

**MEMORANDUM OF ASSOCIATION**

**OF**

**NRB INDUSTRIAL BEARINGS LIMITED**

- I. The name of the Company is "NRB INDUSTRIAL BEARINGS LIMITED"
- II. The Registered Office of the Company will be situated in the State of Maharashtra.
- III. The objects for which the Company is established are:-

**(A) MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION:**

- (1) To produce, prepare, assemble, buy, sell, re-sell, exchange, alter, hire, let on hire, export, import, distribute or otherwise deal in and generally carry on business in needle and/or roller and/or ball and/or linear bearings and/or plain bearings and components in respect thereof for use in connection with or in relation to industries of all descriptions and in particular for use in textile, machine tool, mechanical handling, electrical motors, electrical fans, electrical equipments, furniture, printing, construction, mining, wind energy and other industries.
- (2) To produce, prepare, assemble, buy, sell, re-sell, exchange, alter, hire, let on hire, export, import, distribute or otherwise deal in and generally carry on business in needle and/or roller and/or ball and/or plain bearings and components in respect thereof for use in connection with or in relation to vehicles of all kinds and descriptions and in particular for use in connection with or in relation to motor cars, trucks, lorries, buses, omnibuses, railways, trolleys, motor cycles, mopeds, scooters, cycles, tractors, tillers, aeroplanes, helicopters and all accessories thereof or component parts, spare parts, equipment and apparatus relating thereto or for use in connection therewith.
- (3) To carry on the business as manufacturers and/or assemblies of and dealers in all such products in which needle, rollers, balls or needle bearings or roller bearings or plain bearings are used in any form or method.

**(B) OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS:**

- (4) To carry on (either in connection with the aforesaid business or as distinct or separate business) the business of builders, contractors, mechanical and general engineers and manufacturers of implements and other machinery, tool makers, bras founders, iron founders, metal makers, boiler makers, millwrights, machinists, iron and steel converters, smiths, wire drawers, tube makers, metallurgists, saddlers, galvanizers, annealers, painters, wood-workers, water supply engineers, electrical engineers, gas workers, printers, packing case workers, vehicle builders, carriers, dealers in steel frame, framers, automobile consultants, electroplaters, pattern makers, refiners and merchants and to buy, sell, manufacture, repair, convert, alter, export, import, distribute, hire, let on hire and deal in machinery, implements, rolling stock and hardware of all kinds.
- (5) To carry on business as makers, importers and exporters of and dealers in machinery, articles, metals and goods of all classes and kinds whatsoever including mechanical, electrical and engineering materials, goods, machinery and requisites and as electrical Mechanical and General Engineers and as manufacturers and workers in materials and metals of any nature and kind.
- (6) To search for, get win, work, raise, make merchantable, buy, sell or otherwise deal in metals, minerals, oils, gases, whether found in a natural state or obtained by processing from other substances and to carry on business relating to the winning production, working, manufacture and preparation of any materials used in the manufacture of any of the abovementioned items or which may usefully or conveniently be combined with the manufacturing or engineering business of the Company or any contracts undertaken by the Company and either for such purposes only or in independent business.
- (7) To enter into contracts, agreements and arrangements with any other company for the carrying out by such other company on behalf of the Company of any of the objects for which the Company is formed.
- (8) To enter into any arrangements or contracts with the government of India or with any State Government or with any Indian or foreign government, authorities, supreme, municipal, local or otherwise or with any person, that may seem conducive to the Company's objects or any of them, and to apply for and obtain and to purchase or otherwise acquire from any such Government, State Government, authority or persons, any rights, powers, privileges, licences, decrees, sanctions, grants and concessions whatsoever (whether statutory or otherwise) which the Company may think it desirable to obtain and acquire and to carry out, exercise and comply with any such arrangement, rights, powers, privileges, licences, decrees, sanctions, grants and concessions.

**(C) OTHER OBJECTS:**

- (9) To carry on business as importers, exporters, buyers, and sellers of and merchants, and dealers in and manufacture of merchandise, goods, materials and machinery of all kinds, spare parts, accessories and equipments.
- (10) To repair, alter, remodel, clean, renovate, convert, manipulate and prepare for resale and resell any goods from time to time belonging to the Company.
- (11) To buy, sell, manufacture, repair, alter, improve, exchange, let on hire, import, export, sell on hire-purchase system and deal in all works, plant, machinery, tools, utensils, applicances, apparatus, products, materials, substances, articles and things necessary or useful for carrying on any of the business of the Company or capable of being used in any business which the Company is competent to carry on or are required by any customers of or persons engaged in any such business or which may seem capable of being profitably dealt with in connection therewith and to manufacture, experiment with, render marketable and deal in all products or residual and by-products or residual and by-products incidental to or obtained in any of the business carried on by the Company.
- (12) To act as agents and brokers for sellers, buyers, exporters, importers, manufacturers, merchants, tradesmen, insurers and others and generally to undertake and carry out agency work of all or any kind whatsoever and transact all manner of agency and commission business.
- (13) To act as stockists, commission agents, manufacturers' representatives or agents, selling and purchasing agents, indenting agents, distributors, brokers, trustees, attorneys and subject to the provisions of the Companies Act, 1956, secretaries and treasurers or managing agents for any other person, firm or body corporate.
- (14) To acquire patents or any interest in the patents either in India or in any other part of the world as are necessary or required for the business of the Company.
- (15) To register these patents and such other patents as the company require.
- (16) To manufacture and produce and trade and deal in all mechinery, plant, articles, appliances and things capable of being manufactured, produced or traded in by virtue of or in connection with the patents.
- (17) To carry on any other trade or business, which may seem to the Company capable of being carried on in connection with any of the Company's objects, or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights which may be subsidiary or auxilliary to any of the Company's objects.

