

**MEMORANDUM**

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**AND**

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**ARTICLES OF ASSOCIATION**

**OF**

**SURYALAKSHMI COTTON MILLS LIMITED**

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Form I.R.

**CERTIFICATE OF INCORPORATION**

No. 923 of 19 62-63

I hereby certify that SURYALAKSHMI COTTON MILLS  
LIMITED

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

Given under my hand at HYDERABAD

this THIRTEENTH day of AUGUST,

One thousand nine hundred and SIXTY TWO (Savana 22,  
1884 (Saka).

ch.



  
(H.S. KAMLANI).  
Registrar of Companies.  
Andhra Pradesh.



**MEMORANDUM OF ASSOCIATION**  
**OF**  
**SURYALAKSHMI COTTON MILLS LIMITED**

- I. The name of the Company is **SURYALAKSHMI COTTON MILLS LIMITED**.
- II. The Registered Office of the Company will be situate in the State of Andhra Pradesh.
- III. The Objects for which the Company is established are the following, and such objects shall extend to all States in the Union of India.
  1. To carry on all or any of the business following, that is to say - the business of cotton, silk, artificial silk, rayon, flax; hemp, jute, worsted and woollen spinners; cotton ginner, and doublers; combers, wool combers, worsted stuff manufacturers; linen manufacturers, cloth manufacturers; cotton, silk, artificial silk, rayon, wool, flax, hemp, jute and worsted weavers; weavers of any fibrous substance; silk and artificial silk mercers; hosiers and carpet makers.
  2. To comb, prepare, spin, dye and deal in cotton, wool, silk, artificial silk, rayon, flax, hemp; jute and other fibrous substances; to weave or otherwise manufacture cloth, silk, linen, mercerised yarn and other goods and fabrics, whether textile, felted, netted or looped; and to sell any goods manufactured whether in wholesale or retail.
  3. To carry on the business of spinning and weaving mills in cotton, silk, artificial silk, rayon, wool, hemp, jute, flax and any other fibrous substances.

4. To carry on the business of cotton, silk, artificial silk, rayon, flax, hemp, jute worsted and woollen merchants; of yarn merchants and of buyers and sellers and dealers, exporters, importers, whether in wholesale or retail of cotton and cloth, linen, silk, artificial silk, rayon, flax, hemp, jute, wool and other fibrous substances; of cloth and textile fabrics of all kinds; of linen, artificial silk, silk woollen and other goods and fabrics, and flax, hemp and jute manufacturers.
5. To cultivate, buy, sell and deal in raw or finished cotton, wool, jute, silk, artificial silk, mercerised yarn and other fibrous substances and to prepare, spin, clean, press and pack the same and sell the materials so manufactured.
6. To carry on the business of calico printers, bleachers, dyers, finishers, calenderers, makers of and dealers in bleaching, dyeing and other chemical materials, and vitriol.
7. To carry on the business of manufacturers of and dealers in waterproof materials and fabrics, and articles manufactured therefrom, including dressed preservers, dressed lining, boot lining, umbrellas, parasoles etc.
8. To carry on the business of manufacturers of and dealers in lace, paulines, American cloth, floor cloth, non-woven cloth, industrial cloth and all kinds of imitation leathers and rubbers.
9. To undertake and carry on any business, transaction, or operation commonly undertaken or carried on by promoters of companies, concessionaires, contractors for public and other works, and to carry on the business of general merchants.
10. To act as agents, brokers, executors, administration or trustees to any person or firm or company; to transact or carry on all kinds of agency business, and in particular in relation to the business of cotton companies and spinning and weaving mills and to undertake and perform sub-contracts.
11. To erect, construct, maintain, repair and alter factories, mills, workshops and buildings necessary or convenient for the purposes of the Company,
12. To carry on for the purpose of the above businesses or any of them, in all or any of their branches, all or anyone or more of the following businesses, that is to say, the business of manufacturers, brokers, producers, importers, exporters: merchants and wholesale and retail dealers of and in all kinds of dye stuffs, chemicals, drugs, paints, varnishes, colours, industrial, pharmaceutical and other preparations, articles, compounds, ingredients, products or other goods of any description, whether analogous to any of those above mentioned or not.
13. To carry on business of iron founders, mechanical engineers, manufacturers of implements and machinery, tool makers, metal workers, boiler makers, mill wrights, mill furnishers, machinists, iron and steel converters, smiths; woodworkers, builders, electrical engineers, water supply engineers and metallurgists; and to buy and sell, manufacture, construct, build, put into working order, convert, alter, let or take on lease or hire and deal in plant, machinery, engines, tools, accessories, parts, implements, rolling stock, wagons, boats; barges, ships, steamers and other articles and things in connection with or for the use and convenience of the Company's business or property or for transit of goods.
14. To buy, sell, manufacture, and, deal in plant, machinery, implements and conveniences for combing, preparing, ginning, spinning and weaving cotton, for spinning and weaving silk, artificial silk, wool, rayon, jute, flax, hemp and other fibrous substances,
15. To construct, carry, out, maintain, improve, manage, work, control, and superintend any roads, ways, tramways, railways, branches or sidings, bridges, reservoirs, watercourses, aqueducts,

wharves, furnaces, hydraulic works, electrical works; power, light, and heat supply works factories, warehouses, shops and stores and other works and conveniences what may seem directly or indirectly conducive to any of the objects of the Company; and to carry on the business of wharfingers and warehousemen.

16. To establish and maintain transport services for the purposes of the Company; and to carry on the business of ship owners, dock owners, carriers, lightermen, stevedores, shipwrights and engineers.

17. To acquire, construct, erect, and equip mills, factories, offices, dwellings, and to work, exercise, develop and turn into account the same; to construct, maintain, finish, fit up, alter, pull down and improve the same; to let buildings and to enter into contracts and arrangements of all kinds with builders, tenants and others.

18. To carry on the business of builders and contractors.

**18A** - To generate, accumulate, transmit, distribute, consume, purchase, sell and supply electricity power or any other energy from conventional /non conventional energy sources on a commercial basis and to construct, lay down, establish, operate and maintain power / energy generating stations, including buildings, structures, works, machineries, equipments, cables and to undertake or to carry on the business of managing, owning, controlling, erecting, commissioning, operating, running, leasing or transferring to third person/s, Power plants and Plants based on conventional or non-conventional energy sources, Solar Energy Plants, Wind energy Plants, Mechanical, Electrical, Hydel, Civil Engineering works and similar projects.

**18B** - To prospect for, explore, survey, open, work, develop, bore, drill, test, and prove mines and claims, minerals, properties, and to raise, dig, excavate, dredge, win, quarry for, store, refine, crush, wash, treat, smelt, reduce, amalgamate and render merchantable ores, metals, precious stones, oils, coal, minerals, earths, chemicals and other natural substances, organic or inorganic and the alloys, products or by-products thereof.

**18C** - To carry on the business of ironmasters, steel makers, steel converters, manufacturers of ferro-manganese, colliery proprietors, coke manufacturers, miners, smelters, engineers, tin plate makers and iron founder, in all their respective branches.

19. To own, purchase, take on lease, or otherwise acquire, to work, develop, improve, turn into account lands, farms, villages, and estates in India or, elsewhere and in particular lands producing or likely to produce cotton, mulberry, jute, flax, hemp or other fibrous substances; to plant, farm and cultivate the same; to work, develop and improve the same in particular by laying out and preparing the same for building purposes.

20. To purchase, take on lease or hire, exchange, or acquire by way of licence or otherwise any movable and immovable property or any rights and privileges, water and easement rights; rights of way, licences, and other rights, patents, trade marks, preferences and options which the Company may think necessary or convenient for the purposes of its business, or may enhance the value of any other property of the Company.

21. To grant concessions, claims, and licences of any description of and over lands and buildings, plant and machinery and other movable and immovable property; and to let out lands and buildings on lease.

22. To carry on any shops or stores for the benefit of the Company or its servants, workmen, and others employed by the Company.
23. Generally to carry on in any place or places the business and trades aforementioned, or any other trade or business, whether manufacturing or otherwise, subsidiary or auxiliary to, or which may seem to the Company capable of being conveniently carried on in connection with any of the Company's objects calculated to enhance the value of or render profitable any of the Company's property or rights: and to contribute to, subsidise, or otherwise assist or take part in such businesses or trades carried on by any other person or persons.
24. To establish and maintain any agencies in any part of the world for the conduct of the business of the Company, or for the sale of any materials or things for the time being at the disposal of the Company for sale, and to advertise and adopt means of making known or promoting the use of all or any of the manufacturers, products or goods of the Company or any articles of goods traded or dealt in by the Company, in any way that may be thought advisable, including the posting of bills in relation thereto, and the issue of circulars, books, pamphlets and price-lists, and the conducting of competitions, exhibitions and the giving of prizes, rewards and donations.
25. To sell, improve, manage, develop, exchange, lease, mortgage, dispose of or turn into account or otherwise deal with all or any part of the property or rights of the Company.
26. To purchase, acquire by lease or otherwise, and undertake the whole or any part of the business, goodwill, property, rights and liabilities, and assets of any person:, firm or company carrying on any business which this Company is authorised to carry on or possessed of property or rights suitable for any of the purposes of the Company, and as part of the consideration for such purchase to undertake all or any of the liabilities of such person, firm or Company and to pay for any such purchase or acquisition either in cash or shares or securities which the Company has power to issue, or partly in one mode and partly in another, or in such other way as the Company may determine; and to purchase, acquire, apply for, hold, sell, re-issue with or without guarantee and deal in shares, stock, debentures, or debenture stock of any such person, firm or company; and to conduct, make or carry into effect any arrangement in regard to the winding up of the business of any such person, firm or company.
27. To promote and form and be interested in, subscribe for, purchase, and acquire, hold and dispose of shares or stock or debentures, mortgage debentures, or other securities of any company or undertaking having objects similar altogether or in part to those of this Company or carrying on any business capable of being conducted so as directly or indirectly to benefit the Company; and to subsidise or assist any such company financially or otherwise by issuing or subscribing for or guaranteeing the subscription and issue of shares, stock, debentures stock or other securities of such Company.
28. To promote any other company for the purpose of acquiring all or any of the properties and liabilities of the Company or for any other purpose may seem directly or indirectly calculated to benefit this Company with power to assist such company by contributing towards the preliminary expenses or providing the whole or part of the, capital thereof.
29. To amalgamate with any company or companies having objects altogether or in part similar to those of this Company.
30. To enter into partnership or any arrangement for sharing profits, union of interests, co-operation, joint adventure, reciprocal concession or otherwise or for limiting competition or for mutual

assistance with any person, firm or company; and to give or accept by way of consideration for any of the acts or things aforesaid or property or business acquired any shares, debentures or securities that may be agreed upon and to hold, sell, re-issue with or without guarantee, mortgage, or otherwise deal with any shares securities or debentures so received.

31. To pay for any properties, rights or privileges acquired by the Company in shares Of debentures of this Company, or partly in shares or debentures, and partly in cash, or otherwise, and to give shares or stock or debentures of this Company in exchange for shares or stock or debentures of any other company.
32. To accept payment for any property or rights sold or otherwise disposed of and dealt with by the Company either in cash or in shares of any company or corporation (with or without any special rights in respect of dividend or capital) or by debentures or debenture stock, or by mortgage of any property or assets of the company, or partly in one mode and partly in another, and generally on such terms as the Company determine.
33. To apply for, purchase or by any other means acquire any patents, *brevets d'invention*, licences, protections, and the concessions and the like conferring any exclusive or limited right to use any invention or other information which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem calculated directly or indirectly to benefit the Company and to use, exercise, develop, grant licences in respect of, resale, or otherwise turn into account the property, rights, patents, privileges, or information so acquired.
34. To apply for and obtain from the Governments of the States and the Central Government in India or any municipal, local or other authorities any rights privileges and concessions which the Company may think desirable to obtain and which may seem conducive to the Company's objects or any of them; and to enter into any arrangements with any Government. Municipal, or local or other authorities in connection therewith.
35. To apply for, promote, and obtain any act, privilege, concession, licence, or authorisation of any legislature, government, State or municipal or local authorities for enabling the Company to carry any of its objects into effect or for extending any of the powers of the Company or for effecting any modification of the constitution of the Company or for any other purpose which may seem expedient, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the interests of the Company.
36. To pay all the costs, charges and expenses of and incidental to the promotion, and formation, registration and establishment of the Company and the issue of its capital, including any underwriting or other commissions, broker's fees and charges in connection therewith.
37. To remunerate, by cash or other assets, or by the allotment of fully or partly paid shares, or by a call or option on shares, debentures, debenture stock or securities of this or any other company, or in any other manner whether out of the Company's capital profits or otherwise, any person or persons for services rendered or to be rendered in introducing any property or business' to the Company or in placing or assisting to place, or guaranteeing the subscription of any shares, debentures, debenture stock, or other securities of the Company, or for any other reason which Company may think proper.
38. To borrow moneys necessary for the purposes of the Company and to secure the repayment of moneys borrowed in such manner as the Company may think fit, and in particular by the creation of any mortgage or charge on all or any of the property of the Company whether movable or immovable, present or future, including its uncalled capital, or by the issue of

bonds, mortgages, debentures, mortgage debentures, annuity certificates, or other securities or acknowledgments thereof, debenture stock, perpetual or otherwise charge or secured upon all or any of the property, assets or revenue of the Company, both present or future, including its uncalled capital, and upon such terms as to priority or otherwise as the Company shall think fit, and to purchase, redeem or payoff or renew, vary, extend, exchange, or satisfy and such securities, and also, as part consideration for any loan to .the Company, to issue to lenders, by way of bonus or otherwise, shares in the Company of any class and either fully or partly paid-up.

