers of Board Meetings :**

157. A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities powers and discretions which by or under the Act or the Articles of the Company are for the time being vested in or exercisable by the Board. Without prejudice to the powers conferred by the other Articles and so as not in any way to limit or restrict those powers, the Board may, subject to the provisions



of Section 292 of the Act, delegate any of their powers to the Managing Director, the Manager or any other principal office of the company or in the case of a Branch Office/Factory of the Company a principal office of the Branch office/Factory and may at any time revoke such delegation. The Managing Director, the Manager or other principal officer as aforesaid, shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.

**Board may appoint committees :**

158. Subject to the restrictions contained in Section 292 of the Act, the Board may delegate any of their powers 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 committees of the Board either wholly or in part, and either as to persons or purpose; but every committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such committee of the Board in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

**Meeting of Committee how to be governed :**

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

**Resolution by circular :**

160. 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 Director, or to all the members of the Committee, then in India, (not being less in number than the quorum fixed for a Meeting of the Board or Committee, as the case may be), and to all the 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, which approval shall always include the approval of at least one non-retiring Director appointed under Article 124 hereof or of his Alternate Director or of the Managing Director appointed under Article 148 hereof.

**Acts of Board or Committee valid notwithstanding informal appointment :**

161. All acts done by any Meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director and had not vacated his office or his appointment had not been terminated. Provided that nothing in this article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

**Minutes of proceedings of Meeting of the Board :**

162. (1) The Company shall cause minutes of all proceedings of every Meeting of the Board to be kept by making within thirty days of the conclusion of every such Meeting, entries thereof in books kept for that purpose with their pages consecutively numbered.



(2) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each Meeting in such book shall be dated and signed by the Chairman of the said Meeting or the Chairman of the next succeeding Meeting.

(3) In no case the minutes of proceedings of a Meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(4) The minutes of each Meeting shall contain a fair and correct summary of the proceedings thereat.

(5) All appointment of offices made at any of the Meetings aforesaid shall be included in the minutes of the Meeting.

(6) The minutes shall also contain—

(a) the names of the Director present at the Meeting, and

(b) in the case of each resolution passed at the Meeting, the name of the Directors, if any dissenting from or not concurring in the resolution.

(7) Nothing contained in sub-clauses (1) to (6) shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the Meeting—

(a) is or could reasonably be regarded as defamatory of any person,

(b) is irrelevant or immaterial to the proceedings or

(c) is detrimental to the interest of the Company.

The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on grounds specified in this sub-clause.

(8) Minutes of Meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

#### **General powers of the Board :**

163. (1) Subject to the provisions of the Act and these Articles, the Board of Directors of the Company shall be entitled to exercise all such powers, and to do all such acts and things, as the Company is authorised to exercise and do, provided that the Board shall not exercise any power or do any act or thing which is directed or required whether by the Act or any other act or by the Memorandum or these Articles or otherwise, to be exercise or done, by the Company in General Meeting. Provided further that in exercising any such power or doing any such act or thing the Board shall be subject to the provisions contained in that behalf in the Act or any other act or in the Memorandum or in these Articles or in any regulations made by Company in General Meeting.

(2) No regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. Provided that the Board shall not, subject to the provisions of Section 293 of the Act, except with the consent of the Company in General Meeting :—

(a) sell lease otherwise dispose of the whole or substantially the whole of the undertaking, of the whole or substantially the whole of any such undertaking;

(b) remit, or give time for the repayment of, any debt due by a Director;

(c) invest, otherwise than in trust securities, the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in sub-article (a). or of any premises or properties used for any such undertaking and without which it cannot be carried on only with difficulty or only after a considerable time;



- (d) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company, (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid up capital of the Company and its free reserves that is to say not set apart for any specific purposes ;
- (e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, and amount the aggregate of which will, in any financial year, exceed twenty five thousand rupees of five per cent of its average net profit as determined in accordance with the provisions of Sections 349 and 350 of the Act during three financial years immediately preceding, whichever is greater ;
- (f) mortgage, charge or otherwise encumber the Company's uncalled capital for the time being or any part thereof.