- (18) To employ experts to investigate and examine the condition, prospects, value, character and circumstances of any business concerns and undertakings and generally of any assets, property or rights.
- (19) To register apply for, purchase or otherwise acquire, sell, let, grant or turn to account any patents, brevets d'invention, concessions, licences, inventions, trade-marks, copyrights, rights or privileges, subject to royalty or otherwise and whether exclusive or non-exclusive or limited, or any part or interest in such patents, brevets d'invention, concessions, licences, inventions, trademarks, copyrights, rights and privileges, whether in India or in any other part of the world and to manufacture and produce or trade and deal in all machinery, plant, articles, appliances and things capable of being manufactured, produced or traded in by virtue of or in connection with such patents, brevets, d'invention, concessions, licences, inventions, trade-marks, copyrights, rights or privileges as aforesaid.
- (20) To promote or join in the promotion of any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of this Company, or for any other purpose which may seem directly or indirectly calculated to benefit this Company and to underwrite shares and securities therein.
- (21) To control or acquire the whole or any part of the business property and liabilities of any undertaking, company, association, firm or individual, which may seem capable of being carried on in connection with the objects of the Company or calculated directly or indirectly to enhance the value of or render profitable, any of the Company's property or rights or benefit the Company in any way (except life insurance business within the meaning of the Insurance Act as amended from time).
- (22) To enter into partnership or into any arrangement for sharing profits or losses for any union of interest, co-operation, collaboration, joint venture, reciprocal concession, amalgamation or otherwise, with any person, firm or company carrying on, or engaged in, or about to carry on, or engage in or being authorised to carry on, or engage in any business or transaction which the Company is authorised to carry on or engage in, or in any business or transaction capable of being conducted so as directly or indirectly to benefit this Company.
- (23) To purchase, taken on lease or in exchange, hire or otherwise acquire any immoveable or moveable property and any rights or privileges which the Company may think necessary or convenient for the purposes of its business and in particular any land, buildings, easements, machinery, plant and stock-in-trade; and either to retain any property so acquired for the purposes of the company's business or to turn the same to account as may seem expedient.
- (24) To obtain on lease, licence, buy, acquire, or let, sell, land and buildings or to build and construct, maintain and alter buildings for offices or residence of the employees, directors and visitors of the Company or for any other purpose as may seem fit.

- (25) To invest and deal with the moneys of the Company in such manner as may from time to time be determined.
- (26) To underwrite, acquire, take up and hold shares, stocks, debentures, debenture-stock, bonds, obligations and securities issued or guaranteed by any company constituted or carrying on business in India or in any foreign country; and debentures, debenture-stock, bonds, obligations, and securities issued by guaranteed by any Government, sovereign Ruler, Commissioners, public body or authority, supreme, municipal, local or otherwise, whether at home or abroad.
- (27) To acquire any such shares, stocks, debentures, debenture-stock, bonds, obligations or securities by original subscription, tender, purchase, exchange or otherwise, and to subscribe for the same, either conditionally or otherwise and to guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by or incident to the ownership thereof.
- (28) To purchase or otherwise acquire, sell, exchange, lease, mortgage, charge, convert, turn to account, manage, develop, dispose off or otherwise deal with all or any part of the property and rights of the Company for the time being.
- (29) To advance and lend money, either with or without security and generally to such persons and upon such terms and conditions as the Board of Directors of the Company may think fit and also to persons undertaking to build on or improve any property in which the Company is interested and to tenants, builders and contractors.
- (30) To advance, deposit or lend money, securities and property to or with such persons or companies and on such terms with or without security as may seem expedient and in particular to customers and others having dealings with the Company and to guarantee the performance of contracts by the obligations of any persons or companies and to give all kinds of indemnities.
- (31) To draw, make, accept, endorse, warrantees, discount, buy, sell and deal in bills, notes, coupons of debentures, cheques and other negotiable or transferable securities or instruments but not to carry on the business of banking within the meaning of the Banking Companies Act, 1949.
- (32) To receive moneys, securities and valuables of all kinds on deposit, at interest or otherwise or for custody and generally to carry on the business of a sage deposit company.
- (33) To issue debentures, debenture-stocks, bonds, obligations and securities of all kinds, and to grame, constitute and secure the same, as may seem expedient to the Board of directors of the Company with full power to make the same transferable by delivery or by instrument of transfer or otherwise, and either perpetual or terminable and either redeemable or otherwise on the undertaking of the Company or upon specific property and rights, present and future, of the Company (including its uncalled capital) or otherwise howsoever.

- (34) To borrow or raise money or to receive money or deposits at interest or otherwise in such manner as the Board of directors of the Company may think fit and in particular by the issue of debentures or debenture-stock, perpetual, or otherwise, including debentures or debenture-stock, convertible into shares of this Company or perpetual annuities and as security for any such money so borrowed, raised or received, to mortgage, pledge or charge the whole or any part of the property, assets and revenue of the Company, present and future, by special assignment or otherwise, and to transfer or convey the same absolutely or in trust and to give the lenders power of sale and other powers as may seem expedient to the Board of Directors of the Company and to purchase, redeem or pay of any such securities.
- (35) To open accounts or account with any person, firm or company or with any bank or banks or shroffs and to pay into and to withdraw money from such account or accounts and otherwise operate thereon.
- (36) To insure the whole or any part of the properties, undertakings, contracts, guarantee or obligations of the Company of every nature and kind in any manner whatsoever. Either fully or partially to protect and indemnify the Company from liability or loss in any respect either fully or partially and also to insure and to protect and to indemnify any part or portion thereof either on mutual principle or otherwise.
- (37) To create any depreciation fund or reserve, reserve fund, sinking fund, insurance fund and/or any other special funds or reserves, whether for depreciation or for repairing, improving, extending or maintaining any of the property or of the Company or for utilising it for any other purposes of or conducive to the interest of the Company and to utilise all such funds or reserves for such purposes as the Board of Directors of the Company think fit.
- (38) To pay, satisfy or compromise any claims made against the company, which it may seem expedient to the Board of Directors of the Company to pay, satisfy or compromise notwithstanding that the same may not be valid in law.
- (39) To refer or agree or refer any claims, demands, disputes, or any other question, by or against the Company or in which the Company is interested or concerned and whether between the Company and a member or members or his or their representatives, or between the Company and third parties, to arbitration in India or at any place outside India and to observe and perform and to do all acts, deeds, matters and things to carry out and enforce the awards.
- (40) To guarantee the fidelity of persons filling or about to fill situations of trust or confidence, and the due performance and discharge by such persons of all or any of the duties and obligations imposed on them by contract or otherwise.
- (41) To guarantee the payment of money unsecured or secured by or payable under or in respect of debenture bonds, debenture-stock, contracts,

mortgages, charges, obligations and securities of any company or of any authority, supreme, municipal, local or otherwise, or of any person wheresoever whether corporate or incorporate.