39. To draw, make, accept, endorse, negotiate, execute, discount, buy, sell, and deal in promissory notes, cheques, hundies, bills of exchange, drafts, bills of lading, railway receipts, warrants, debentures, certificates, scripts, and other negotiable or transferable instruments and securities, but not to do the business of Banking as defined in the Banking Company's Act, 1949.
40. To open current or deposit accounts with any bank or bankers, and to pay into, and draw monies from, such accounts, and operate on such accounts.
41. To pay, satisfy, or compromise any claim made against the Company which it may seem expedient to pay, satisfy, or compromise, notwithstanding that the claim may not be valid in law; and to bring or defend actions in respect of any claim by or against the Company and to incur charges therefor.
42. To furnish and provide deposits or guarantee funds required in relation to any tender or application for any contract, concession, property or privilege.
43. Subject to the provision of the Act, to give guarantees or become surety or furnish security for any person; firm, or company, and in particular, .persons having dealings with the Company and to guarantee the payment of money secured by or under or in respect of debentures, mortgages, charges, securities, of any company or any person and to guarantee the performance of any contract or obligation and the payment of money by any such person or Company.
44. To invest and deal with the monies of the Company not immediately required in such manner as may from time to time be determined by the Company, with power to acquire and hold shares, stocks, debentures, debenture stock, bonds, and other securities, issued or guaranteed by any company in India or elsewhere or by any person; to subscribe for Government, Municipal, and other Public loans; to advance and lend monies upon assets of all kinds whatever, or without any security, in the course and for the purposes of the Company's business or give credit to such person or companies and on such terms as may seem expedient and in particular, to customers and others having dealings with the Company.
45. To make advances upon or for the purchase of materials, goods, machinery, stores and other articles required for the purpose of the Company.
46. To insure with any person or company against losses, damages, risks, and liabilities of any kind which may effect the Company, and, if thought fit, to effect any such' insurance by joining or becoming members of any mutual insurance or protection or indemnity association, society or company and to accept any such insurances or part thereof for the account for the Company.
47. To create any Reserve Fund, Sinking Fund, Insurance Fund, or any other Special Fund where for depreciation or for repair, maintenance, improvement, or extension of any property of the Company or for any other purpose conducive to the interests of the Company.

48. To engage, employ, maintain, dismiss and remunerate managers, assistants, clerks, coolies and other servants and labourers,; to pay salaries and other remuneration to any person or company for services rendered in the promotion, formation or incorporation of the Company or in the placing of any shares in the Company's capital, or in the conduct of its business and to do so either by a cash payment or by allotment of shares or securities of the Company.
49. To pay commissions to or grant options or calls and to remunerate brokers or other persons for underwriting, placing or guaranteeing the placing of any shares or debentures of the Company or for selling the same.
50. To sell or dispose of the undertakings or any undertaking of the Company its members as a new company for any of the objects specified in the Memorandum, or for effecting any other modification of the Company's constitution.
51. To take steps, if thought fit, of dissolving the Company and re-incorporating its members as a new company for any of the objects specified in the Memorandum, or for effecting any other modification of the Company's constitution.
52. To establish and support or aid in the establishment or support of and to make pecuniary grants by way of donations, gratuity, allowance, guarantee or otherwise to associations, institutions, funds, trusts calculated to benefit employees, ex-employees, or dependents or connections of such persons; to grant pensions, allowances, bonuses and compensations and to make payment towards insurance of such persons; to establish and to subscribe to provident and other funds for the benefit of such persons,
53. To provide for the welfare of employees or ex-employees of the Company or its predecessors in business and the wives, widows and families or the dependents or connections of such person by building or contributing to the building of houses, dwellings or chawls, or by grants of money, pensions, allowances, bonus, payments towards insurance or other payment; or by creating and from time to time subscribing or contributing to, aiding or supporting provident and other associations, institutions, funds or trusts or conveniences, and by providing or subscribing, or contributing towards places or instruction and recreation, hospitals and dispensaries and nursing homes, medical and other attendance and other assistance as the company 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 or for any exhibition or for any public, general or useful objects.
54. To make pecuniary grants and donations and to subscribe to political parties and to societies and organisations for the defence, protection or advantage of this Company or of any company or others; to contribute by pecuniary grants or subscriptions for the promotion of or opposition to any bill in the Legislature or orders or any like purpose.
55. To procure the registration or other recognition of the Company in any country, State or place, and to establish and regulate agencies for the purpose of the Company's business.
56. To open and keep a register or registers in any country, state or territory, wherever it may be deemed advisable to do so and to allocate any number of shares in the Company to such register or registers.
57. To establish and maintain agencies in any part of the World for the conduct of the business of the Company or for the sale of any goods manufactured by the Company or of any material or things at the disposal of the Company.

58. To distribute any property of the Company in specie amongst its members but so that no distribution amounting to a reduction of capital be made, except with the sanction required by law.
59. To establish branches in India or outside to carry on the business of the Company.
60. To act as agents, brokers, and as trustees for any person or company and to undertake and perform sub-contracts.
61. To do all or any of the above things in any part of the world and either as principals, agents, trustees, contractors, or otherwise and either along or jointly with others and either by or through agents, sub-contracts, trustees or otherwise.
62. To do all such other things as may be deemed incidental or conducive to the attainment of the above objects or any of them.

And it is hereby declared that:

- (A) The word "Company" in the Clause, except where used with reference to this Company, shall be deemed to include any partnership or other body of persons whether corporate or incorporate, and whether domiciled in India or elsewhere.
  - (B) The objects specified in each of the paragraphs of this clause shall be regarded as independent objects and accordingly shall in no wise be limited or restricted, except where otherwise expressed in such paragraphs, by reference to or inference from the terms of any other paragraph or the name of the Company and may be carried out in as full and ample a manner and construed in as wide a sense as if each of the said paragraphs defined the objects of a separate and distinct Company.
- IV. The liability of the members is limited.
  - V. The Authorised Share Capital of the Company is Rs.38,72,00,000 (Thirty Eight crores seventy two lakhs Only) divided into 3,00,00,000 (Three crores) Equity Shares of Rs.10/- (Rupees Ten Only) each, 6,72,000 [Six Lakhs Seventy Two Thousand] 10% [Ten Percent] Cumulative redeemable preference shares of Rs.100 [Rs. One Hundred] each and 2,00,000 [Two Lakhs] 5% [Five percent] Non cumulative redeemable preference shares of Rs.100 [Rs. One Hundred only] each to be issued on such terms & conditions as to be period of redemption / conversion, rate of dividend, whether cumulative or otherwise, and/or to redeem with or without premium as may be decided by the Board of Directors at the time of issue of Redeemable Preference Shares.

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

Name of Subscribers	Address, Description and Occupation of Subscribers	The number of Shares taken by each Subscriber		Witness to the signature of the Subscriber
		Pref.	Equity	
1. P. Suryanarayana (S/o. Venkata Krishniah)	Business, 8, Boag Road, T' Nagar, Madras-17	151	551	Madras - 17 4, St., Neelakanta Mehta P. Purnachandra Rao,
2. S. Bhagatram Gupta, (S/o. Seadmulji)	Business 3-6-108-1, Himayatnagar, Saheedyar June Line, Hyderabad - 1	151	551	
3. Lakshminarayan Agarwal (S/o. Dulichand)	Business 3-6-108A, Himayatnagar, Hyderabad - 1	151	551	
4. B. Shankerlal Gupta (S/o. Seadmul)	Business 810-7-21, Ghansi Bazar, Hyderabad - 2	151	551	
5. T. Rajasekhara Reddy (S/o. Venkatareddy)	Business 3-6-108A, Himayatnagar, Hyderabad - 1	151	551	
6. Badrinarayan Agarwal (S/o. Dulichand)	Business 3-6-108-A, Himayatnagar, Hyderabad - 1	151	551	
7. Vithaldas Agarwal (S/o. Dulichand)	Business 3-6-180-A, Himayatnagar, Hyderabad - 1	151	551	
8. P. Harinarayana (S/o. Sivarama Sarma)	Business 5, Neelakanta Mehta St., Madras - 17	51	95	
9. P. Balarama Sastry (S/o. P. Suryanarayana)	Business 8, Boag Road, Madras - 17	51	100	
	<b>Total</b>	<b>1159</b>	<b>4052</b>	

Dated at Secunderabad 2nd day of August, 1962



**THE COMPANIES ACT, 2013**  
**COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**SURYALAKSHMI COTTON MILLS LIMITED**

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed through Special Resolution on August 4, 2014 in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company.

**TABLE 'F' EXCLUDED**

Table 'F' not to apply

1. (1) The regulations contained in the Table marked 'F' in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.

**Company to be governed by these Articles**

- (2) The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory

powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles.

## **INTERPRETATION**

2. (1) In these Articles —
- (a) “Act” means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.
  - (b) “Annual General Meeting” Means a general meeting of the members held in accordance with the provisions of Section 96 of the Act or any adjourned meeting thereof
  - (c) “articles” means the articles of association of a company as originally framed or as altered from time to time or applied in pursuance of any previous company law or of this Act;
  - (d) “Board of Directors” or “Board”, means the collective body of the directors of the Company.
  - (e) “Company” means Suryalakshmi Cotton Mills Limited.
  - (f) “Debenture” includes debenture stock, bonds or any other instrument of a company evidencing a debt, whether constituting a charge on the assets of the company or not;
  - (g) “Director” means a director appointed to the Board of a company
  - (h) “Dividend” Includes interim dividend.
  - (i) “Rules” means the applicable rules for the time being in force as prescribed under relevant sections of the Act.
  - (j) “Seal” means the common seal of the Company.
- (2) Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.
- (3) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be.

## **ARTICLES TO BE CONTEMPORARY IN NATURE**

3. The intention of these Articles is to be in consonance with the contemporary rules and regulations prevailing in India. If there is an amendment in any Act, rules and regulations allowing what were not previously allowed under the statute, the Articles herein shall be deemed to have been amended to the extent that Articles will not be capable of restricting what has been allowed by the Act by virtue of an amendment subsequent to registration of the Articles.

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

### **Amount of Capital**

4. The Authorised Share Capital of the Company is Rs.38,72,00,000 (Rupees Thirty Eight Crores and Seventy Lakhs only) divided into 3,00,00,000 (Three Crores only) Equity Shares of Rs.10/- (Rupees Ten only) each and 6,72,000 (Six Lakhs Seventy Two Thousand only) 10% (Ten percent) Cumulative Redeemable Preference Shares of Rs.100/- each and 2,00,000 (Two Lakhs) 5% (Five Percent) Non-Cumulative redeemable Preference shares of Rs.100/- each.

### **Increase of Capital by the Company and how carried in to effect**

5. Subject to Applicable Law, the Board may, from time to time, increase the Capital by creation of new Shares. Such increase shall be of such aggregate amount and to be divided into such Shares of such respective amounts, as the resolution of the Board shall prescribe. Subject to the provisions of the Act, any Shares of the original or increased Capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the Board shall determine, Whenever the Capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 64 of the Act or any such compliance as may be required by the Act for the time being in force.

### **New Capital part of the existing Capital**

6. Except in so far as otherwise provided in the conditions of issue of Shares, any Capital raised by the creation of new Shares shall be considered as part of the existing Capital, and shall be subject to provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

### **Issue of redeemable preference shares**

7. Subject to the provisions of Section 55 of the Act and other Applicable Law, preference shares may be issued from time to time, on the terms that they are redeemable within 20 years and such other terms as may be decided at the time of the issue. Further,
  - 7.1. Such preference shares shall always rank in priority with respect to payment of Dividend or repayment of Capital vis-à-vis equity shares;
  - 7.2. The Board may decide on the participation of preference shareholders in the surplus Dividend, type of preference shares issued whether cumulative or otherwise, conversion terms into equity if any;
  - 7.3. The Board may decide on any premium on the issue or redemption of preference shares.
8. On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions shall take effect:
  - 8.1. No such shares shall be redeemed except out of the profits of the Company, which would otherwise be available for Dividend, or out of the proceeds of a fresh issue of Shares made for the purpose of the redemption.
  - 8.2. No such shares shall be redeemed unless they are fully paid.

8.3. Such shares shall be redeemed only on the terms on which they were issued or as varied after due approval of preference shareholders under Section 48 of the Act.

8.4. The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the shares are redeemed.

8.5. Register of Members maintained under Section 88 shall contain the particulars in respect of such preference Share holder(s).

8.6. Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of the profits which would otherwise have been available for Dividend, be transferred to a reserve fund, to be called the "Capital Redemption Reserve Account" a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the Share Capital of the Company shall, excepts as provided in Section 66 of the Act, apply as if the Capital Redemption Reserve Account were paid up Share Capital of the Company.

9. Provisions applicable to other Securities: The Board shall be entitled to issue, from time to time, subject to Applicable Law, any other Securities, including Securities convertible into Shares, exchangeable into Shares, or carrying a warrant, with or without any attached Securities, carrying such terms as to coupon, returns, repayment, servicing, as may be decided by the terms of such issue. Such Securities may be issued at premium or discount, and redeemed at premium or discount, as may be determined by the terms of the issuance: Provided that the Company shall not issue any Shares or Securities convertible into Shares at a discount.