Provided further that the powers specified in Section 292 of the Act shall, subject to these Articles, be exercised only at Meetings of the Board, unless the same be delegated to the extent therein stated.

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

- (1) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 76 and 208 of the Act, and Articles 28, 29 and 30 of these Articles.
- (2) Subject to Sections 292 and 297 and other applicable provisions of the Act, to purchase or otherwise acquire for the Company and property rights or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or other acquisition to accept such title as the Board may believe or may be advised to be reasonably satisfactory.
- (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 share, bonds, debentures, mortgages or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company or not so charged.
- (4) To ensure and keep insured against loss or damage by fire or otherwise for such period and to such extent as it may think proper all or any part of the building, machinery, goods, stores, produce and other moveable property of the Company, either separately or conjointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.
- (5) To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company for the time being or in such manner as they may think fit.
- (6) To accept from any Member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed.
- (7) To purchase, otherwise acquire or obtain licence for the use of, and to sell, exchange, or grant licence for the use of any trade mark, patent, invention or technical know-how.



- (8) To appointment any person to accept and hold in trust for the Company, and property belonging to the Company, or in which it is interested, or for any other purposes; and to execute and do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee.
- (9) 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, and of any claims or demands by or against the Company, and to refer any claims or demands by or against the Company to arbitration, and observe the terms of any awards made therein.
- (10) To act on behalf of the Company in all matters relating to bankrupts, insolvent and winding-up and liquidation of companies.
- (11) To make and give receipts releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.
- (12) Subject to the provisions of Sections 292, 293(1) (a), 295, 369, 370, 372 and 373 and other applicable provisions of the Act and these Articles, to invest and deal with any moneys of the Company not immediately required for the purposes thereof, upon such 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.
- (13) To execute in the name and on behalf of the Company in favour of any Director or other persons who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property, (present and 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.
- (14) To open and operate upon bank accounts and to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose.
- (15) 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 Director, officer or other person employed by the Company a commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company.
- (16) To provide for the welfare of Director or ex-Director or 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 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 shall think fit; and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reasons or locality of operation, or of public and general utility or otherwise. Provided that when contributing (a) to any political party or (b) for any political purpose to any individual or body, the provisions of Section 293 A of the Act shall be complied with.



- (17) Before recommending any dividend, to set aside, out of the profits of the Company such sums as they may think proper for depreciation or to depreciation fund, or to an insurance fund, as general reserve or reserve fund or a sinking fund or any special or other fund or funds or account or accounts to meet contingencies or to repay redeemable preference shares, debentures or debenture-stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any part of the property of the Company or for such other purposes, (including the purposes referred to in the preceding article), as the Board may, in their absolute discretion, think conducive to the interest of the Company, and subject to Section 292 of the Act, to invest the several sums so set aside or so much thereof as the Board may think fit upon such investments, (other than shares of the Company), and from time to time deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board, in their absolute discretion, think conducive to the interest of the Company, notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the reserve, general reserve or reserve fund into such special fund as the Board may think fit, with full power to transfer the whole or any portion of a reserve fund or division of a reserve fund to another reserve fund or division of a reserve fund and with full power to employ the assets constituting all or any of the above funds, and accounts including the depreciation fund, in the business of the Company or in the purchase or repayment of redeemable preference shares, debenture or debenture-stock, and without being bound to keep the same separate from the other assets with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.
- (18) To erect, construct, and build any factories, warehouses, godowns, engine house, tanks, wells, or other constructions, adapted to the objects of the Company as may be considered expedient or desirable for the objects or purposes of the Company or any of them.
- (19) To sell from time to time any articles, materials, machinery, plant, stores and other articles and things belonging to the Company as the Board may think proper and manufacture, prepare and sell waste and by-products.
- (20) From time to time to extend the business and undertaking of the Company by adding to, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purposes aforesaid or any of them as may be thought necessary or expedient.
- (21) To undertake on behalf of the Company the payment of all rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company, and to purchase the reversions, or reversions, and otherwise to acquire the free-hold-fee-simple of all or any of the lands of the Company for the time being held under lease, or for an estate less than freehold estate.
- (22) To improve, manage, develop, exchange, lease, sell, re-sell and re-purchase, dispose of, deal with or otherwise turn to account, any property (movable or immovable), or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.
- (23) To appoint, and at their discretion remove or suspend such general managers, managers, secretaries, stenographers, 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 or emoluments or remuneration, and to require security in such instances and for such amounts as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit; and the provision contained in the following sub-Articles shall be without prejudice to the general powers conferred by this sub-article.