- (42) To furnish and provide deposits and guarantee funds required in relation to pay tender or application for any contract, concession, decree, enactment, property or privileges or in relation to the carrying out of any contract, concession, decree or enactment.
- (43) To establish, provide, maintain and conduct or otherwise subsidise research laboratories and experimental workshops for scientific and technical research and experiments; to undertake and carry on scientific and technical researches, experiments and tests of kinds; to promote studies and researches, both scientific and technical, investigations and inventions by providing, subsidising and endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing or contributing to the remunerations of scientific or technical professors or teachers and by providing or contributing to the award of scholarships, prizes, grants to students or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any business which the Company is authorised to carry on.
- (44) To adopt such means of making known the business of the Company as may seem expedient, and in particular by entertaining, advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals, and by granting prizes, rewards and donations.
- (45) To give donations or gifts to person or persons and to subscribe or continue or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public, political or other institutions or objects which shall have any moral or other claims to support or aid by the Company either by reason of locality of operation or of public and general utility or otherwise. Provided however in case of any such donation, subscription, contribution made or given, and in particular to any political party or to any one for any political purpose, the said donation, subscription or contribution shall be subject to and in accordance with the provisions of any law for the time being in force and applicable thereto.
- (46) To remunerate or make donations (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 or profits, or otherwise) to any person or persons for services rendered, 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 securities of the Company, or for any other reason which the Company may think proper.

- (47) To pay all the costs, charges and expenses of an incidental to the promotion, formation, registration and establishment of the Company and the issue and subscription of its capital including any underwriting or other expenses attending the issue of any circulars or notices and the printing, stamping, circulating of proxies and all forms to be filled up by the members of the Company.
- (48) To remunerate, any person, firm or company for services rendered or to be rendered in placing or assisting to place or guaranteeing the placing of shares in the Company's capital or of any debentures, debenture-stock, or otherwise securities of the Company or in or about the formation, promotion, establishment or registration of the Company or the conduct and management, expansion and otherwise of its business.
- (49) To remunerate the servants of the Company and others for services rendered and also out of and in proportion to the profits of the Company or otherwise as may be thought fit.
- (50) To provide for the welfare of Directors of Ex-Directors or employees or ex-employees of the Company or the wives, widows and families of the dependents or connections of such persons in any manner including by building or contribution to the building of houses, swellings, quarters or chawls or by grants of money, pensions, gratuities, allowances, bonuses or any other payments or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds or trusts and providing or subscribing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and assistance as the Board of directors of the Company shall think fit.
- (51) To sell, lease, grant licenses, easements and other rights over and in any other manner deal with or dispose off the whole or any part of the undertaking or of any of the undertakings of the company or any business, property, rights or assets of the Company or any shares or interest therein in such manner and for such considerations as may seem fit and in particular for shares, debentures or securities of any other Company.
- (52) To amalgamate with any other company whose objects are or include objects similar to those of this Company, whether by sale or purchase (for fully or partly paid-up shares or otherwise) of the undertaking subject to the liabilities of this or any such other company as aforesaid, with or without winding up or by sale or purchase (for fully or partly paid-up shares or otherwise) of all or controlling interest in the shares or stock of this or any such other company as aforesaid or in any other manner.
- (53) To establish and maintain and to discontinue offices and agencies or branches in any part of the world for the purposes of efficient and profitable working of the Company's business.
- (54) To carry on at such place or places anywhere in the world as the Board of Directors of the Company may from time to time determine all or any the business of the Company.

(55) To procure the Company to be registered or recognized in any foreign country or place.

(56) To obtain any order of Government or Judiciary for enabling the Company to obtain all powers and authorities necessary or expedient to carry out or extend any of the objects of the Company or for any other purpose which may seem expedient and to oppose any proceedings or application which may seem calculated directly or indirectly to prejudice the Company's interest.

(57) To do all or any of the above things and all such other things in any part of the world as the directors think fit and as principals, agents, contractors, trustees or otherwise, and by or through trustees, agents or otherwise and either alone or in conjunction with other and to do all such other things as are incidental or conducive to the attainment of the above objects or any of them.

And it is hereby declare that the word "Company" in this clause shall be deemed to include any partnership or other body of persons whether incorporate or not, and whether domiciled in India or elsewhere and the intention is that the object act forth in any sub clause of this clause shall receive the widest construction and that the objects set forth in each sub clause of this clause shall be independent and shall be in nowise limited or restricted by a reference to or inference from the terms of any other sub clause or by the name of the Company. None of such sub clauses or the objects therein specified or the powers thereby conferred shall be deemed subsidiary or auxiliary merely to the objects mentioned in the first sub clause of this clause, but the Company shall have full power to exercise all or any of the powers conferred by any part of this clause in any part of the world and notwithstanding that the business, undertaking, property or acts, proposed to be transacted, acquired, dealt with or performed do not fall within the objects of the first sub clause of this clause.

- IV. The liability of the members is limited.
- V. \*The Authorized Share Capital of the Company is Rs. 55,00,00,000/- (Rupees Fifty Five Crore only) divided into Rs.5,00,00,000/- (Rupees Five Crore only) of 2,50,00,000 equity share of Rs. 2/- each and Rs. 50,00,00,000/- (Rupees Fifty Crore only) of 5,00,00,000 preference shares of Rs. 10/- each.

\*Authorized Share Capital was increased from Rupees Five Crore to Rupees Fifty Five Crore by passing Special Resolution at the 4<sup>th</sup> Annual General Meeting of the Company held on 7<sup>th</sup> July, 2015.