#### **Power to alter share capital**

10. Subject to the provisions of the Act, the Company may, by ordinary resolution –

(a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;

(b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares:

Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;

(c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

#### **Shares may be converted into stock**

11. Where shares are converted into stock:

11(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose

might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;

### **Right of Stockholders**

11(b) 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 privilege or advantage (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;

11(c) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder"/"member" shall include "stock" and "stock-holder" respectively.

### **Reduction of capital**

12. The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, —
- (a) its share capital; and/or
  - (b) any capital redemption reserve account; and/or
  - (c) any securities premium account; and/or
  - (d) any other reserve in the nature of share capital

### **Modification of rights**

13. Whenever the Share Capital is divided into different types or classes of shares, all or any of the rights and privileges attached to each type or class may, subject to the provisions of Sections 48 of the Act, be varied with the consent in writing by holders of at least three-fourths of the issued Shares of the class or is confirmed by a Special Resolution passed at a separate Meeting of the holders of Shares of that class and all the provisions hereinafter contained as to General Meetings shall mutatis mutandis apply to every such class Meeting.

### **Further issue of Capital**

14. Where at any time it is proposed to increase the subscribed Capital of the Company by allotment of further Shares, then:
- a. Such further Shares shall be offered to the persons who on 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 the date.
  - b. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.

- c. The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in hereof shall contain a statement of this right.
  - d. After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the interest of the Company.
15. Notwithstanding anything contained in the Article no. 14 the further shares aforesaid may be offered in any manner whatsoever, to:
- a. employees under a scheme of employees' stock option scheme
  - b. to any persons on private placement or on preferential basis, whether or not those persons include the persons referred to Article no. 14, either for cash or for a consideration other than cash, if so decided by a Special Resolution, as per Applicable Law.;
16. Nothing in Article no. 15.b hereof shall be deemed;
- a. To extend the time within which the offer should be accepted; or
  - b. To authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
17. Nothing in this Article shall apply to the increase of the subscribed Capital of the Company:
- a. caused by the exercise of an option attached to the Debenture issued by the Company to convert such Debentures or loans into shares in the Company;
  - b. Provided that the terms of issue of such Debentures or the terms of such loans containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution passed by the Company in general meeting.

### **Shares at the disposal of the Directors**

18. Subject to the provisions above, and of Section 62 of the Act, the shares and Securities of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

### **Acceptance of Shares**

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

### **Restriction on purchase by Company or loans by company for purchase of its own Shares**

20. Except as provided in these Articles, none of the funds of the Company shall be employed in the purchase of or on the security of the shares of the Company and the Company shall not except as permitted by section 70 of the Act, give directly or indirectly any financial assistance

for the purpose of or in accordance with any purchase or subscription of shares in this company or its holding company, if any.

### **Private placement**

21. The Board may, from time to time, offer any Securities on private placement basis, to such persons as the Board may determine, provided that such private placement shall comply with Applicable Law.

### **Deposit and call to be a debt payable immediately**

22. The money (if any) which the Board shall, on the allotment of any Share being made by them require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

### **Liability of Members**

23. Every member, or his heirs, executors or administrators shall pay to the Company the portion of the Capital represented by his Share(s) 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.

### **Shares not to be held in trust**

24. Except as required by law, no person shall be recognised by the Company as holding any Share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share, or any interest in any fractional part of a Share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any Share except an absolute right to the entirety thereof in the registered holder.

### **Joint Holders of Shares**

25. (a) If any Share stands in the names of two or more persons, the person first named in the register shall, as regards receipt of dividends or bonus or service of notice and all or any earlier matter connected with the Company, except voting at meetings, 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 installments and calls due in respect of such Shares for all incidents thereof according to the Company's regulations
- (b) The Company shall not be bound to register more than four persons as the joint holder of any share.
- (c) On the death of any one of such joint holders, the survivor or survivors shall be the only person or persons recognised by the Company as having any title to or interest in such Share but the Directors may require such evidence of death as they may deem fit.
- (d) Only the person whose name stands first in register as one of the joint holders of any Share shall be entitled to delivery of the certificate relating to such Shares as well as to the receipt of dividends or bonus or services of notice and all or any other matter connected with the company except voting at Meeting and the transfer of the Shares.

## **Register of Members and index**

26. The Company shall maintain a Register of Members and index in accordance with Section 88 of the Act. The details of shares held in physical or dematerialized forms may be maintained in a media as may be permitted by law including in any form of electronic media.
27. A member, or other Security holder or Beneficial Owner may make inspection of Register of Members and annual return. Any person other than the Member or Debenture holder or Beneficial Owner of the Company shall be allowed to make inspection of the Register of Members and annual return on payment of Rs. 50 or such higher amount as permitted by Applicable Law as the Board may determine, for each inspection. Inspection may be made during business hours of the Company during such time, not being less than 2 hours on any day, as may be fixed by the Company Secretary from time to time.
28. Such person, as referred to in Article 27 above, may be allowed to make copies of the Register of Members or any other register maintained by the Company and annual return, and require a copy of any specific extract therein, on payment of Rs. 10 for each page, or such higher amount as permitted under Applicable Law.

## **Foreign Registers**

29. The Company may also keep a foreign register in accordance with Section 88 of the Act containing the names and particulars of the Members, Debenture-holders, other Security holders or Beneficial Owners residing outside India; and the Board may (subject to the provisions of aforesaid Section) make and vary such regulations as it may think fit with respect to any such register.

## **CAPITALISATION OF PROFITS**

### **30. Capitalisation**

- (1) The Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve -
  - (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
  - (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

### **Sum how applied**

- (2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, either in or towards:
  - (A) paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - (B) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

- (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause(B).
- (3) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
- (4) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

### **31. Powers of the Board for capitalisation**

- (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall –
  - (a) make all appropriations and applications of the amounts resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and
  - (b) generally do all acts and things required to give effect thereto.

#### **Board's power to issue fractional certificate/coupon etc.**

- (2) The Board shall have power—
  - (a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and
  - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.

#### **Agreement binding on members**

- (3) Any agreement made under such authority shall be effective and binding on such members.

### **SHARE CERTIFICATES**

Share certificate to be numbered progressively and no Share to be subdivided

- 32. The shares certificates shall be numbered progressively according to their several denominations specify the shares to which it relates and bear the Seal of the Company, and except in the manner hereinbefore mentioned, no Share shall be sub-divided. Every forfeited or surrendered Share certificate shall continue to bear the number by which the same was originally distinguished.

Provided however that the provision relating to progressive or distinctive numbering of shares shall not apply to the shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form.

### **Limitation of time for issue of certificates**

33. Every Member, other than a Beneficial Owner, shall be entitled, without payment, to one or more certificates in marketable lots, for all the Shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates each for one or more of such Shares and the Company shall complete and have ready for delivery of such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide or within one months of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificates of Shares shall be under the Seal of the Company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and the amount paid-up thereon and shall be in such form as the Directors may prescribe and approve, provided that in respect of a Share(s) held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be a sufficient delivery to all such holders.

### **Issue of new certificate in place of one defaced, lost or destroyed**

34. If any certificate be worn out, defaced, mutilated, old/ or torn or if there be no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation then upon production and surrender of such certificate to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity and the payment of out-of pocket expenses incurred by the Company in investigating the evidence produced as the Board deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the article shall be issued in case of splitting or consolidation of Share certificate(s) or in replacement of Share certificate(s) that are defaced, mutilated, torn or old, decrepit or worn out without payment of any fee(s).

Further, no duplicate certificate shall be issued in lieu of those that are lost or destroyed, without the prior consent of the Board and only on furnishing of such supporting evidence and/ or indemnity as the Board may require.

Provided further that all instruments of transfer which shall be registered shall be retained by the Company but any instrument of transfer which the Director may decline to register shall be returned to the person depositing the same.

Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956, as amended or any other Act, or rules applicable thereof in this behalf; Provided further that the Company shall comply with the provisions of Section 46 of the Act and other Applicable Law, in respect of issue of duplicate shares..

35. The provision of this Article shall mutatis mutandis apply to issue of certificates of Debentures of the Company.

### **BUY BACK OF SECURITIES BY THE COMPANY**

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

## UNDERWRITING AND BROKERAGE

### **Commission may be paid**

37. Subject to the provisions of Section 40(6) of the Act and Applicable Law made thereunder, and subject to the applicable SEBI guidelines and subject to the terms of issue of the shares or Debentures or any securities, as defined in the Securities Contract (Regulations) Act, 1956 the Company may at any time pay a commission out of proceeds of the issue or profit or both to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares in or Debentures of the Company, or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for Shares, Debentures or of the Company but so that the commission shall not exceed in the case of shares, five per cent of the price at which the shares are issued, and in the case of Debentures, two and a half per cent of the price at which the Debentures are issued or at such rates as may be fixed by the Board within the overall limit prescribed under the Act or Securities and Exchange Board of India Act, 1992. Such commission may be satisfied by payment in cash or by allotment of fully or partly paid shares, securities or Debentures or partly in one way and partly in the other.

### **Brokerage**

38. The Company may, subject to Applicable Law, pay a reasonable and lawful sum for brokerage to any person for subscribing or procuring subscription for any Securities.

## CALL ON SHARES

### **Directors may make calls**

39. The Board of Directors may, from time to time and subject to the terms on which Shares have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, or otherwise as permitted by Applicable Law 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 of Directors. A call may be made payable by instalment.
40. The option or right to make calls on Shares shall not be given to any person except with the sanction of the issuer in general meetings.

### **Uniform conditions as to Calls etc.**

41. Where any calls for further share Capital are made on Shares such calls shall be made on a uniform basis on all Shares falling under the same class. For the purpose of this Article Shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.

### **Notice of calls**

42. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
43. A call may be revoked or postponed at the discretion of the Board.

### **Calls to date from resolution**

44. A call shall be deemed to have been made at the time when the resolution authorising such call was passed as provided herein and may be required to be paid by installments. Every such installment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the Share or by his legal representative.

### **Directors may extend time**

45. 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 member shall be entitled to such extension save as a member of grace and favour.

### **Calls to carry interest**

46. If any member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board of Directors may determine. Nothing in this Article shall render it obligatory for the Board of Directors to demand or recover any interest from any such member.
47. The Board shall be at liberty to waive payment of any such interest wholly or in part.

### **Sums deemed to be calls**

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

### **Proof on trial of suit for money due on Shares**

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

### **Partial payment not to preclude forfeiture**

50. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares, either by way of principal or

interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

### **Payment in anticipation of call may carry interest**

51. The Directors may, if they think fit, subject to the provisions of Section 50 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate (not exceeding without the sanction of the company in General Meeting 12% percent per annum), as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or Dividend. The Directors may at any time repay the amount so advanced. The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.
52. The provisions of these Articles shall mutatis mutandis apply to the calls on Debenture or other Securities of the Company.

### **LIEN**

#### **Company to have lien on shares**

53. The Company shall have a first and paramount lien upon all the shares/ Debentures/Securities (other than fully paid-up shares/Debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/Debentures/Securities and no equitable interest in any Shares shall be created except upon the footing, and upon the condition that this Article will have full effect and any such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares/Debentures/Securities.
54. The Directors may at any time declare any shares/ Debentures/Securities wholly or in part to be exempt from the provision of this Article. Provided that, fully paid shares shall be free from all lien and that in case of partly paid shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

#### **As to enforcing lien by sale**

55. For the purpose of enforcing such lien, the Board may sell the Shares subject thereto 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 member to execute a transfer thereof on behalf of and in the name of such member. The purchaser of such transferred Shares shall be registered as the holder of the Shares comprised in any such transfer. The purchaser shall not be bound to see to 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.
56. No sale shall be made unless a sum in respect of which the lien exists is presently payable or until the expiration of fourteen days after a notice in writing of the intention to sell shall have

been served on such member or his representatives and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.

57. Upon any sale after forfeiture or for enforcing a lien in purposed exercise of the powers here in before given, the Directors may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the register in respect of the Shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, nor to the application on the purchase money and after his name has been entered in the register in respect of such shares his title to such shares shall not be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition nor impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively

#### **Application of proceeds of sale**

58. 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 persons entitled to the shares at the date of the sale.
59. Where any shares under the power in that behalf herein contained are sold by the Directors and the certificate thereof has not been delivered up or surrendered to the Company by the former holder of the said shares the Directors may issue a new certificate for such shares distinguishing it in such manner as they may think fit from the certificate not so delivered up.

### **FORFEITURE OF SHARE**

#### **If call or installment not paid notice may be given**

60. If any member fails to pay any call or installment on or before the day appointed for the payment of the same the Board may at any time thereafter during such time as the call or installment remains unpaid, serve notice on such member 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.

#### **Form of notice**

61. The notice shall:
  - a. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made.
  - b. shall detail the amount which is due and payable on the shares and shall state that in the event of non-payment at or before the time appointed the shares will be liable to be forfeited.

#### **If notice not complied with Shares may be forfeited**

62. If the requisitions of any such notice as aforesaid be not complied with, any Shares in respect of which such notice has been given may, at any time thereafter, before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by a resolution of the

Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited Shares and not actually paid before the forfeiture. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member of the Company in respect of his Shares either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as herein provided.

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

63. When any Shares shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, 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 become property of the Company**

64. Any Share so forfeited shall be deemed to be the property of the Company, and the Board may sell, re allot or otherwise dispose of the same in such manner as think fit

#### **Power to cancel forfeiture**

65. The Board may, at any time before any Share so forfeited shall have been sold, re-allotted or otherwise disposed of, cancel the forfeiture thereof upon such conditions as it thinks fit.