- (24) To let, sell or otherwise dispose of subject to the provisions of Section 293 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment or satisfaction for the same in cash or otherwise, as it thinks fit.
- (25) To comply with the requirements of any local law which in its opinion, it shall in the interest of the Company be necessary or expedient to comply with.
- (26) From time to time and at any time to establish any Local Board for managing of 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 Boards or Managers and Agents and to fix their remuneration.
- (27) Subject to Section 292 of the Act, from time to time, and at any time to delegate to any Local Boards or any Member or Members thereof or any Managers or Agents so appointed any of the powers, authorities and discretions for the time being vested in the Board and to authorise the members for the time being of any such Local Board, or any of them to appoint persons to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation under the preceding and this sub-article may be made on such terms and subject to such conditions as the Board may think fit and the Board may at any time remove any person or persons so appointed and may annual or vary any such delegation.
- (28) At any time and from time to time by power of attorney under the Seal of the Company, to appoint any person or persons to be the attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles and excluding the powers which may under the Act or these Articles, be exercised only by the Board), and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may, (if the Board thinks fit), be made in favour of the Members or any of the Members of any Local Board established as aforesaid or in favour of the Company, or the share-holders, directors, nominees or managers of any company or firm or otherwise in favour of any company or firm or otherwise in favour of fluctuating body or persons whether nominated directly or indirectly by the Board and any such power of attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them,
- (29) Subject to Sections 294, 297, 300 and other applicable provisions of the Act and the Articles for or in relation to any of the matters aforesaid for the purposes of the Company, to enter into such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things, in the name and on behalf of the Company as they may consider expedient.
- (30) From time to time to make, vary and repeal bye-laws for the regulation of the business of the Company its officers and servants.



## PROHIBITION OF SIMULTANEOUS APPOINTMENT OF DIFFERENT CATEGORIES OF MANAGERIAL PERSONNEL

**Prohibition of simultaneous appointment of different categories of managerial personnel :**

165. The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel, namely :

- (a) Managing Director (s),
- (b) Managers.

### SECRETARY

**Secretary :**

166. The Board may from time to time appoint any person as Secretary of the Company to perform any function which by the Act or these Articles for the time being of the Company are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to him by the Board. The Board may confer upon the Secretary so appointed any powers and duties as are not by the Act or by these Articles required to be exercised by the Board and may from time to time revoke, withdraw, alter or vary all or any of them. The Board may also at any time appoint some person (who need not be the Secretary), to maintain the Registers required to be kept by the Company.

### SEAL

**The Seal, its custody and use :**

- 167. (a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.
- (b) The Company shall also be at liberty to have an official seal in accordance with Section 50 of the Act, for use in any territory, district or place outside India.

**Deed how executed :**

168. Every deed or other instrument, to which the Seal of the Company is required to be affixed, shall unless the same is executed by a duly constituted attorney, be signed by two Directors or by one Director and the Secretary.

### DIVIDENDS

**Division of profits :**

169. 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 provision of these Articles, shall be divisible among the Members in proportion to the amount of capital paid-up on the shares held by them respectively. Provided always that, (subject as aforesaid), any capital paid-up on a share during the period in respect of which a dividend is declared, shall unless the Directors otherwise determine, only entitle the holder of such share to an apportioned amount of such dividend as from the date of payment.