We, the several persons whose names, addresses and descriptions are hereunto subscribed, are desirous of being formed into a Company in accordance with and 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 and Signatures	Addresses, Descriptions and Occupations of Subscriber	No.of shares taken by each subscriber	Signature of subscriber	Signatures of Witnesses and their Address, Descriptions and Occupations.
TRILOCHAN SINGH SAHNEY SON OF SANT SINGH SAHNEY T S. S1 —	17, SHANGRI-LA, 27A, CARMICHAEL ROAD, MUMBAI - 400026 - BUSINESS	40,000 (FOORTY THOUSAND)	T. S. S1 —	Witness to both signatures. Ventilations Services for Rs 300/-
DEVESH SINGH SAHNEY SON OF TRILOCHAN SINGH SAHNEY T S. S1 —	13, SHANGRI-LA 27 A CARMICHAEL - ROAD MUMBAI 400026 - BUSINESS	10,000 (TEN THOUSAND)	T. S. —	Witness to both signatures. S/o - N. R. V. Lyer 401, Caledonia, 480, Road No. 13, Mumbai 400071 Chintu, Company Secretary in Practice

Place: Mumbai

Date: 19<sup>th</sup> January, 2011

**THE COMPANIES ACT, 1956**

**COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**NRB INDUSTRIAL BEARINGS LIMITED**

1. No regulations contained in Table A, in the First Schedule to the Companies Act, 1956 or in the Schedule to any previous Companies Act, shall apply to this Company, but the regulations for the management of the Company and for the observance of the Members thereof and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of, or addition to, its regulations by Special Resolution, as prescribed by the said Companies Act, 1956, be such as are contained in these Articles.

Table "A" note to apply  
but Company to be  
governed by these Articles

**INTERPRETATION**

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

Interpretation  
Clause

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

"The Act"

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

"Auditors"

"Board" or "Board of Directors" means a meeting of the Directors duly called and constituted or, as the case may be, the Directors assembled at a Board or the requisite number of Directors entitled to pass a resolution by circulation in accordance with the Articles, or the Directors of the Company collectively.

"Board" or  
"Board of Directors"

"Beneficial Owner" shall mean beneficial owner as defined under clause (e) of Section 2 of the Depositories Act, 1996.

"Beneficial Owner"

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

"Capital"

"The Company" or "This Company" means NRB INDUSTRIAL BEARINGS LIMITED.

"The Company" or  
"this Company"

"Debenture" includes debenture-stock.

"Debenture"

"Depository" shall mean a Depository as defined under clause (e) of sub-section (1) of the Depositories Act, 1996.

"Depository"

	“Directors” means the Directors for the time being of the Company or, as the case may be, the Directors assembled at a Board.	“Directors”
“Dividend”	“Dividend” includes bonus.	
“Gender”	Words importing the masculine gender also include the feminine gender.	
“In writing” & “Written”	“In Writing” and “Written” includes printing, lithography and other modes of representing or reproducing words in a visible form.	
“Member”	“Member” means the duly registered holder from time to time of the shares of Company and includes the beneficial owner in the records of the depository.	
“Meeting” or “General Meeting”	“Meeting” or “General Meeting” means a meeting of members.	
“Annual General Meeting”	“Annual General Meeting” means a General Meeting of the Members held in accordance with the provisions of Section 166 of the Act and any adjournment thereof.	
“Extraordinary General Meeting”	“Extraordinary General Meeting” means an Extraordinary General Meeting of the Members duly called and constituted and any adjournment thereof.	
“Month”	“Month” means a calendar month.	
“Office”	“Office” means the Registered Office for the time being of the Company.	
“Paid-up”	“Paid-up” includes credited as paid-up.	
“Persons”	“Persons” includes corporations and individuals.	
“Register of Members”	“Register of Members” means the Register of Members to be kept pursuant to the Act.	
“The Registrar”	“The Registrar” means the Registrar of Companies of the State in which the Office of the Company is for the time being situate.	
“Secretary”	“Secretary” means a company secretary within the meaning of clause © of sub-section (1) of Section 2 of the Company Secretaries Act, 1980 and includes any individual possessing the qualification prescribed under the Act and who is appointed to perform the duties, which may be performed	

by a secretary under the Act, and any other ministerial or administrative duties.	
“Seal”	“Seal” means the Common Seal for the time being of the Company.
	“Share” means share in the share capital of the Company and includes stock except where a distinction between stock and shares is expressed or implied.
	“Securities and Exchange Board of India” means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992.
	Words importing the singular number include, where the context admits or requires, the plural number and vice-versa.
	“Ordinary Resolution” and “Special Resolution” shall have the meanings assigned thereto by Section 189 of the Act.
	“Year” means the calendar year and “Financial Year” shall have the meaning assigned thereto by Section 2(17) of the Act.
Expressions not defined	Words or expressions used but not defined in these Articles and defined in the Act shall have the meanings assigned to them in the Act.
Marginal Notes	The marginal notes used in these Articles shall not affect the construction thereof.
“Words and Expressions	“Words and expressions used and not defined in this Act but defined in the Depositories Act, 1996 shall have the same meanings respectively assigned to them in that Act.”

## **CAPITAL AND INCREASE AND REDUCTION IN CAPITAL**

Amount of capital	3.	The authorised share capital of the Company shall be as is specified in clause V of the Memorandum of Association of the Company.
		Notwithstanding anything contained herein, the Company shall be entitled to dematerialise its shares, debentures and other securities pursuant to the Depositories Act, 1996 and to offer its shares, debentures and other securities for subscription in a dematerialised form.
Increase of capital by the Company and how carried into effect	4.	The Company in General Meeting may, from time to time, increase the capital by the creation of new shares, such increase to be of such aggregate amount created and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions, and with such rights and privileges annexed thereto, as the General Meeting

resolving upon the creation thereof, shall direct, and if no direction be given, as the Directors shall determine; and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with a right of voting at General Meetings of the Company in conformity with Sections 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.

5. Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise. New capital same as Existing capital
6. The Company may (subject to the provisions of Sections 78, 80 and 100 to 105 of the Act) from time to time by Special Resolution, reduce its capital and any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorised by law; and, in particular, capital may be paid off on the basis that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted. Reduction of capital
7. Subject to the provisions of Section 94 of the Act, the Company in General Meeting may, from time to time, sub-divide or consolidate its shares, or any of them and the resolution whereby any share is sub-divided, may determine that, more of such shares shall have same preference or special advantage as regards dividend, capital or otherwise over or as compared with the other or others. Subject as aforesaid, the Company in General Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.. Sub-division, Consolidation and Cancellation of shares
8. Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, be modified, commuted, affected or abrogated, or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued shares of the class or is confirmed by a Special Resolution passed at a separate General Meeting of the holders of shares of that class. Modification of rights