#### **Liability on forfeiture**

66. A person whose Share has been forfeited shall cease to be a Member in respect of the forfeited Share, but shall notwithstanding, remain liable to pay, and shall forthwith pay to the Company, all calls, or installment, interest and expenses, owing in respect of such Share at the time of the forfeiture, together with interest thereon, from the time of forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment thereof, to any party thereof, without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the Shares.
67. The liability of such person shall cease if and when the Company shall have received payment in full of all such money in respect of the shares.

#### **Effect of forfeiture**

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

#### **Evidence of forfeiture**

69. A duly verified declaration in writing that the declarant is a Director, the manager or the secretary of the Company, and that certain Shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Shares and such declaration, and the receipt by the Company for the consideration, if any, given for the Shares on the sale or disposition thereof, shall constitute, a good title to such Shares and the person to whom the Shares are sold shall

be registered as the holder of such Shares and shall not be bound to see to the application of the purchase money, nor shall his title to such shares be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.

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

70. 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 Directors, shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons, entitled thereto as per the provisions herein.
- a. The Company may receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off.
  - b. The transferee shall thereupon be registered as the holder of the Share; and
  - c. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.

### **These Articles to apply in case of any non-payment**

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

### **EMPLOYEES STOCK OPTIONS**

71. Subject to the provisions of Section 62 of the Act and the Applicable Law, the Company may issue options to any Directors, not being Independent Directors, officers, or employees of the Company, its subsidiaries or its parent, which would give such Directors, officers or employees, the benefit or right to purchase or subscribe at a future date, the securities offered by the Company at a predetermined price, in terms of schemes of employee stock options or employees Share purchase or both. Provided that it will be lawful for such scheme to require an employee, officer, or Director, upon leaving the Company, to transfer securities acquired in pursuance of such an option, to a trust or other body established for the benefit of employees.

### **POWER TO ISSUE SWEAT EQUITY SHARES**

72. Subject to and in compliance with Section 54 and other Applicable Law, the Company may issue the equity shares to its employees or Director(s) at a discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called.

### **PREFERENTIAL ALLOTMENT**

73. Subject to the provisions of Section 62 the Act, read with the conditions as laid down in the Applicable Law, and if authorized by a Special Resolution passed in a general meeting, the Company may issue shares or securities in any manner whatsoever, by way of a preferential

offer or private placement. Such issue on preferential basis or private placement should also comply with the conditions as laid down in Section 42 of the Act and/or Applicable law.

## TRANSFER AND TRANSMISSION OF SHARES

### **Register of transfers**

74. The Company shall keep a book to be called the "Register of Transfers", and therein shall be fairly and directly entered particulars of every transfer or transmission of any Share. The Register of Transfers shall not be available for inspection or making of extracts by the members of the Company or any other persons. Entries in the register should be authenticated by the Secretary of the Company or by any other person authorized by the Board for the purpose, by appending his signature to each entry Instruments of transfer
75. The instrument of transfer shall be in common form and in writing and all provision of Section 56 of the Act and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

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

76. Every such instrument of transfer shall be executed both by transferor and the transferee 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. The Board shall not issue or register a transfer of any Share in favour of a minor (except in cases when they are fully paid up).
77. Application for the registration of the transfer of a Share may be made either by the transferee or the transferor, no registration shall, in the case of the partly paid Share, be affected unless the Company gives notice of the application to the transferee subject to the provisions of these Articles and Section 56 of the Act and/or Applicable Law, the Company shall unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register the name of transferee in the same manner and subject to the same conditions as it the application for registration of the transfer was made by the transferee.

### **Transfer books when closed**

78. The Board shall have power to give at least seven days' previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated, in accordance with Section 91 of the Act and Applicable Laws, to close the transfer books, the Register of Members, Register of Debenture holders or the Register of other Security 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 each year, as it may deem expedient.

### **Directors may refuse to register transfer**

79. Subject to the provisions of Section 56 of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse, in the interest of the Company or in pursuance of power under any Applicable Law, to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal.

Provided that the 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

80. The Board may, subject to the right of appeal conferred by Section 58 of the Act and other Applicable Law decline to register—
  - a. the transfer of a Share, not being a fully paid Share, to a person of whom they do not approve; or
  - b. any transfer of shares on which the Company has a lien
81. The Board may decline to recognise any instrument of transfer unless—
  - a. the instrument of transfer is in the form as prescribed under sub-section (1) of Section 56 of the Act or Applicable Law;
  - b. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
  - c. the instrument of transfer is in respect of only one class of shares.

#### **Directors to recognize Beneficial Owners of securities**

82. Notwithstanding anything contained in these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Securities on behalf of a Beneficial Owner.
83. Save as otherwise provided hereinabove, the Depository as a registered owner shall not have any voting rights or any other rights in respect of securities held by it, and the Beneficial Owner shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of its securities held by a Depository.
84. Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears as the Beneficial Owner of the securities in the records of the Depository as the absolute owner thereof and accordingly the Company shall not be bound to recognise any benami, trust or equitable, contingent, future or partial interest in any Security or (except otherwise expressly provided by the Articles) any right in respect of a Security other than an absolute right thereto, in accordance with these Articles on the part of any other person whether or not it shall have express or implied notice thereof.

#### **Nomination**

85. Every holder of Shares in, or Debentures of the Company may at any time nominate, in the manner prescribed under the Act, a person to whom his shares in or Debentures of the Company shall vest in the event of death of such holder.
86. Where the Shares in, or Debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or Debentures of the Company, as the case may be, held by them shall vest in the event of death of all joint holders.

87. Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, or in these Articles, in respect of such shares in or Debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in, or Debentures of the Company, the nominee shall, on the death of the shareholders or holder of Debentures of the Company or, as the case may be, on the death of all the joint holders become entitled to all the rights in the shares or Debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner under the provisions of the Act.
88. Where the nominee is a minor, it shall be lawful for the holder of the shares or holder of Debentures to make the nomination to appoint, in the prescribed manner under the provisions of the Act, any person to become entitled to the shares in or Debentures of the Company, in the event of his death, during the minority.

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

#### **Transmission in the name of nominee**

89. Any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member, or the marriage of a female member, or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Board of Directors and subject as hereinafter provided, elect, either:
- a. to be registered himself as holder of the shares or Debentures, as the case may be; or to make such transfer of the shares or Debentures, as the case may be, as the deceased shareholder or Debenture holder, as the case may be, could have made.

Provided nevertheless that it shall be lawful for the Directors in their absolute discretion to dispense with the production of any evidence including any legal representation upon such terms as to indemnity or otherwise as the Directors may deem fit.

Provided nevertheless, that if such person shall elect to have his nominee registered he shall testify the election by executing to his nominee an instrument of transfer 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.

90. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the Share before his death or insolvency.
91. If the nominee, so becoming entitled, elects himself to be registered as holder of the shares or Debentures, as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with death certificate of the deceased shareholder or Debenture holder and the certificate(s) of shares or Debentures, as the case may be, held by the deceased in the Company.
92. If the person aforesaid shall elect to transfer the Share, he shall testify his election by executing a transfer of the Share.

93. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
94. Subject to the provisions of Section 56 of the Act and these Articles, the Board may register the relevant shares or Debentures in the name of the nominee of the transferee as if the death of the registered holder of the shares or Debentures had not occurred and the notice or transfer were a transfer signed by that shareholder or Debenture holder, as the case may be.
95. A nominee on becoming entitled to shares or Debentures by reason of the death of the holder or joint holders shall be entitled to the same Dividend and other advantages to which he would be entitled if he were the registered holder of the Share or Debenture, except that he shall not before being registered as holder of such shares or Debentures, be entitled in respect of them to exercise any right conferred on a member or Debenture holder in relation to meetings of the Company.
96. The Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares or Debentures, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonus, interest or other moneys payable or rights accrued or accruing in respect of the relevant shares or Debentures, until the requirements of the notice have been complied with.

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

97. No transfer shall be made to a minor or person of unsound mind. However in respect of fully paid up shares, shares may be transferred in favor of minor acting through legal guardian, in accordance with the provisions of law.

#### **Person entitled may receive Dividend without being registered as a Member**

98. A person entitled to a Share by transmission shall, subject to the right of the Directors to retain such dividends or money as hereinafter provided, be entitled to receive and may give discharge for any dividends and other advantages to which he would be entitled if he were the registered holder of the Share, except that he shall not, before being registered as a member in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

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

99. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board of Directors may require to prove the title of the transferor, his right to transfer the shares and generally under and subject to such conditions and regulations as the Board of Directors shall from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board of Directors.

#### **Conditions of registration of transfer**

100. For the purpose of the registration of a transfer, the certificate or certificates of the Share or shares to be transferred must be delivered to the Company along with (same as provided in Section 56 of the Act) a properly stamped and executed instrument of transfer.

### **No fee on transfer or transmission**

101. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

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

102. 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 deferred 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 of Directors shall so think fit.

### **DEMATERIALIZATION OF SECURITIES**

103. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Articles.

#### **Dematerialization of Securities**

104. The Board shall be entitled to dematerialize Securities or to offer securities in a dematerialized form pursuant to the Depositories Act, 1996, as amended. The provisions of this Section will be applicable in case of such Securities as are or are intended to be dematerialised.

#### **Options for investors**

105. Every holder of or subscriber to Securities of the Company shall have the option to receive certificates for such securities or to hold the securities with a Depository. Such a person who is the Beneficial Owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any securities in the manner provided by the Depositories Act, 1996, and the Company shall, in the manner and within the time prescribed by law, issue to the Beneficial Owner the required certificates for the Securities.
106. If a person opts to hold his Securities with the Depository, the Company shall intimate such Depository the details of allotment of the Securities, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.

#### **Securities in depositories to be in fungible form**

107. All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

## **Rights of Depositories and Beneficial Owners**

108. Notwithstanding anything to the contrary contained in these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of Securities of the Company on behalf of the Beneficial Owner.
109. Save as otherwise provided in (a) above, the Depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.
110. Every person holding Securities of the Company and whose name is entered as the Beneficial Owner of securities in the record of the Depository shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the Securities which are held by a Depository and shall be deemed to be a Member of the Company.

## **Service of Documents**

111. Notwithstanding anything contained in these Articles to the contrary, where Securities of the Company are held in a Depository, the records of the beneficiary ownership may be served by such Depository on the Company by means of Electronic Mode.

## **Transfer of securities**

112. Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

## **Allotment of securities dealt with in a Depository**

113. Notwithstanding anything contained in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such Securities.

## **Distinctive number of securities held in a Depository**

114. Nothing contained in the Act in these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to securities held with a Depository.

## **Register and index of Beneficial Owners**

115. The Register and Index of Beneficial Owners maintained by Depository under the Depositories Act, 1996, as amended shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

## **Copies of Memorandum and Articles to be sent to members**

116. Copies of Memorandum and Articles of Association of the Company shall be furnished to every shareholder of the Company at his request on payment of an amount as may be fixed by the Board to recover reasonable cost and expenses, not exceeding such amount as fixed under Applicable Law.

## **BORROWING POWERS**

### **Power to borrow**

117. The Board may, from time to time, at its discretion subject to the provisions of these Articles, Section 73 to 76, and 179 of the Act or Applicable Law, raise or borrow, either from the Directors

or from elsewhere and secure the payment of any sum or sums of money for the purpose of the Company; by a resolution of the Board, or where a power to delegate the same is available, by a decision/resolution of such delegate, provided that the Board shall not without the requisite sanction of the Company in General Meeting borrow any sum of money which together with money borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate for the time being of the paid up Capital of the Company and its free reserves.

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

118. The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular, by the issue of bonds, or other Securities, or any mortgage, or other Security on the undertaking of the whole or any part of the property of the Company (both present and future including its uncalled capital for the time being).

### **Terms of issue of Debentures**

119. Any Debentures, Debenture stock, bonds or other Securities may be issued on such terms and conditions as the Board may think fit. Provided that Debenture with a right to allotment or conversion into shares shall be issued in conformity with the provisions of Section 62 of the Act. Debentures, Debenture stock, bonds and other securities may be made assignable free from any equities from the Company and the person to whom it may be issued. Debentures, Debenture-stock, bonds or other securities with a right of conversion into or allotment of shares shall be issued only with such sanctions as may be applicable.

### **Instrument of transfer**

120. Save as provided in Section 56 of the Act, no transfer of Debentures shall be registered unless a proper instrument of transfer duly executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the Debentures: Provided that the Company may issue non transferable Debentures and accept an assignment of such instruments.

### **Delivery of certificates**

121. Deliver by the Company of certificates upon allotment or registration of transfer of any Debentures, Debenture stock or bond issued by the Company shall be governed and regulated by Section 56 of the Act.

### **Register of charge, etc.**

122. The Board shall cause a proper register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company, and shall cause the requirements of Sections 77 to 87 of the Act, both inclusive of the Act in that behalf to be duly complied with, so far as they are ought to be complied with by the Board.

### **Register and index of Debenture holders**

121. The Company shall, if at any time it issues Debentures, keep Register and Index of Debenture holders in accordance with Section 88 of the Act. The Company shall have the power to keep in any State or Country outside India a Branch Register of Debenture-stock, resident in that State or Country.