**The Company in general Meeting may declare dividend :**

170. The Company in General Meeting may declare dividends to be paid to Members according to their respective rights but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.



### **Dividend to be paid only out of profits :**

171. (a) No dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of Section 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both provided that :

- (i) if the Company has not provided for depreciation for any previous financial year or years it shall, before declaring or paying a dividend for any financial year provide for such depreciation out of the profits of that financial year or out of the profits of any other previous financial year or years.
- (ii) if the Company has incurred any loss in any previous financial year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act or against both.

(b) The declaration of the Board as to the amount of the net profits shall be conclusive.

### **Interim dividend :**

172. The Board may, from time to time, pay to the Members such interim dividends as in their judgment the position of the Company justifies.

### **Capital paid up in advance at interest not to earn dividends :**

173. 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 participate in profits or dividends.

### **Retention of dividend until completion of transfer under Article 66 :**

174. Subject to the provisions of the Act, the Board may retain the dividends payable upon shares in respect of which any person is, under Article 66 of the Articles entitled to become a Member, or which any person under that Article is entitled to transfer, until such person shall become a Member, in respect of such shares or shall duly transfer the same.

### **Dividends etc. to joint holders :**

175. Any one of several persons who are registered as the joint-holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or sale proceeds of fractional certificates or other moneys payable in respect of such shares.

### **No Member to receive dividend which indebted to the Company and the Company's right of reimbursement thereof :**

176. Subject to the provisions of the Act, no Member shall be entitled to receive payment of any interest or dividends in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise, however, either alone or jointly with any other person; and the Board may deduct from the interest or dividend payable to any Member all sums of money so due from him to the Company.



#### **Transfer of shares must be registered :**

177. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

#### **Dividends how remitted :**

178. Unless otherwise directed any dividend may be paid by the cheque or warrant or by a payslip receipt having the force of a cheque or warrant sent through the post to the registered address of the Member person entitled or in case of joint-holders to that one of them first named in the Register of Members in respect of joint-holding. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent in case of joint-holders to that one of them first named in the Register of members in respect of the joint-holding. The Company shall not be liable or responsible for any cheque or warrant or payslip or receipt lost in transit or for any dividend lost to the Member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature on any payslip or receipt or the fraudulent recovery of the dividend by any other means. If two or more persons are registered as joint-holders of any share or shares any one of them can give effectual receipt for any moneys payable in respect thereof. Several executors or administrators of a deceased Member in whose name any share stands, shall for the purposes of this clause be deemed to be joint-holders thereof.

#### **Unclaimed dividends :**

179. Dividends unclaimed for one year after having been declared may be invested or otherwise used by the Board for the benefit of the Company until claimed. All dividends unclaimed on becoming barred by law may be forfeited by the Board for the benefit of the Company. The Board may remit their forfeiture whenever they think proper and pay any such dividend.

#### **No interest on dividends :**

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

#### **Dividend and call together :**

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

#### **Capitalisation :**

182. (a) The Company in General Meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company or standing to the credit of the General Reserve, Reserve Fund, any Reserve Fund or any other Fund of the Company, the Capital Redemption Reserve Account, or in the hands of the Company and available for dividend, or representing premiums received on the issue of shares and standing to the credit of the Share Premium Account, be capitalised and distributed amongst such of the shareholders or any class of shareholders as would be entitled to receive the same if distributed by way of dividend in accordance with their respective rights and interests and in proportion to the amount of capital paid up on shares held by them respectively 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 of the Company or debentures of the Company which shall be distributed accordingly, or in or towards payment of the whole or part of the uncalled liability on any issued shares and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum. Provi



that a Share Premium Account and a Capital Redemption Reserve Account may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares.

(b) Subject to the provisions of Section 205 of the Act, a General Meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company, or any investments representing the same, or any other undistributed profits of the Company not subject to charge for income-tax, be distributed among the Members on the footing that they receive the same as capital.