## **SHARES AND CERTIFICATES**

	9.	(a)	<p>The Company shall cause to be kept a Register and index of Members in accordance with Section 151 of the Act, and the Depositories Act, 1996 with details of shares held in material as between the holders of the shares resulting from such sub-division or dematerialised forms in any media as may be permitted by law including in any form of electronic media. The Register and index of beneficial owners maintained by a Depository under Section 11 of the Depositories Act, 1996 shall be deemed to be Register and index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India a branch Register of Members resident in that state or country.</p>	Register and Index of Members
Shares to be numbered progressively and no share to be subdivided		(b)	<p>The shares in the capital shall be numbered progressively according to their several denominations provided however, that the provisions relating to progressive numbering 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. Except in the manner hereinbefore mentioned no share shall be subdivided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.</p>	
Dematerialization of shares		(c)	<p>The Company shall be entitled to dematerialise its existing shares, debentures and other securities, dematerialise its shares, debentures and other securities held in the Depositories and/or offer its fresh shares and debentures and other securities in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.</p>	
Further issue of capital	10.	(a)	<p>Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unissued share capital or out of increased share capital, then such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit to the capital paid-up on these shares at that date. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than forty-five days from the date of the offer within which the offer, if not accepted, will be</p>	

deemed to have been declined. The amount to be paid-up on application and allotment on the shares so offered shall be equal in all respects for all the shareholders. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offere, the Board may dispose of them in such manner as they think most beneficial to the Company.

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

(i) by a Special Resolution; or

(ii) where no such Special Resolution is passed, if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting (including the casting vote, if any, of the Chairman) by Members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by Members so entitled and voting and the Central Government is satisfied, on an application made by the Board in this behalf, that the proposal is most beneficial to the Company, offer further shares to any person and such person need not be at the date of such offer, a holder of equity shares.

It is hereby expressly declared that acceptance of the aforesaid offer within the said period of forty-five days referred to in sub-clause (a) hereof or any period stipulated in any resolution passed under sub-clause (b) and/or any letter of offer issued pursuant to such reolusion shall be deemed to be complete notwithstanding the fact that any permission or approval of any authority in India shall be received after the acceptance of the offer but within the aforesaid period of forty-five days.

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

11. Subject to the provisions of these Articles and of the Act, the shares (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors, who may isued and allot or otherwise dispose of the same to such

Shares under  
control of Directors

		persons in such proportion, on such terms and conditions and at such times as the Directors think fit and subject to the sanction by the Company by a special resolution in General Meeting with full power, to give any person the option to call for or be allotted shares of any class of the Company either (subject to the provisions of Section 78 and 79 of the Act) at a premium or at par or at a discount and such option being exercisable for such time and for such consideration as the Directors may think fit. The Board shall cause to be filed the returns as to allotment provided for in Section 75 of the Act.
Power also to Company in General Meeting to issue shares	12.	In addition to and without derogating from the powers for that purpose conferred on the Board under Articles 12 and 13, the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether Members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares.
Acceptance of shares	13.	Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall, for the purposes of this Article, be a Member.
Deposit and call etc to be a debt Payable Immediately	14.	The money (if any) which the Board shall, on the allotment of any shares being made by them, require directly 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	15.	Every Member, or his heirs, executors or administrators, shall pay to the Company the portion of the capital represented by his share or shares, which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time, in accordance with the Company's regulations, require or fix for the payment thereof.
Share Certificates	16.	(a) Every Member or allottee of shares shall be entitled, without payment, to receive one certificate provided however, no share certificate(s) shall be issued for shares held by a Depository specifying the name of the person in whose favour it is issued, the shares to which it relates

and the amount paid-up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board or a Committee thereof and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in case of issues against such certificate shall be issued under the Seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney, and the Secretary or some other person appointed by the Board for the purpose, and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits it, at least one of the aforesaid two Directors shall be a person other than a Managing or a Whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating the date of issue. Provided that the Share Certificates shall be issued in market lots and where the Share Certificates are issued in either more or less than the market lots, sub-division or consolidation of Share Certificates into market lots shall be done free of charge.

- (b) Any two or more joint allottees of a share shall, for the purpose of this Article, be treated as a single Member, and the certificate of any share, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupee one. The Company shall comply with the provisions of Section 113 of the Act.
- (c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

17. (a) No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the cages on the reverse for recording transfers have been fully utilised, unless the certificate in lieu of which, it is issued is surrendered to the Company. The Company shall be entitled to charge such fee, not exceeding Rupees two per certificate, issued on splitting or consolidation of share certificates or any replacement of share certificates that are torn or defaced, as the Board thinks fit.

Renewal of share certificates

- (b) When a new share certificate has been issued in pursuance of sub-clause (a) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect it is "Issued in lieu of share certificate No.\_\_\_\_\_ sub-divided/replaced/on consolidation of shares."
- (c) If a share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board and on payment of such fee, not exceeding Rupees two as the Board may from time to time fix, and on such terms, if any, as to evidence and indemnity as to the payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit.
- (d) When a new share certificate has been issued in pursuance of sub clause (c) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "Duplicate issued in lieu of share certificate No.\_\_\_\_\_. The word "Duplicate" shall be stamped or punched in bold letters across the face of the share certificate.
- (e) Where a new share certificate has been issued in pursuance of sub-clause (a) or sub-clause (c) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against the names of the persons to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued , and the necessary changes indicated in the Register of Members by suitable cross reference in the "Remarks" column.
- (f) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may appoint for the purpose; and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
- (g) The Managing Director of the Company for the time being or, if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates except the blank forms of share certificates referred to in sub-clause (f).

(h) All books referred to in sub-clause (g) shall be preserved in good order permanently.

18. (A) Notwithstanding anything contained in sub-article (a) of Article 18, the Board of Directors may refuse an application for subdivision or consolidation of Share Certificates into denominations of less than 100, except when such sub-division or consolidation is required to be made to comply with a Statutory Order or Order of a Competent Court of Law or at the discretion of the Directors in such circumstances as the Directors may think fit.

(B) (a) Where two or more persons are registered as the holders of any share, they shall be deemed to hold the same as joint tenants with benefits of survivorship subject to the following and other provisions contained in these Articles.

(b) The Company shall be entitled to decline to register more than three persons as the holders of any share.

(c) The joint-holders of any share shall be liable, severally as well as jointly, for and in respect of all calls and other payments which ought to be made in respect of such shares.

(d) On the death of any such joint-holders, the survivor or survivors shall be the only person or persons recognised by the Company as having any title to the share, but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of the deceased joint-holder from any liability on shares held by him jointly with any other person.