## GENERAL MEETINGS

122. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year.
123. Every Annual General Meeting shall be called during business hours, that is, between 9 a.m. and 6 p.m. on any day that is not a national holiday and shall be held either 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 situate
124. All general meetings other than annual general meeting shall be called extraordinary general meeting.
125. In the case of an Annual General Meeting, all businesses to be transacted at the meeting shall be deemed special, with the exception of business relating to:
  - 125.1. the consideration of financial statements and the reports of the Board of Directors and Auditors;
  - 125.2. the declaration of any Dividend;
  - 125.3. the appointment of Directors in place of those retiring;
  - 125.4. the appointment of, and the fixing of the remuneration of, the Auditors
126. In case of any other meeting, all business shall be deemed special.
127. The Board may, whenever it thinks fit, call an extraordinary general meeting.
128. Where permitted or required by Applicable Law, Board may, instead of calling a meeting of any members/ class of members/ Debentureholders, seek their assent by Postal Ballot, including e-voting. Such Postal Ballot will comply with the provisions of Applicable Law in this behalf.
129. The intent of these Articles is that in respect of seeking the sense of the members or members of a class or any Security holders, the Company shall, subject to Applicable Law, be entitled to seek assent of members, members of a class of members or any holders of securities using such use of contemporaneous methods of communication as is permitted by Applicable Law. A written resolution including consent obtained through Electronic Mode shall be deemed to be sanction provided by the member, member of a class or other Security holder by way of personal presence in a meeting.
130. 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 the aggregate not less than one-tenth of such of the paid-up Capital as at the date carries the right of voting in regard to the matter in respect of which the requisition has been made.
131. Any meeting called as above by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.

### **E-votings in case of General Meetings:**

132. Where the Company conducts General Meetings by way of e-voting, the Company shall follow the procedure laid down under the Act and Applicable Law.

133. Where Member has been allowed the option of voting through Electronic Mode as per Applicable Law, such Member, or Members generally, shall be allowed to speak at a Meeting, but shall not be allowed to vote at the meeting.

Provided that voting may also be allowed to be case by way of post or any other mode which any Applicable Law may allow.

134. Where there is voting at General Meeting in addition to E-voting, the person chairing the General Meeting may require a poll to be conducted. The Chairperson shall declare the results obtained through Electronic Modes at the meeting, and the result of the poll, at the meeting,

### **Notice of General Meetings**

135. At least 21 clear days' notice of every General Meeting, specifying the day, date, place and hour of meeting, containing a statement of the business to be transacted thereat, shall be given, either in writing or through Electronic Mode, to every member or legal representative of any deceased member or the assignee of an insolvent member, every Auditor(s) and Director of the Company.

136. A General Meeting may be called at a shorter notice if consented to by either by way of writing or any Electronic Mode by not less than 95% of the Members entitled to vote at such meeting.

### **Quorum at General Meeting**

137. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

138. Save as otherwise provided herein, the quorum for the general meetings shall be as provided in Section 103 of the Act.

139. 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, if 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 at such other time and place 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 quorum and may transact the business for which the meeting was called.

### **Chairperson at General Meetings**

140. The Chairperson, if any, of the Board shall preside as Chairperson at every General Meeting of the Company.

141. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairperson of the meeting, the Directors present shall elect one among themselves to be Chairperson of the meeting.

142. If at any meeting no Director is willing to act as Chairperson or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of themselves to be Chairperson of the meeting.

143. No business shall be discussed at any General Meeting except the election of a Chairperson, while the chair is vacant.

## **Adjournment of Meeting**

144. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
145. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
146. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
147. Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

## **Voting rights**

148. No member shall be entitled to vote either personally or by proxy, at any General Meeting or Meeting of a class of shareholders 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.
149. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
  1. on a poll, the voting rights of members shall be in proportion to his Share in the paid-up equity Share Capital of the Company.
  2. A member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.
150. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
151. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
152. Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.
153. No member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of Shares in the Company have been paid.
154. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
155. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.
156. Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a member may vote by a representative duly authorised in accordance

with Section 113 of the Act, and such representative shall be entitled to exercise the same rights and powers (including the rights to vote by proxy) on behalf of the body corporate which he represents as the body could exercise if it were an individual member.

157. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.
158. 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 body corporate, under the common Seal of such corporate, or be signed by an officer or any attorney duly authorised by it, and any committee or guardian may appoint such proxy. An instrument appointing a proxy shall be in the form as prescribed in terms of Section 105 of the Act.
159. A member present by proxy shall be entitled to vote only on a poll, except where Applicable Law provides otherwise.
160. The proxy so appointed shall not have any right to speak at the meeting.
161. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### **Passing of resolution by Postal Ballot**

162. Where permitted or required by Applicable Law, Board may, instead of calling a meeting of any Members/ class of Members/ Debenture holders, seek their assent by Postal Ballot, which shall include e-voting. Such Postal Ballot will comply with the provisions of Applicable Law in this behalf.
163. Where permitted/required by Applicable Law, Board may provide Members/Members of a class/ Debenture holders right to vote through e-voting, complying with Applicable Law.
164. The intent of these Articles is that in respect of seeking the sense of the Members or Members of a class or any Security holders, the Company shall, subject to Applicable Law, be entitled to seek assent of Members, Members of a class of Members or any holders of securities using such use of contemporaneous methods of communication as is permitted by Applicable Law. A written resolution, including consent obtained through Electronic Mode, shall be deemed to be sanction provided by the Member, Member of a class or other Security holders by way of personal presence in a meeting.
165. Notwithstanding anything contained in the foregoing, the Company shall transact such business, follow such procedure and ascertain the assent or dissent of Members for a voting conducted by Postal ballot, as may be prescribed by Section 110 of the Act and Applicable Law.

166. In case of resolutions to be passed by Postal ballot or e-voting, no meeting needs to be held at a specified time and space requiring physical presence of Members to form a quorum.
167. Where a resolution will be passed by Postal ballot the Company shall, in addition to the requirements of giving requisite clear days notice, send to all the Members the following:
  - 167.1. Draft resolution and relevant explanatory statement clearly explaining the reasons therefor.
  - 167.2. Postal ballot for giving assent or dissent, in writing by Members; and
  - 167.3. Enable Member, in such manner as prescribed under Applicable Law, for communicating assents or dissents on the Postal ballot to the Company with a request to the Members to send their communications within 30 days from the date of dispatch of the notice.

### **Maintenance of records and Inspection of minutes of General Meeting by Members**

168. Where permitted/required by Applicable Law, all records to be maintained by the Company may be kept in electronic form subject to the provisions of the Act and the conditions as laid down in the Applicable Law. Such records shall be kept open to inspection in the manner as permitted by the Act and Applicable Law. The term 'records' would mean any register, index, agreement, memorandum, minutes or any other document required by the Act and Applicable Law made there under to be kept by the Company.
169. 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.
170. Any such minutes shall be evidence of the proceedings recorded therein.
171. The book containing the minutes of proceedings of General Meetings shall be kept at the registered office of the Company and shall be open during business hours, for such periods not being less than 2 hours on any day, as may be fixed by the Company Secretary from time to time, to the inspection of any Member without charge.
172. Any Member of the Company shall be entitled to a copy of minutes of the General Meeting on receipt of a specific request and at a fee of Rs. 10/- (rupees ten only) for each page, or such higher amount as the Board may determine, as permissible by Applicable Law.

### **BOARD OF DIRECTORS**

173. The number of Directors of the Company which shall be not less than 3 (three) and not more than 15 (fifteen). However, the Company may appoint more than 15 Directors after passing a Special Resolution. Further, any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of debenture, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly and such appointment shall be in such terms and conditions as laid down by Board, as permitted by Applicable Law. The Directors are not required to hold any qualification shares. Composition of the Board shall be in accordance with the provisions of Section 149 of the Act and other Applicable Laws. Provided that where there are temporary gaps in meeting the requirements of Applicable Law pertaining to composition of Board of Directors, the remaining Directors shall (a) be entitled to transaction business for the purpose of attaining the required composition of the Board; and (b) be entitled to carry out such business as may be required in the best interest of the Company in the meantime.

174. First Directors of the Company are as follows:–

174.1. Sri Lakshmi Narayan Agarwal

174.2. Sri T.Rajasekhara Reddy

174.3. Sri Shankarlal Gupta

174.4. Sri Badrinarayan Agarwal

### **Board's power to appoint Additional Directors**

175. Subject to the provisions of Sections 149, 152 and 161 of the Act and Applicable Laws, the Board shall have power at any time, and from time to time, to appoint a person as an additional Director, provided the number of the Directors and additional Directors together shall not at any time exceed the maximum strength fixed for the Board by these Articles.

176. Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a Director at that meeting subject to the provisions of the Act.

### **Nominee Directors**

177. The Company shall, subject to the provisions of the Act and these Articles, be entitled to agree with any Person that he or it shall have the right to appoint his or its nominee on the Board, not being an Independent Director, upon such terms and conditions as the Company may deem fit.

He shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

178. In the event of Company borrowing any money from any financial corporation or institution or Government or any Government body or a collaborator, bank, person or persons or from any other source, while any money remains due to them or any of them, the lender concerned may have and may exercise the right and power to appoint, from time to time, any person or persons to be a Director or Directors of the Company.

179. A nominee Director may at any time be removed from the office by the appointing authority who may from the time of such removal or in case of death or resignation of person, appoint any other or others in his place. Any such appointment or removal shall be in writing, signed by the appointer and served on the Company. Such Director need not hold any qualification shares.

### **Appointment of Alternate Directors**

180. Subject to the provisions of Section 161(2) of the Act, the Board may appoint an Alternate Director to act for a Director (hereinafter called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an Alternate Director in place of an Independent Director unless he is qualified to be appointed as an Independent Director under the Act and Applicable Law. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. If the terms of office of the Original Director are determined before he so returns to India, any provisions in the Act or in these Articles for the automatic reappointment of any retiring Director in default of another appointment shall apply to the Original Director, and not to the Alternate Director.

For the purpose of absence in the Board meetings in terms of Section 167 (1) (b) of the Act, the period during which an Original Director has an Alternate Director appointed in his place, shall not be considered.

### **Board's power to fill casual vacancies**

181. Subject to the provisions of Sections 152(7), 161(4) and 169(7) of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only up to the date to which the Director in whose place he is appointed would have held office if it had not been vacated by him.
182. 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 until the same day in the next week, at the same time and place in accordance with the provisions of Section 152(7) of the Act.
183. If at the adjourned meeting also, the vacancy caused by 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 so deemed to have been reappointed at the adjourned meeting, unless :
  - 183.1 At that meeting or at the previous meeting the resolution for the reappointment of such Director has been put to the meeting and lost;
  - 183.2 The retiring Director has, by a notice in writing addressed to the Company or its Board expressed his unwillingness to be so reappointed;
  - 183.3 He is not qualified or is disqualified for appointment;
  - 183.4 A resolution whether special or ordinary, is required for the appointment or reappointment by virtue of any provisions of the Act; or
  - 183.5 The provision of Section 162 of the Act is applicable to the case.

### **Independent Directors**

184. Subject to the provisions of Section 149(6) of the Act and other Applicable Laws, the Board or any other Committee as per the Act shall identify potential individuals for the purpose of appointment as Independent Director either from the data bank established under Section 150 of Act or otherwise.
185. The Board on receiving such recommendation shall consider the same and propose his appointment for approval at a General Meeting. The explanatory statement to the notice for such General Meeting shall provide all requisite details as required under the Act.
186. Any casual vacancy in the post of an Independent Director caused by way of removal, resignation, death, vacation of office under Section 167 of the Act and Applicable Law or Article 183 removal from Directorship pursuant to any court order or due to disqualification under Section 164 of Act shall be filled by following the process laid down herein below and in accordance with the Applicable Law. No such casual vacancy shall prejudice the functioning of the Board during the intervening period.
187. Every Independent Director shall at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an Independent Director, give a declaration that he meets the criteria of independence.

188. The Company and Independent Directors are required to abide by the provisions specified in Schedule IV of the Act.
189. An Independent Director shall not be entitled to any stock option and may receive remuneration by way of sitting fee, reimbursement of expenses for participation in the Board and other meetings and also to such commission based on profits, as may, subject to provisions of Applicable Law, be approved by the Members.
190. An Independent Director shall be held liable, only in respect of such acts of omission or commission by a Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.
191. The provisions relating to retirement of Directors by rotation shall not be applicable to appointment of Independent Directors.
192. Term of Office of Independent Director:

Subject to Applicable Law, an Independent Director shall hold office for a term up to 5 (five) consecutive years on the Board of a Company, but shall be eligible for reappointment for one more term on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than 2 (two) consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of 3(three) years of ceasing to become an Independent Director provided that he shall not, during the said period of 3 (three) years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

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

193. At least two-thirds of the total number of Directors, excluding Independent Directors, will be the Directors who are liable to retire by rotation (hereinafter called "the Rotational Directors").
194. At every Annual General Meeting of the Company, one-third of the Rotational Directors, or if their number is not three or a multiple of three, then, the number nearest to one-third, shall retire from office.
195. The Company may appoint a Managing or a Whole-time Director, or any other Executive Director, as Rotational Director. The terms of appointment of such Director may provide that, where the General Meeting at which such Rotational Director comes for reappointment does not reappoint him, his office shall continue without being a Director on the Board of the Company.
196. A retiring Director shall be eligible for re-election.

### **Resignation of Directors**

197. Subject to the provisions of Applicable Law, a Director may resign from his office by giving a notice in writing to the Company and Board shall take note of the same. The fact of such resignation shall be mentioned in the report of Directors laid in the immediately following General Meeting by the Company.
198. A Managing Director or a Whole-time Director or any Executive Director who has any terms of employment with the Company shall not give any notice of resignation in breach of the conditions of employment as may be applicable, either to a Director specifically, or to employees of the

Company generally. A nominee Director shall not give any notice of resignation except through the nominating person.