(c) The Board shall give effect to any such resolution and apply such portion of the profits, General Reserve, Reserve or Reserve Fund or any other fund or account as aforesaid as may be required for the purpose of making payment in full for the shares of the Company or debentures of the Company, so distributed or for the purpose of paying in whole or in part, the amount remaining unpaid on the shares which may have been issued and are not fully paid up under sub-article (a) above, provided that no such distribution or payment shall be made unless recommended by the Board and if so recommended such distribution and payment shall be accepted by such members as aforesaid in full satisfaction of their interest in the said capitalised sum.

(d) For the purpose of giving effect to any resolution under the preceding paragraphs of this Article, the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates and may fit the value for distribution of any specific assets and may determine that such cash payments shall be made to any Members upon the footing of the value so fixed or that fractions of less value than Rupee one may be disregarded in order to adjust the rights of all parties and may vest any such cash, share, debentures or other specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalised fund as may seem expedient to the Board and generally may make such arrangement for the acceptance, allotment and sale of such shares, debentures 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 Board may appoint any person to sign such contract on behalf of the person entitled to the dividend or capitalised fund, and such appointment shall be effective.

(e) Subject to the provisions of the Act and these Articles, in cases where some of the shares of the Company are full paid and others are partly paid only such capitalisation may be effected by the distribution of further shares in respect of the fully paid shares, and by crediting the partly paid shares with the whole or part of the unpaid liability thereon, but so that as between the holders of the fully paid shares and the partly paid shares, the sums so applied in the payment of such further shares and in the extinguishment or diminution of the liability on the partly paid shares shall be so applied pro-rata in proportion to the amount then already paid or credited as paid on the existing fully paid and partly paid shares respectively.

## ACCOUNTS

### Board to keep true accounts :

183. (a) The Company shall keep at its Office or at such other place in India as the Board thinks fit proper books of account in accordance with Section 209 of the Act with respect to—

- (i) all sums of money received and expended by the Company and the matters in respect of which the receipts and expenditure take place;
- (ii) all sales and purchases of goods by the Company;
- (iii) the assets and liabilities of the Company.



(b) Where the Board decides to keep all or any of the books of account at any place other than the Office of the Company, the Company shall within seven days of the decision file with the Registrar, a notice in writing giving the full address of that other place.

(c) The Company shall preserve in good order the books of account relating to a period of not less than eight years preceding the current year.

(d) When the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarised returns made up to dates at intervals of not more than three months, are sent by the branch office to the Company at its office or at the other place in India, at which the Company's books of account are kept as aforesaid.

(e) The books of account shall give a true and fair view of the state of the affairs of the Company, branch office, as the case may be, and explain its transactions and shall be open to inspection by any Director during business hours.

**As to inspection of accounts or books by Members :**

184. Subject to the provisions of the Act, the Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members, not being Directors, and no Member, (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board.

**Statement of accounts to be furnished to General Meeting :**

185. The Board shall from time to time, in accordance with Sections 210, 211, 212, 215, 216 and 217 of the Act, cause to be prepared and to be laid before the Company in General Meeting, the Balance Sheet, Profit and Loss Accounts, and Reports as are required by the said Sections.

**Copies shall be sent to each member :**

186. A copy of every such Profit and Loss Account and Balance Sheet, (including the Auditor's Report and every other document required by law to be annexed or attached to the Balance Sheet), shall at least twenty-one days before the Meeting at which the same are to be laid before the Members, be sent to the Members of the Company, to holders of debentures issued by the Company, (not being debentures which ex-facie are payable to the bearer thereof), to trustees for the holders of such debentures and to all persons entitled to receive notice of General Meetings of the Company.

**AUDIT**

**Accounts to be audited :**

188. Auditors shall be appointed and their rights and duties regulated in accordance with Section 224 to 233 of the Act.

**Accounts when audited and approved to conclusive except as to errors discovered within three months :**

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



## DOCUMENTS AND NOTICES

### Service of documents or notice on Members by Company :

189. (1) A documents or notice may be given or served by the Company to or any Member whether having his registered address within or outside India either personally or by sending it by post to him to his registered address.
- (2) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, preparing and posting a letter containing the document or notice, provided that where a Member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due or by cable or telegrams and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the Member. Such service shall be deemed to have been effected in the case of a notice of a meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted or after telegram has been despatched and in any other case, at the time at which the letter would be delivered in the ordinary course of post or the cable or telegram would be transmitted in the ordinary course.