(e) Any of such joint-holders may give effectual receipts for any dividends or other monies payable in respect of such share.

(f) Only the person whose name stands in the Register of Members as the first of the joint-holders of any shares shall be entitled to delivery of the certificates relating to such share or to receive notices from the Company and any notice given to such person shall be deemed proper notice to all joint holders.

(g) Any one of two or more joint-holders may vote at any meeting either personally or by proxy in

Discretion to refuse sub-division or consolidation of certificate

respect of such shares as if he were solely entitled thereto, and if more than one of such joint-holders be present at any meeting personally or by proxy, the holder whose name stands first or higher (as the case may be) on the Register of Members in respect of such share shall alone be entitled to vote in respect thereof.

Provided always that a person present at any meeting personally shall be entitled to vote in preference to a person present by proxy although the name of such person present by proxy stands first on the Register of Members in respect of such shares.

19. If any share stands in the name of two or more persons, the person first named in the Register of deemed Members shall as regards receipts of dividends or bonus or service of notices and all or any other matter connected with the Company, except voting at meetings, and the transfer of the shares, be deemed the sole holder thereof but the joint-holders of a share shall be severally, as well as jointly, liable for the payment of all instalments and calls due in respect of such share and for all incidental thereof according to the Company's regulations.

20. 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 on the Register of Members as the holder of any share or where the name appears on the Register of Members as the holder of any share or where the name appears as the beneficial owner of shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise any benami trust or equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share 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, but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

20.(a) The shares, debentures and securities held by Depository on behalf of the owners as defined in the Depositories Act, 1996, the provisions of Sections 153A, 153B, 187C and 372 of the Act shall not apply.

21. None of the funds of the Company shall be applied in the purchase of any shares of the Company, and it shall not give any financial assistance for or in connection with the purchase or subscription of any shares in the Company or

The first named of joint-holders  
Deemed sole holder

Company not  
Bound to recognize  
Any interest in  
share other than  
that of registered  
holder

Funds of Company may  
not be applied in  
purchase of shares of the  
company

in its holding company, save as provided by Section 77 of the Act.

## UNDERWRITING AND BROKERAGE

22. Subject to the provisions of Section 76 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, but so that the commission shall not exceed in the case of shares, five percent 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. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.

Brokerage 23. The Company may pay a reasonable sum for brokerage.

Commission may be paid

## INTEREST OUT OF CAPITAL

Interest may be Paid out of capital 24. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provision of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid-up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act, and may charge the same to capital as part of the cost of construction of the work or building, or the provision of plant.

## CALLS

Board may make calls 25. The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by a circular resolution) make such calls as it thinks fit upon the Members in respect of all moneys unpaid on the shares held by them respectively, and each Member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by instalments.

Notice of calls 26. Thirty days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.

Calls to date from resolution

	27. A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board.	
Calls may be revoked or postponed	28. A call may be revoked or postponed at the discretion of the Board.	
Liability of joint-holders	29. The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.	
	30. 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 for any reason which the Board may consider satisfactory but no Member shall be entitled to such extension save as a matter of grace and favour.	Board may extend time
	31. 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 such rate as shall from time to time be fixed by the Board, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member.	Calls to carry interest
	32. Any sum, which 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.	Sums deemed to be calls
	33. On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares in respect of which such money is sought to be recovered; that the resolution making the call is duly recorded in the Minute Book; and that notice of such call was duly given to the Member or his representatives sued in pursuance of these Articles; and 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	Proof on trial of suit for money due on shares

	which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.	
Payment in anticipation of calls may carry interest	34. 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 payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.	Partial payment not to preclude forfeiture
Voting rights for sums paid in advance	35. The Board may, if it thinks fit, agree to and receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter, as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board may pay or allow interest, at such rate as the Member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing. Provided that moneys paid in advance of calls shall not confer a right to dividend or to participate in the profits of the Company.	
Company to have Lien on shares	36. No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.	
As to enforcing lien by sale	<p style="text-align: center;"><b><i>LIEN</i></b></p> 37. The Company shall have a first and paramount lien upon all the shares (other than fully paid-up shares) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares, and no equitable interest in any shares shall be created except upon the footing and upon the condition that Article 21 hereof is to have full effect. Any such lien shall extend to all dividends 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.	
	38. 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 number to execute a transfer thereof on behalf of and in the name of such Member. No sale shall be made until such period as aforesaid shall have arrived and until 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, fulfilment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.

39. 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.

Application  
of proceeds  
of sale

## **FORFEITURE OF SHARES**

40. If any Member fails to pay any call or instalment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter, during such time as the call or instalment remains unpaid, give notice to him 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.

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

42. If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter, but before payment of all calls or instalments, 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 or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.

If money payable  
on shares not  
paid, notice to be  
given to Member

Terms of notice

In default of payment  
shares to be forfeited

	43.	When any share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.	Notice of forfeiture to a Member
Forfeited share to be property of the Company and may be sold, etc.	44.	Any share so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.	
Member still liable to pay money owing at time of forfeiture and interest	45.	Any Member whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay money owing at the time of forfeiture and shall forthwith pay to the Company, on demand all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.	
Effect of forfeiture	46.	The forfeiture of a share shall involve extinction at the time of the forfeiture, of all interest in 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	47.	A declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.	
Validity of sale under Articles 39 and 45	48.	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register of Members in respect of the shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the register of Members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.	

Cancellation of share certificates in respect of forfeited shares	49. 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 has 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.	
	50. The Board may at any time before any share so forfeited shall have been so sold, re-allotted or otherwise disposed of, annual the forfeiture thereof upon such conditions as it thinks fit.	Power to annual forfeiture
	50.(A) The provisions of Articles 40 to 50 shall mutatis mutandis apply to debentures of the Company.	