199. The resignation of a Director shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the Director in the notice, whichever is later:

Provided that the Director who has resigned shall be liable even after his resignation for the offences which occurred during his tenure.

### **Removal of Directors**

200. Any Director of the Company, except the one appointed by the National Company Law Tribunal, may be removed by way of Ordinary Resolution before the expiry of his term of office, subject to the provisions of Section 169 of Act.

### **Remuneration of Directors**

201. Subject to the provisions of Section 197 of the Act, a Director may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

Provided that where the Company takes a Directors' and Officers' Liability Insurance, specifically pertaining to a particular Director and/or officer, then the premium paid in respect of such insurance, for the period during which a Director and/or officer has been proved guilty, will be treated as part of remuneration paid to such Director and/or officer.

202. The Board or a relevant Committee constituted for this purpose shall seek to ensure that the remuneration paid to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
203. The fees payable to a Director for attending the meetings of the Board or Committee thereof shall be such sum as may be decided by the Board of Directors from time to time within the maximum limit as prescribed under Section 197(5) of the Act and Applicable Law. Fee shall also be paid for attending any separate meeting of the Independent Directors of the Company in pursuance of any provision of the Act. Fee shall also be payable for participating in meetings through permissible Electronic Mode.
204. A Director of this Company may be or become a Director of any company promoted by this Company or in which it may be interested as a vendor, shareholders or otherwise, and no such Director shall be accountable for any benefits received as a Director or member of such Company.
205. In addition to the remuneration payable pursuant to Section 197 of the Act, the Directors may be paid all conveyance, hotel and other expenses properly incurred by them—
- 205.1 in attending and returning from meetings of the Board of Directors or any Committee thereof or general meetings of the Company; or
- 205.2 in connection with the business of the Company.
- 205.3 The Board may pay all expenses incurred in getting up and registering the Company.

### **Directors may act notwithstanding any vacancies on Board**

206. 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 181 hereof, the continuing Directors may act for the purpose of increasing the number of Directors to the minimum number fixed by the Article 181 hereof or for summoning a General Meeting for the purpose increasing the number of Directors to such minimum number, but for no other purpose.

### **Vacation of office of Director**

207. The office of a Director shall ipso facto be vacated:

207.1. on the happening of any of the events as specified in Section 167 of the Act.

207.2. if a person is a Director of more than the number of Companies as specified in the Act at a time;

207.3. in the case of alternate Director, on return of the original Director in terms of Section 161 of the Act;

207.4. having been appointed as a Director by virtue of his holding any office or other employment in the holding, subsidiary or associate company, he ceases to hold such office or other employment in that company;

207.5. if he is removed in pursuance of Section 169 of the Act;

207.6. any other disqualification that the Act for the time being in force may prescribe.

### **Notice of candidature for office of Directors except in certain cases**

208. No person not being a retiring Director, shall be eligible for appointment to the office of Director at any General Meeting unless he or some Member intending to propose him as a Director, has, not less than fourteen days before the meeting, left at the registered office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such Member to propose him as a candidate for that office along with the requisite deposit of Rupees 1 Lac or such higher amount as the Board may determine, as permissible by Applicable Law.

209. Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 160 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, if appointed.

210. A person other than a Director reappointed after retirement by rotation immediately on the expiry of his term of office, or an Additional or Alternate Director, or a person filling a casual vacancy in the office of a Director under Section 161 of the Act, appointed as a Director or reappointed 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 submitted consent in writing to act as a Director of the Company and the same is filed with the Registrar within thirty days of his appointment.

### **Director may contract with the Company**

211. Subject to Applicable Law, a Director or any Related Party as defined in Section 2 (76) of the Act or other Applicable Law may enter into any contract with Company for the sale, purchase

or supply of any goods, materials, or services, or other contract involving creation or transfer of resources, obligations or services, subject to such sanctions as required by Applicable Law. .

212. Unless so required by Applicable Law, no sanction shall, however, be necessary for any contracts with a related party on entered into on arm's length basis. Where a contract complies with such conditions or indicia of arms length contracts as laid down in a policy on related party transactions framed by the Board and approved by a general meeting, the contract shall be deemed to be a contract entered into on arm's length basis.

### **Disclosure of interest**

213. A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract 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 184(2) of the Act; provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other body corporate where the Director of the Company either himself or in association with any other Director hold or holds less than two per cent of the shareholding in such other body corporate.

### **Interested Director not to participate or vote in Board's proceeding**

214. Subject to the provisions of Section 184 of the Act, no Director shall as Director take any part in the discussion of, or vote on any contract or arrangement entered into by or on behalf of the Company, if he is in 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 does vote, his vote shall be void.

### **Register of contracts in which Directors are interested**

215. The Company shall keep a Register in accordance with Section 189 (1) of the Act and Applicable Law. The Register shall be kept at the registered office of the Company and shall be preserved permanently be kept in the custody of the Company Secretary of the Company or any other person authorized by the Board for the purpose.
216. Such a Register shall be open to inspection at such office, and extracts maybe taken therefrom and copies thereof may be provided to a Member of the Company on his request, within seven days from the date on which such request is made and upon the payment of Rs. 10 (ten rupees) per page, as such higher amount as may be laid by the Board, as permitted by Applicable Law.

### **Register of Directors and Key Managerial Personnel and their shareholding**

217. The Company shall keep at its registered office a register containing the particulars of its Directors and Key Managerial Personnel, which shall include the details of Securities held by each of them in the Company or its holding, subsidiary, subsidiary of Company's holding Company or associate companies in accordance to Section 170 of the Act and Applicable Law.

### **Miscellaneous**

218. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

## PROCEEDINGS OF THE BOARD

### Meetings of Board

219. The Directors may meet together as a Board from time to time for the conduct and dispatch of the business of the Company, adjourn or otherwise regulate its meetings, as it thinks fit.
220. A meeting of the Board shall be called by giving not less than seven days' notice in writing to every Director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means.
221. The notice of the meeting shall inform the Directors regarding the option available to them to participate through Electronic Mode, and shall provide all the necessary information to enable the Directors to participate through such Electronic Mode.

A meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one Independent Director, if any, shall be present at the meeting, or in case of absence of Independent Directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the Directors and shall be final only on ratification thereof by at least one Independent Director. Where the Company does not have, for the time being, any Independent Director, a Board meeting may be called at a shorter notice where such notice is approved by a majority of Directors present at such meeting.

222. The Board shall so meet at least once in every four months and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit.
223. Every Director present at any meeting of the Board or of a Committee thereof shall sign his name in a book to be kept for that purpose. The names of Directors who have participated in Board meetings through Electronic Mode shall be entered and initialled by the Company Secretary, stating the manner in which the Director so participated

### Meetings of Board by Video/audio-visual conferencing

224. Subject to the provisions of Section 173(2) of the Act and Applicable Law, the Directors may participate in meetings of the Board otherwise through physical presence, Electronic Mode as the Board may from time to time decide and Directors shall be allowed to participate from multiple locations through modern communication equipments for ascertaining the views of such Directors who have indicated their willingness to participate by such Electronic Mode, as the case may be.

### Regulation for meeting through Electronic Mode

225. The Board may, by way of a resolution passed at a meeting, decide the venues where arrangements may be made by the Company, at the Company's cost, for participation in Board meetings through Electronic Mode, as the case may be, in accordance to the provisions of Section 173(2) of the Act and Applicable Law. In case of a place other than such places where Company makes arrangements as above, the Chairperson may decline the right of a Director to participate through Electronic Mode in view of concerns of security, sensitivity and confidentiality of Board proceedings. Where the Chairperson so permits a Director to participate from a place other than the designated places where the Company has made the arrangements, the security and confidentiality of the Board proceedings shall be the responsibility of the Director so participating, and the cost and expense in such participation, where agreed to by the Chairperson, may be reimbursed by the Company.

226. Subject as aforesaid, the conduct of the Board meeting where a Director participates through Electronic Mode shall be in the manner as laid down in Applicable Law.
227. The rules and regulations for the conduct of the meetings of the Board, including for matters such as quorum, notices for meeting and agenda, as contained in these Articles, in the Act and/or Applicable Law, shall apply to meetings conducted through Electronic Mode, as the case may be.
228. Upon the discussions being held by Electronic Mode, as the case may be, the Chairperson or the Company Secretary shall record the deliberations and get confirmed the views expressed, pursuant to circulation of the draft minutes of the meeting to all Directors to reflect the decision of all the Directors participating in such discussions.
229. Subject to provisions of Section 173 of the Act and the Applicable Laws, a Director may participate in and vote at a meeting of the Board by means of Electronic Mode which allows all persons participating in the meeting to hear and see each other and record the deliberations. Where any Director participates in a meeting of the Board by any of the means above, the Company shall ensure that such Director is provided with a copy of all documents referred to during such Board meeting prior to the commencement of this Board Meeting.

#### **When can a meeting be convened**

230. The Managing Director or a Director may, and the Manager or Company Secretary upon the requisition of Director(s) shall, at any time, summon a meeting of the Board.

#### **Notice of meeting**

231. Notice of every meeting of the Board shall be given in writing including by way of electronic means, not later than seven days, to every Director at his registered address with the Company.
232. The notice of a meeting of the Board must contain information regarding the option available to them to participate through Electronic Mode, and shall provide all the necessary information to enable the Directors to participate through such Electronic Mode.

#### **Chairperson for Board Meetings**

233. An Individual may be appointed or reappointed as the Chairman of the Company as well as the Managing Director or Chief Executive Officer of the Company at the same time. Such person shall preside at all meetings of the board as well as General meetings of the Company.
234. Otherwise the Board may elect a Chairperson, and determine the period for which he is to hold office.
235. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their numbers to be Chairperson of the meeting.

#### **Quorum**

236. The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of the Section 174 of the Act. If a quorum is not present within fifteen minutes from the time appointed for holding a meeting of the Board it shall be adjourned until such date and time as the Chairperson of the Board shall decide.

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

#### **Exercise of powers to be valid in meetings where quorum is present**

238. A meeting of the Board of which a quorum be present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles for the time being vested in or exercisable by the Board, or in accordance with Section 179 (1) of the Act, the powers of the Company.

#### **Matter to be decided on majority of votes**

239. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. In case of an equality of votes, the Chairperson of the Board shall have a second or casting vote.

#### **Power to appoint Committee and to delegate powers**

240. The Board may, subject to the provisions of the Act, from time to time and at any time delegate any of its powers to committees consisting of such Director or Directors as it thinks fit, and may from time to time revoke such delegation. Unless a power of the Board is not capable of being delegated, such power may be delegated by the Board to any officer or committee of officers as the Board may determine.

241. Any 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.

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

#### **Resolution without Board Meeting/ Resolution by Circulation**

243. Save as otherwise expressly provided in the Act to be passed at a meeting of the Board and subject to Section 175 of the Act or Applicable Laws, a resolution shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee of the Board, as the case may be, duly called and constituted, if a draft thereof in writing is circulated, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee of the Board, as the case may be, at their addresses registered with the Company 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 has been approved by a majority of the Directors or members as are entitled to vote on the resolution.

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

Provided further that where the resolution has been put to vote at a Board Meeting, the consent or dissent of the Directors obtained by way of resolution by circulation shall be rendered void and given effect to.

## **Acts of Board / Committee valid notwithstanding formal appointment**

244. All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained or in these Articles, be as valid as if every such Director or 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 been terminated.

## **Minutes of proceedings of meeting of Board**

245. The Company shall cause minutes of proceedings of every meeting of the Board and Committee thereof to be kept in such form by making within thirty days of the conclusion of every such meeting, entries thereof in the books kept for that purpose with their pages consecutively numbered in accordance to Section 118 of the Act or Applicable Laws.

246. 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 Chairperson of the said meeting or the Chairperson of the next succeeding meeting.

247. In no case shall the minutes of proceedings of a meeting be attached to any such book as aforesaid by a pasting or otherwise, if the minutes are kept in physical form.

248. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

249. Where the meeting of the Board takes place through Electronic Mode, the minutes shall disclose the particulars of the Directors who attended the meeting through such means. The draft minutes of the meeting shall be circulated among all the Directors within fifteen days of the meeting either in writing or in Electronic Mode as may be decided by the Board and/or in accordance with Applicable Laws.

250. Every Director who attended the meeting, whether personally or through Electronic Mode, shall confirm or give his comments in writing, about the accuracy of recording of the proceedings of that particular meeting in the draft minutes, within seven days or some reasonable time as decided by the Board, after receipt of the draft minutes failing which his approval shall be presumed.

251. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meetings.

252. The minutes shall also contain:

252.1. The names of the Directors present at the meeting; and

252.2. In the case of each resolution passed at the meeting the names of the Directors, if any, dissenting from or not concurring in the resolution.

253. Nothing contained in Articles 246 to 250 herein above, shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairperson of the meeting :

253.1. is, or could reasonably be regarded as defamatory of any person.

253.2. is irrelevant or immaterial to the proceedings; or

253.3. is detrimental to the interest of the Company.

254. The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this Article.
255. Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.
256. Any Director of the Company may requisition for physical inspection of the Board Meeting minutes by giving a prior notice of seven days.

Provided that the Director can requisition to inspect Board Meeting minutes only for the period that he is on the Board of the Company.

Provided further that the physical inspection shall be done solely by the Director himself and not by his authorised representative or any power of attorney holder or agent.