### On joint holders :

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

### On personal representatives etc. :

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

### Persons entitled to notice of general Meeting :

192. Subject to the provisions of the Act, notice of every General Meeting shall be given : -
- (i) to every Member of the Company in the manner authorised by Articles 191 and 192 of these Articles as the case may be 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 192 of these Articles or as authorised by the Act.
  - (iii) to the Auditor or Auditors, in the manner authorised by Section 53 of the Act in the case of any Member or Members of the Company.

### Members bound by documents or notices served on or given to previous holders :

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



**Document or notice by Company and signature thereto :**

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

**Service of document or notice by members :**

195. All documents or notices to be given or served by Members on or to the Company or to any officer thereof, shall be served or given by sending the same to the Company or Officer at the Office by post under a certificate of posting or by registered post, or by leaving it at the office.

**WINDING UP**

**Liquidator may divide assets in specie :**

196. The Liquidator on any winding-up (whether voluntary, under supervision, or compulsory), may with the sanction of a Special Resolution, but subject to the rights attached to any preference share capital, divide among the contributories in specie or kind any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the Liquidator, with the like sanction shall think fit.

**INDEMNITY AND RESPONSIBILITY**

**Director's and other's right to indemnity :**

197. Subject to the provisions of Section 201 of the Act, every Director, Managing Director, Manager, Secretary or other officer or employee of the Company shall be indemnified against any liability incurred by him in defending any proceedings whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is given to him by the Court.

**Not responsible for acts of others :**

188. Subject to the provisions of Section 201 of the Act, no Director, Managing Director or other Officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Board for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortious act of any person, company or corporation, which whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.

**SECRECY CLAUSE**

199. (a) Every Director, Manager, auditor, treasurer, trustee, member of a committee, officer, servant, agent, accountant, or other person employed in the business of the Company shall, if so required by the Board, before entering upon his duties sign a declaration pledging himself to observe a strict secrecy respecting all secret processes or other secret technical information of any nature whatsoever, transactions and affairs of the Company with the



customers and the state of the accounts with individuals and in matters relating thereto; and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Board or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

(b) No Member shall be entitled to visit or inspect any works of the Company without the permission of the Board or the Managing Director or to require discovery of or any information respecting any detail of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Board, it would be inexpedient in the interest of the Company to disclose.



Name, address, description and occupation of subscribers	Signature of Subscribers	Name, address description and occupation of witnesses to the subscribers
1. K. K. Kaw S/o Mr. P. N. Kaw C-24, New Brockhurst Flats, Shimla-2 Govt Service.	Sd/-	
2. S. K. Chauhan S/o Th. M. Singh, Govt. Service, Director of Industries, H. P., Shimla.	Sd/-	
3. R. C. Sharma S/o Pt. Ganga Ram, M.D.H.P. Mineral & Industrial Dev. Corporation Ltd., Shimla Govt. Service.	Sd/-	
4. D. M. Patel S/o M. S. Patel Vimal Kunj Nariman Road, Bombay-57 Industrialist.	Sd/-	
5. Rajindra Kumar Kekaria S/o L. Labhu Ram 8, Jain Mandir Road, New Delhi. Business	Sd/-	
6. G. C. Singh S/o Shri Makhan Singh, 75-B Model Town, Patiala. Agriculture and Business.	Sd/-	
7. Preetam Singh Shambi S/o S. Karam Singh, Prop. Preetam Bus Service, Main Gate, Chhatargur (M. P.) (Business).	Sd/-	<p style="text-align: center;">U. K. Mohindra S/o F. C. Mohindra 330, Katra Hussain Bux, Khari Baoli, Delhi-6. Occupation—Chartered Accountant.</p>