## TRANSFER AND TRANSMISSION OF SHARES

51. The Company shall keep a "Register of Transfers", and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share held in material form.	Register of Transfers
51.(A) In the case of transfer of shares, debentures or other marketable securities where the Company has not issued any certificate and where such shares or debentures or securities are being held in an electronic and fungible form the provisions of the Depositories Act, 1996, shall apply.	
52. Subject to the restrictions of these Articles shares shall be transferable. The instrument of transfer shall be in writing and all the provisions of Section 108 of the Act and any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and registration thereof.	Form of Transfer
53. The instrument of transfer duly stamped and executed by the transferor and the transferee shall be delivered to the Company in accordance with the provisions of the Act.	Instrument of transfer duly stamped and executed
54. The instrument of transfer shall be accompanied by such evidence as the Board may require to prove the title of transferor and his right to transfer the shares, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board. The transferor shall be deemed to be the holder of such shares until the name of the transferee shall have been entered in the Register of Members in respect thereof except in case of transfer of Securities effected by the transferor and the transferee both of whom are	Instrument of transfer be accompanied by such evidence as the Board may require

entered as beneficial owners in the records of the depository. Before the registration of a transfer the certificate or certificates of the shares must be delivered to the Company.

54.(A) The Board shall have power on giving not less than seven days previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situate to close the transfer books, the register of Members or Register of Debentureholders 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 in each year.

Power of Board to refuse transfer of shares

55.(A) Subject to the provisions of Section 111 of the Act, the Board of Directors may refuse whether in pursuance of any power of the Company under the Articles or otherwise 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. Registration of transfer of shares shall not be refused on the ground that the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever, except a lien on the shares.

(B) It is hereby expressly declared that the powers conferred under sub-clause (A) of this Article shall be subject to the provisions of Section 22A of the Securities Contracts (Regulation) Act, 1956 or any statutory modification or reenactment thereof.

Notice of application when to be given

56. Where, in the case of partly paid shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.

Death of one or more jointholders of Shares

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

Title to shares of deceased

Transfer Books and Register of Members or Debenture holders when closed

58. The executors or administrators or holders of a Succession Certificate or the legal representatives of a deceased Member (not being one of two or more jointholders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such Member, and the Company shall not be bound to recognise such executors or administrators or holders of a Succession Certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or Letters or Administration or Succession Certificate, as the case may be, from a duly constituted court in the Union of India; provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of Probate or Letters of Administration or Succession Certificate upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and under Article 61 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased Member, as a Member.

59. No share shall in any circumstances be subscribed for by, or transferred to, any minor, insolvent or person or unsound mind.

60. (a) Subject to the provisions of Articles 58 and 59 any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any Member, or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or such title, as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some person nominated by him and approved by the Board registered as such holder; provided, nevertheless, that if such person shall elect to have his nominee registered, he shall not be freed from any liability in respect of the shares.

(b) The Board shall have the same right to refuse to register a person entitled by transmission to any shares or his nominees as if he were the transferee named in the case of a transfer of shares presented for registration.

61. 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 a discharge for any dividends or other moneys payable in respect of such share.

Shares not to be subscribed for or transferred to certain persons

Registration of persons entitled to shares otherwise than by transfer

Refusal to register in case of transmission

Persons entitled may receive dividend without being registered as Member

Fee on transfer or transmission	62. There shall be paid to the Company, in respect of the transfer or transmission of any number of shares to the same party, such fee, if any, as the Directors may require.
No fees to be charged for transmission of shares etc.	62.(A) No fee shall be charged for transmission of shares for registration of any Power of Attorney, probate, Letters of Administration or other similar documents. No fees shall be charged for Registration of transfer, or for issue of new certificates in replacement of those which are old, decrepit, worn, out or where the cages on the reverse for recording transfer have been utilised.
Company not liable for disregard of a notice prohibiting registration of a transfer	63. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

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

Copies of Memorandum and Articles of Association to be sent by the Company	64. Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 39 of the Act shall be sent by the Company to every Member at his request within seven days of the request on payment of the sum of Rupee one for each copy.
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## **BORROWING POWERS**

Power to borrow	65. Subject to the provisions of Sections 58A, 292 and 293 of the Act, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board, accept deposits from Members, either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company.
Payment or repayment of moneys borrowed	

66. Subject to the provisions of Article 67 hereof, the payment and repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, by resolutions passed at a meeting of the Board (and not by circulation) and in particular, by the issue of bonds, debentures, debenture-stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

67. Any debentures, debenture-stock, loan stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting accorded by a Special Resolution.

68. The Company shall, if at any time issues debentures, keep a Register and Index of Debenture holders in accordance with Section 152 of the Act and the Depositories Act, 1996. The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996 shall be deemed to be Register and Index of Debentureholders for the purpose of this Act. The Company shall have the power to keep in any state or country outside India a branch Register of Debentureholders resident in that state or country.

69. The Company shall, if at any time it issues debentures, keep a Register and Index of Debentureholders in accordance with Section 152 of the Act. The Company shall have the power to keep in any state or country outside India a branch Register of Debentureholders resident in that state or country.

70. The Debentures, debenture-stock shall be transferable, transmitted, split and consolidated in the same manner and to the same extent and be subject to the same restrictions and limitations as in the case of Shares in the Company and the provisions contained in these Articles of Association relating to transfer and transmission, split and consolidation of Shares, shall apply mutatis mutandis, to the transfer and transmission, split and consolidation of debentures, debenture-stock.

Terms of issue of debentures

Register of Debentures etc. to be kept

Register of index of Debentureholders

Transfer of Debentures

## **CONVERSION OF SHARES INTO STOCK AND RECONVERSION**

Shares may be converted into stock

71. The Company in General Meeting may convert any paid-up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interest therein, or any part of such interest, in the same manner and subject to the same regulations as and subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place, or as near thereto as circumstances will admit. The Company may at any time reconvert any stock into paid-up shares of any denomination.
  
72. 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.

Rights-of stock holders

Annual General Meeting

73. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings other than Annual General Meeting shall be called Extraordinary General Meetings. An Annual General Meeting shall be held within six months after the expiry of each Financial Year. Provided that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 166(1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for a time during business hours, on a day that is not a public holiday, and shall be held at the Office of the Company or at some other place within the city in which the Office of the Company is situate as the Board may determine and the Notices calling the Meeting shall specify it as the Annual General Meeting. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meetings. Every Member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at

## **MEETINGS OF THE MEMBERS**

any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Directors' Report and Audited Statement of Accounts, Auditors' Report (if not already incorporated in the Audited Statement of Accounts), the proxy register with proxies and the register of Directors' shareholdings which latter register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the annual list of Members, summary of the share capital, balance sheet and profit and loss account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.