### **Powers of Board**

257. The Board may exercise all such powers of the Company and do all such acts, and things as are not, by the Act and Applicable Law made thereunder, or any other Act, or by the Memorandum, or by these Articles of the Company, required to be exercised by the Company in General Meeting subject nevertheless to these Articles, to the provisions of the Act and the Applicable Law made thereunder, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting; but no regulations 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.
258. The Directors may make such arrangements as may be thought fit for the management of the Company's affairs abroad and may for this purpose (without prejudice to the generality of their powers) appoint local boards, attorneys and agents and fix their remuneration and delegate them such powers as may be deemed requisite or expedient. The Company may have for use abroad such official seal as the Board may lay down. Such seal shall be affixed by the authority and in the presence of and the instruments sealed therewith shall be signed by such persons as the Directors shall from time to time by writing under the seal appoint. The Company may also exercise the powers of keeping foreign registers as provided by the Act.
259. a. The Board may subject to Section 186 of the Act and provisions of Applicable Law made thereunder shall by means of unanimous resolution passed at meeting of Board from time to time, invest, provide loans or guarantee or security on behalf of the Company to any person or entity.
- b. Subject to the provisions of Act the Directors or any of them may guarantee the whole or any part of the loans or debts raised or incurred by or on behalf of the Company or any interest payable hereon and shall be entitled to receive such payment as consideration for the giving of any such guarantee as may be determined by the Directors with power to them to indemnify the guarantors from or against liability under their guarantees by means of a mortgage or charge on the undertaking of the Company or upon any of its property or assets or otherwise. If the Directors or any of them or any other persons,

shall become personally liable for the payment of any sum primarily due from the company, the Directors may execute or cause to be executed and mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

### **Restriction on powers of Board**

260. Board of Directors should exercise the following powers subject to the approval of Company by a Special Resolution:

260.1 To sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings.

260.2 To invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation;

260.3 To borrow money, where the money to be borrowed, together with the money already borrowed by the Company will exceed aggregate of its paid-up Share Capital and free-reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business.

260.4. To remit, or give time for the repayment of, any debt due from a Director.

### **Contribution to charitable and other funds**

261. The Board of Directors of a Company may contribute to bona fide charitable and other funds. A prior permission of the Company in general meeting (ordinary resolution) shall be required if the aggregate of such contributions in a financial year exceeds 5% (five percent) of its average net profits for the three immediately preceding financial years.

### **Absolute powers of Board in certain cases**

262. Without prejudice to the general powers conferred by Section 179(3) of the Act or Applicable Laws made thereunder and 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 these Articles or the Applicable Law, it is hereby declared that the Directors shall have the following powers; that is to say, power :

262.1. To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.

262.2. To pay any or interest lawfully payable there out under the provisions of Section 40 of the Act.

262.3. To act jointly and severally in all on any of the powers conferred on them.

262.4. To appoint and nominate any Person(s) to act as proxy for purpose of attending and/or voting on behalf of the Company at a meeting of any Company or association.

262.5. To comply with the provisions of Applicable Law which in their opinion shall, in the interest of the Company be necessary or expedient to comply with.

- 262.6. To make, vary and repeal bye-laws for regulation of business of the Company and duties of officers and servants.
- 262.7. Subject to Sections 179 and 188 of the Act to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.
- 262.8. Subject to the provisions of the Act and Applicable Laws, to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in Shares, bonds, Debentures, mortgages, or other securities of the Company, and such Shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon all or any part of the property of the Company and its uncalled Capital or not so charged;
- 262.9. To secure the fulfilment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled Capital for the Company being or in such manner as they may think fit;
- 262.10. 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;
- 262.11. To borrow or raise or secure the payment of money in such manner as the Company shall think fit and in particular buy the issue of Debenture or Debenture stock, perpetual or otherwise charged upon all or any of the Company's property (both present and future).
- 262.12. To open and deal with current account, overdraft accounts with any bank/banks for carrying on any business of the Company.
- 262.13. To appoint any Person (whether incorporated or not) to accept and hold in trust for the Company and property belonging to the Company, in which it is interested, or for any other purposes; and execute such deeds and do all such things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;
- 262.14. To institute, conduct, defend, compound, refer to arbitration 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 claim or demands by or against the Company.
- 262.15. To refer any claims or demands or differences by or against the Company or to enter into any contract or agreement for reference to arbitration, and observe, enforce, perform, compound or challenge such awards and to take proceedings for redressal of the same.;
- 262.16. To act as trustees in composition of the Company's debtors and/or act on behalf of the Company in all matters relating to bankrupts and insolvents;
- 262.17. To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.
- 262.18. Subject to the provisions of Sections 179 and 186 of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being Shares of this Company), or without security and in such

manner as they think fit, and from time to time to vary the size of such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name;

- 262.19. To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present or 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.
- 262.20. To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividends, warrants, releases, contracts and documents and to give the necessary authority for such purpose;
- 262.21. Subject to provisions of Applicable Law, to give a Director or any officer or any other person whether employed or not by the Company, Share or Shares in the profits of the Company, 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;
- 262.22. To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons by building or contributing to the building of houses, dwellings or by grants of money, pension, 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 instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit;
- 262.23. 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 reason of locality of operation, or of public and general utility or otherwise;
- 262.24. 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, or as a Reserve Fund, or Sinking fund, or any Special Fund to meet contingencies or to repay Debentures or Debenture stock, or for special dividends or for equalized dividends or for repairing, improving, extending and maintaining any of the property of the Company or for such other purpose (including the purposes referred to in the preceding clause), as the Board may, in their absolute discretion, think conducive to the interest of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as required to be invested upon such investments (other than Shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expand all or any part thereof for the benefit of the Company, in such manner and for such purpose as the Board 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 into such special Funds 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, including the Depreciation Fund, in the business of the Company or in the purchase or repayment of Debentures or Debenture stock, and without being bound to keep the same, separate from the other assets ,and without being bound to pay interest on the same with power, however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.

262.25. Subject to the provisions of the Act to appoint, and at their discretion remove or suspend such general managers, managers, secretaries, assistants, supervisor, clerks, agents and servants of permanent, temporary or special services as they may for 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 to such amount as they may think fit also from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India, or elsewhere in such manner as they think fit; and the provisions contained in the four next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.

262.26. To comply with the requirements of any local law which in their opinion it shall, in the interest of the Company, be necessary or expedient to comply with;

262.27. Subject to applicable provisions of the Act and Applicable Law made thereunder, to appoint purchasing and selling agents for purchase and sale of Company's requirement and products respectively.

262.28. From time to time and at any time to establish any local board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to the members of such local boards and to fix their remuneration.

262.29. Subject to Section 179 & 180 of the Act from time to time and at any time, delegate to any person so appointed any of the powers, authorities and discretion for the time being vested in the Board, other than their power to make calls or to make loans or borrow moneys, and to authorise the Members for the time being of any such local board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation 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 so appointed, and may annul or vary any such delegation.

262.30. 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 discretion (not exceeding those vested in or exercisable by the Board under these presents and excluding the powers to make calls and excluding also, except in their limits authorised by the Board, the power to make loans and borrow money') 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 any Company, or the Share holders, Directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly 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;

262.31. Subject to Sections 184 and 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such contracts, agreements and to execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient;

262.32. Subject to the provisions of the Act, the Board may pay such remuneration to Chairperson / Vice Chairperson of the Board upon such conditions as they may think fit.

262.33. To take insurance of any or all properties of the Company and any or all the employees and their dependants against any or all risks.

262.34. To take insurance on behalf of its managing Director, whole-time Director, manager, Chief Executive Officer, Chief Financial Officer or Company Secretary or any officer or employee of the Company for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company.

## **MANAGING DIRECTOR**

263. Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any of its member or members as Chairman and Managing Director (CMD), Managing Director of the Company for fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit and subject to the provisions of these Articles the Board may by resolution vest in such Managing Director(s) such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine.

264. Subject to the article above, the powers conferred on the Managing Director shall be exercised for such objects and purpose and upon such terms and conditions and with such restrictions as the Board may think fit and it may confer such powers either collateral with or to the exclusion of and in substitution of all or any of the powers of the Board in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers. The Managing Director shall not exercise any powers under Section 179 of Act except such powers which can be delegated under the Act and specifically delegated by a resolution of the Board.

265. The Managing Director so appointed under Article 263 shall whilst holding such office be liable to be taken into account in determining the requirement for retirement of Directors by rotation and his office shall be subject to retirement by rotation and when reappointed as Director immediately on retirement by rotation, shall continue to hold his office of Managing Director and such reappointment shall not be deemed to constitute a break in his appointment as Managing Director.

## **Restriction on Management**

266. The Board of Directors may, subject to Section 179 of the Act, entrust to and confer upon a Managing Director or whole time Director any of the powers exercisable by them, upon such terms and conditions and with such restrictions, as they may think fit and either collaterally with or to the exclusion of their own powers and may, from time to time, revoke, withdraw or alter or vary all or any of such powers.

## **Remuneration to Managing Directors/ Whole time Directors**

267. A Managing Director or Whole Time Director may be paid such remuneration, whether by way of monthly payment, fee for each meeting or participation in profits, or by any or all these modes, or any other mode not expressly prohibited by the Act, as the Board of Directors may determine.

### **CHIEF EXECUTIVE OFFICER, WHOLE TIME DIRECTOR, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

268. Subject to the provisions of the Act and Applicable Law,—

268.1. A Chief Executive Officer, Whole Time Director, Manager, Company Secretary or Chief Financial officer may be appointed at a Board Meeting for such term, at such remuneration and upon such conditions as it may think fit; and any Chief Executive Officer, Whole Time Director, Manager, Company Secretary or Chief Financial Officer so appointed may be removed by means of a resolution at a Board Meeting;

268.2. A Director may be appointed as Chief Executive Officer, Whole Time Director, Manager, Company Secretary subject to provisions of Section 203 of the Act. The Board may also designate the head of the financial function as the Chief Financial Officer of the Company.

268.3. The functions of a Company Secretary shall be in accordance with Section 205 of the Act and other Applicable Law.

268.4. Subject to the article above, the powers conferred on the Chief Executive Officer or Whole Time Director or Manager shall be exercised for such objects and purpose and upon such terms and conditions and with such restrictions as the Board may think fit and it may confer such powers either collateral with or to the exclusion of and in substitution of all or any of the powers of the Board in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

268.5. The CEO shall not exercise any powers under Section 179 of Act except such powers which can be delegated under the Act and specifically delegated by a resolution of the Board.

## **POWER TO AUTHENTICATE DOCUMENTS**

269. Any Director or Chief Executive Officer or the Company Secretary or Chief Financial Officer or any officer appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any books, records, documents and accounts relating to the business of the Company and to certify copies or extracts thereof; and where any books, records documents or accounts are then, at the office, the local manager or other officer of the Company having the custody thereof, shall be deemed to be a person appointed by the Board as aforesaid.

270. Document purporting to be a copy of resolution of the Board or an extract from the minutes of meeting of the Board which is certified as such in accordance with the provisions of the last preceding Article shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be that extract is a true and accurate records of a duly constituted meeting of the Directors.

## **THE SEAL**

271. 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 Seal shall never be used except by the authority of the Board or a Committee of the Board previously given. The Company shall also be at liberty to have an official Seal for use in any territory, district or place outside India.
272. The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of any one Director or such other person as the Board may specify/ appoint for the purpose; and the Director or other person aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence. The Board shall provide for the safe custody of the Seal.

## **MANAGEMENT OUTSIDE INDIA AND OTHER MATTERS**

273. Subject to the provisions of the Act the following shall have effect:
- 273.1. The Board may from time to time provide for the management of the affairs of the Company outside India (or in any specified locality in India) in such manner as it shall think fit and the provisions contained in the four next following paragraphs shall be without prejudice to the general powers conferred by this paragraph.
- 273.2. Subject to the provisions of the Act, the Board may at any time establish any local Directorate for managing any of the Delegation. affairs of the Company outside India, and may appoint any person to be member of any such local Directorate or any manager or agents and may fix their remuneration and, save as provided in the Act, the Board may at any time delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board and such appointment or delegation 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 so appointed or vary any such delegations.
- 273.3. The Board may, at any time and from time to time by power of attorney under Seal, appoint any person to be the attorney of the Company for such purposes and with such powers, authorities and discretions not exceeding those which may be delegated by the Board under the Act and for such period and subject to such conditions as the Board may, from time to time, thinks fit, and such appointments may, if the Board thinks fit, be made in favour of the members or any of members of any local Directorate established as aforesaid, or in favour of the Company or of the members, Directors, nominees or officers of the Company or firm or In favour of any fluctuating body of persons whether nominated directly or indirectly by the Board, and any such Power of Attorney may contain such provisions for the protection or convenience of persons dealing with such attorneys as the Board thinks fit.
- 273.4. Any such delegate or Attorney as aforesaid may be authorized by the Board to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.
- 273.5. The Company may exercise the power conferred by the Act with regard to having an Official seat for use abroad, and such powers shall be vested in the Board, and the

Company may cause to be kept in any state or country outside India, as may be permitted by the Act, a Foreign Register of Member or Debenture holders residents in any such state or country and the Board may, from time to time make such regulations not being inconsistent with the provisions of the Act, and the Board may, from time to time make such provisions as it may think fit relating thereto and may comply with the requirements of the local law and shall in any case comply with the provisions of the Act.

## **DIVIDENDS AND RESERVE**

### **Division of profits**

274. The profits of the Company, subject to any special rights as to dividends or authorized to be created by these Articles, and subject to the provisions 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.

### **The Company in General Meeting may declare a Dividend**

275. The Company in General Meeting may declare dividends to be paid to members according to their respective rights, but no Dividend shall exceed the amount recommended by the Board; the Company in general meeting may, however declare a smaller Dividend. No Dividend shall bear interest against the Company.

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

276. The Dividend can be declared and paid only out of the following profits;

276.1. Profits of the financial year, after providing depreciation as stated in Section 123(2) read with Schedule II and Applicable Laws.

276.2. Accumulated profits of the earlier years, after providing for depreciation u/s 123(2) read with Schedule II and Applicable Laws.

276.3. Out of money provided by Central or State Government for payment of Dividend in pursuance of a guarantee given by the Government.

276.4. If the Company has incurred any loss in any previous financial year or years, the amount of the loss or any 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 Section 123(2) of the Act or Applicable Law, or against both.

### **Transfer to reserve**

277. The Board may, before recommending any Dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit.

278. Such reserve, being free reserve, may also be used to declare dividends in the event the Company has inadequate or absence of profits in any financial year, in accordance to Section 123 of the Act and Applicable Law made in that behalf. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

#### **Interim Dividend**

279. Subject to the provisions of Section 123 of the Act and Applicable Law, the Board may from time to time pay to the Members such interim dividends as appear to it to be justified by the profits of the Company.

#### **Calls in advance not to carry rights to participate in profits**

280. Where Capital is paid in advance of calls such Capital may carry interest but shall not in respect thereof confer a right to Dividend or participate in profits.

#### **Payment of pro rata Dividend**

281. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the Dividend is paid; but if any Share is issued on terms providing that it shall rank for Dividend as from a particular date such Share shall rank for Dividend accordingly.

#### **Deduction of money owed to the Company**

282. The Board may deduct from any Dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

#### **Rights to Dividend where shares transferred**

283. A transfer of Share shall not pass the right to any Dividend declared thereon before the registration of the transfer.

#### **Dividend to be kept in abeyance**

284. The Board may retain the dividends payable in relation to such Shares in respect of which any person is entitled to become a Member by virtue of transmission or transfer of Shares and in accordance sub-Section (5) of Section 123 of the Act or Applicable Law. The Board may also retain dividends on which Company has lien and may apply the same towards satisfaction of debts, liabilities or engagements in respect of which lien exists.

#### **Notice of Dividend**

285. Notice of any Dividend that may have been declared shall be given to the persons entitled to Share therein in the manner mentioned in the Act.

#### **Manner of paying Dividend**

286. Any Dividend, interest or other monies payable in cash in respect of shares may be paid by any Electronic Mode to the shareholder entitled to the payment of the Dividend, or by way of cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

287. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent and the payment of every cheque or warrant sent under these Articles, shall, if such cheque or warrant purports to be duly endorsed, be a good discharge to the company in respect thereof. The Company shall not be liable or responsible for any cheque or Warrant or pay-slip or receipt lost in transmission, or for any Dividend lost to the member of person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay-slip or receipt or the fraudulent recovery of the Dividend by any other means.

### **Receipts for Dividends**

288. Any one of two or more joint holders of a Share may give effective receipts for any dividends, bonuses or other monies payable in respect of such Share.

### **Non-forfeiture of unclaimed Dividend**

289. No unclaimed Dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the Company shall comply with the provision of Sections 124 and 125 of the Act in respect of all unclaimed or unpaid dividends.

## **ACCOUNTS**

### **Directors to keep true accounts**

290. The Company shall keep at the registered office or at such other place in India as the Board thinks fit, proper books of account and other relevant books and papers and financial statement for every financial year in accordance with Section 128 of the Act.

291. Where the Board decides to keep all or any of the Books of Account at any place in India other than the registered 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.

292. The Company shall preserve in good order the books of account relating to the period of not less than eight years preceding the current year together with the vouchers relevant to any entry in such Books of Account.

293. Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the preceding Article if proper Books of Account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns made up to date at intervals of not more than three months are sent by the branch office to the Company at its registered office or at any other place in India, at which the Company's Books of Account are kept as aforesaid.

294. The books of account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain its transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting. The Books of Account and other books and papers shall be open to inspection by any Directors during business hours.

### **Preparation of revised financial statements or Boards' Report**

295. Subject to the provisions of Section 131 of the Act and the Applicable Law made thereunder, the Board may require the preparation of revised financial statement of the Company or a revised Boards' Report in respect of any of the three preceding financial years, if it appears to them that (a) the financial statement of the Company or (b) the report of the Board do not comply with the provisions of Section 129 or Section 134 of the Act.

## **Places of keeping accounts**

296. 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.
297. 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 or by the Company in general meeting.

## **AUDIT**

### **Auditors to be appointed**

298. Statutory Auditors and Cost Auditors, if any, shall be appointed and their rights and duties regulated in accordance with Sections 139 to 148 of the Act and Applicable Laws. Where applicable, a Secretarial Auditor shall be appointed by the Board and their rights and duties regulated in accordance with Sections 204 of the Act and Applicable Laws.

### **First Auditor / Statutory Auditors**

First Auditor of the Company shall be appointed by the Board within thirty days of registration of the Company and the Auditor or Auditors so appointed shall hold office until the conclusion of the First Annual General Meeting.

299. Subject to the provisions of Section 139 of the Act and Applicable Laws made thereunder, the Statutory Auditors of the Company shall be appointed for a period of five consecutive years, subject to ratification by members at every Annual General Meeting. Provided that the Company may, at a General Meeting, remove any such Auditor or all of such Auditors and appoint in his or their place any other person or persons as may be recommended by the Board, in accordance with Section 140 of the Act or Applicable Laws.

### **Remuneration of Auditors**

300. The remuneration of the Auditors shall be fixed by the Company in Annual General Meeting or in such manner as the Company in general meeting may determine.

## **DOCUMENTS AND NOTICES**

### **Service of documents and notice**

301. A document or notice may be served or given by the Company on any member either personally or sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, in India supplied by him to the Company for serving documents or notices on him or by way of any electronic transmission, as prescribed in Section 20 of the Act and Applicable Law made thereunder.
302. Where a document or notice is sent by post, services of the document or notice shall be deemed to be effected by properly addressing, prepaying 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 by registered post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of the doing so, service of the documents or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to

have been effected in the case of Notice of a meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted and in any other case at the time at which the letter would be delivered in the ordinary course of post.

#### **Notice to whom served in case of joint shareholders**

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

#### **Notice to be served to representative**

304. A document or notice may be served or given by the Company on or to the persons entitled to a Share in consequence of the death or insolvency of a member by sending it through post in a prepaid letter addressed to him or them by name or by the title of representatives of the deceased or assignee of the insolvent or by any like description, at the address if any) in India supplied for the purpose by the persons claiming to be 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.

#### **Service of notice of General Meetings**

305. Documents or notices of every General Meeting shall be served or given in the same manner hereinbefore on or to (a) every member of the Company, legal representative of any deceased member or the assignee of an insolvent member, (b) every Director of the Company and (c) the Auditor(s) for the time being of the Company.

#### **Members bound by notice**

306. Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such shares, previously 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 shares.

#### **Documents or notice to be signed**

307. Any document or notice to be served or given by the Company may be signed by a Director or some person duly authorised by the Board of Directors for such purpose and the signatures thereto may be written, printed or lithographed.

#### **Notice to be served by post or other electronic means**

308. All documents or notices to be served or given by members on or to the Company or any office thereof shall be served or given by sending it to the Company or officer at the office by Ordinary post or by registered post, or by leaving it at the office or by such other electronic means as prescribed in Section 20 of the Act and the Applicable Law made thereunder.

#### **Admissibility of micro films, computer prints and documents to be treated as documents and evidence**

309. Any information in the form of a micro film of a document or image or a facsimile copy or any statement in a document included in a printed material produced by a computer shall be deemed to be a document and shall be admissible in any proceedings without further production of original, provided the conditions referred in Section 397 are complied with.

310. All provisions of the Information Technology Act, 2000 relating to the electronic records, including the manner and format in which the electronic records shall be filed, in so far as they are consistent with the Act, shall apply to the records in electronic form under Section 398 of the Act.

## **WINDING UP**

311. Subject to the provisions of Chapter XX of the Act and Applicable Law made thereunder—

311.1 If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, but subject to the rights attached to any preference Share Capital, divide among the contributories in specie 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.

311.2 For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

311.3 The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

## **BONAFIDE EXERCISE OF MEMBERSHIP RIGHTS**

312. Every Member and other Security holder will use rights of such Member/ security holder as conferred by Applicable Law or these Articles bonafide, in best interest of the Company or for protection of any of the proprietary interest of such Member/security holder, and not for extraneous, vexatious or frivolous purposes. The Board shall have the right to take appropriate measures, and in case of persistent abuse of powers, expulsion of such Member or other Security holder, in case any Member/Security holder abusively makes use of any powers for extraneous, vexatious or frivolous purposes

## **INDEMNITY**

313. For the purpose of this Article, the following expressions shall have the meanings respectively assigned below:

313.1. "Claims" means all claims for fine, penalty, amount paid in a proceeding for compounding or immunity proceeding, actions, prosecutions, and proceedings, whether civil, criminal or regulatory;

313.2. "Indemnified Person" shall mean any Director, officer or employee of the Company, as determined by the Board, who in bonafide pursuit of duties or functions or of honest and reasonable discharge any functions as a Director, officer or employees, has or suffers any Claims or Losses, or against whom any Claims or Losses are claimed or threatened;

313.3. "Losses" means any losses, damages, cost and expense, penalties, liabilities, compensation or other awards, or any settlement thereof, or the monetary equivalent of a non-monetary suffering, arising in connection with any Claim;

## 314. Indemnification

- 314.1. Where Board determines that any Director, officer or employee of the Company should be an Indemnified Person herein, the Company shall, to the fullest extent and without prejudice to any other indemnity to which the Indemnified Person may otherwise be entitled, protect, indemnify and hold the Indemnified Person harmless in respect of all Claims and Losses, arising out of, or in connection with, the actual or purported exercise of, or failure to exercise, any of the Indemnified Person's powers, duties or responsibilities as a Director or officer of the Company or of any of its subsidiaries, together with all reasonable costs and expenses (including legal and professional fees).
- 314.2. The Company shall further indemnify the Indemnified Person and hold him harmless on an 'as incurred' basis against all legal and other costs, charges and expenses reasonably incurred in defending Claims including, without limitation, Claims brought by, or at the request of, the Company and any investigation into the affairs of the Company by any judicial, governmental, regulatory or other body.
- 314.3. The indemnity herein shall be deemed not to provide for, or entitle the Indemnified Person to, any indemnification against:
- 314.3.1 Any liability incurred by the Indemnified Person to the Company due to breach of trust, breach of any statutory or contractual duty, fraud or personal offence of the Indemnified Person;
- 314.3.2 Any liability arising due to any benefit wrongly availed by the Indemnified Person;
- 314.3.3 Any liability on account of any wrongful information or misrepresentation done by the Indemnified Person
- 314.3.4 The Indemnified Person shall continue to be indemnified under the terms of the indemnities in this Deed notwithstanding that he may have ceased to be a Director or officer of the Company or of any of its subsidiaries.

## SECRECY

315. Every manager, Auditor, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Board of Directors, before entering upon the duties, sign a declaration pledging himself to observe strict secrecy respecting all bonafide transactions of the Company with its customers and the state of 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 to do so by the Directors or by any general meeting or by the law of the country and except so far as maybe necessary in order to comply with any of the provisions in these presents and the provisions of the Act.
316. Subject to the provisions of these Articles and the Act no member, or other person (not being a Director) shall be entitled to enter the property of the Company or to inspect or to examine the Company's premises or properties of the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be expedient in the interest of the Company to communicate.

Name of Subscribers	Address, Description and Occupation of Subscribers	The number of Shares taken by each Subscriber		Witness to the signature of the Subscriber
		Pref.	Equity	
1. P. Suryanarayana (S/o. Venkata Krishniah)	Business, 8, Boag Road, T' Nagar, Madras-17	151	551	St., Madras - 17 4, Neelakanta Mehta P. Purnachandra Rao,
2. S. Bhagatram Gupta, (S/o. Seadmulji)	Business 3-6-108-1, Himayatnagar, Saheedyar June Line, Hyderabad - 1	151	551	
3. Lakshminarayan Agarwal (S/o. Dulichand)	Business 3-6-108A, Himayatnagar, Hyderabad - 1	151	551	
4. B. Shankerlal Gupta (S/o. Seadmul)	Business 810-7-21, Ghansi Bazar, Hyderabad - 2	151	551	
5. T. Rajasekhara Reddy (S/o. Venkatareddy)	Business 3-6-108A, Himayatnagar, Hyderabad - 1	151	551	
6. Badrinarayan Agarwal (S/o. Dulichand)	Business 3-6-108-A, Himayatnagar, Hyderabad - 1	151	551	
7. Vithaldas Agarwal (S/o. Dulichand)	Business 3-6-180-A, Himayatnagar, Hyderabad - 1	151	551	
8. P. Harinarayana (S/o. Sivarama Sarma)	Business 5, Neelakanta Mehta St., Madras - 17	51	95	
9. P. Balarama Sastry (S/o. P. Suryanarayana)	Business 8, Boag Road, Madras - 17	51	100	
	<b>Total</b>	<b>1159</b>	<b>4052</b>	

Dated at Secunderabad 2nd day of August, 1962