74. 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 that date carries the right of voting in regard to the matter in respect of which the requisition has been made. Extraordinary General Meeting

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

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

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

78.(a) Twenty-one days' notice at the least of every General Meeting, annual or Extraordinary, and by whomsoever called, specifying the day, place and hour of meeting, and the general nature of the business to be transacted Twenty-one days' notice of meeting to be given

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

Omission to give notice not to invalidate a resolution passed	<p>79. The accidental omission to give any such notice as aforesaid to any of the Members or other person to whom it should be given, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.</p>
Meeting not to transact business not mentioned in the notice	<p>80. No General Meeting, Annual or Extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.</p>
Quorum at General Meeting	<p>81. Five members present in person shall be quorum for a General Meeting provided that such members or proxies of members present at the meeting shall hold in the aggregate not less than 51% of the paid-up capital of the company.</p>
	<p>82. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act.</p>

Body Corporate deemed to to be personally present

83. 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 adjourned/dissolved and in any other case shall stand adjourned to the same day in the next week at the same time and place and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the Members present shall be a quorum provided that atleast two members are present in person or represented by proxy. The said members so present may transact the business for which the meeting was called.

84. Any Act or Resolution which under the provisions of these articles or of the Act, is permitted or required to be done or passed by the Company in General Meeting shall be done or passed by an Ordinary Resolution as defined in Section 189(1) of the Act unless the Act specifically requires such act to be done or resolution passed by a Special Resolution as defined in Section 189 (2) of the Act.

85. The Chairman (if any) of the Board shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary. If there be no such Chairman of the Board, or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he shall be unable or unwilling to take the Chair, then the Members present shall elect another Director as Chairman, and if no Director present or if all the Directors present decline to take the Chair, then the members present shall elect one of their number to be the Chairman.

86. No business shall be discussed at any General Meeting except the election of a Chairman, whilst the Chair is vacant.

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

88.(a) At any general meeting, a resolution put to the vote of the meeting shall, unless a poll is demanded under Section 179, be decided on a show of hands.

(b) A declaration by the Chairman in pursuance of Section 177 that on a show of hands, a resolution has or has not been carried, or has or has not been carried either unanimously or by a particular majority, and an entry to

If quorum not present meeting to be dissolved or adjourned

Business at General Meeting

Chairman of General Meeting

Business confined to election of Chairman whilst Chair vacant

Chairman with consent may adjourn meeting

Question at General Meeting how to be decided

		that effect in the books containing the minutes of the proceedings of the company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.
Demand for poll	89.	<p>Before or on the declaration of the result of the voting on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion, and shall be ordered to be taken by him on a demand made in that behalf by any members or members present in person or by proxy and holding shares in the company-</p> <ul style="list-style-type: none"> <li>(i) which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or</li> <li>(ii) on which an aggregate sum of not less than fifty thousand rupees has been paid-up.</li> </ul>
		The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
Time of taking poll	90.	<ul style="list-style-type: none"> <li>(1) A poll demanded on a question of adjournment shall be taken forthwith.</li> <li>(2) A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 175) shall be taken at such time not being later than forty-eight hours from the time when the demand was made, as the Chairman may direct.</li> </ul>
Scrutineers at poll	91.	Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon, to him. One of the scrutineers so appointed shall always be a Member (not being an officer or employee of the Company) present at the meeting, provided such a Member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from such removal or from any other cause.
Poll to be taken if demanded	92.	If a poll is demanded as aforesaid the same shall be taken at such time (not later than forty-eight hours from the time when the demand was made) and place in the city or town in which the Office of the Company is for the time being situate, and either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

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

Demand for poll not to prevent transactions of other business

## VOTES OF MEMBERS

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

Members in arrears not to vote

95. Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands every Member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company. Provided, however, if any preference shareholder be present at any meeting of the Company, save as provided in clause (b) of sub-section (2) of Section 87 of the Act, he shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his preference shares.

Number of votes to which Member entitled

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

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

97. 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 poll, vote by proxy. If any Member be a minor, the vote in respect of his share or shares shall be by his guardian, or any one of his guardians, if more than one, to be selected in case of dispute by the Chairman of the meeting.

How Members non-compos mentis and minor may vote

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

Votes of joint-members

stand shall for the purpose of these Articles be deemed joint-holders thereof.

Voting in person or by proxy

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

Votes in respect of shares of deceased and insolvent Member

100. Any person entitled under Article 61 to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

Appointment of proxy

101. Every proxy (whether a Member or not) shall be appointed in writing under the hand of the appointor or his attorney, or if such appointor is a corporation under the common seal of such corporation, or be signed by an officer or any attorney duly authorised by it, and any committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meeting.

Proxy either for specified meeting or for a period

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

Proxy to vote on a poll

103. A Member present by proxy shall be entitled to vote only on a poll.

Deposit of instrument of appointment

104. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the office of the company or with any other person designated by resolution of the Board of Directors, not later than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

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

Form of proxy

106.	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 revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the Office before the meeting.	Validity of votes given by proxy notwithstanding death of member
107.	No objection shall be made to the validity of any vote, except at any meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall in the absence of manifest errors, fraud or mala fides be deemed valid for all purposes of such meeting or poll whatsoever.	Time for objection to vote
108.	The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.	Chairman of the meeting to be the judge of validity of any vote
109.	<p>(1) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.</p> <p>(2) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for that purpose.</p> <p>(3) In no case shall the minutes of proceedings of a meeting be attached to any such book as aforesaid by pasting or otherwise.</p> <p>(4) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereof.</p> <p>(5) All appointments of officers made at any meeting aforesaid shall be included in the minutes of the meeting.</p> <p>(6) Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting (a) is or could reasonably be regarded as defamatory of any person, or (b) is irrelevant or immaterial to the proceedings, or (c) is detrimental to the interest of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-</p>	Minutes of General Meeting and inspection thereof by Members

inclusion of any matter in the minutes on the aforesaid grounds.

- (7) Any such minutes shall be evidence of the proceedings recorded therein.
- (8) The book containing the minutes of proceedings of General Meetings shall be kept at the Office of the Company and shall be open during business hours, for such periods not being less, in the aggregate, than two hours in each day, as the Directors determine, to the inspection of any Member without charge.

## **DIRECTORS**

Number of  
Directors

- 110. Until otherwise determined by the General Meeting and subject to Section 252 of the Act, the number of Directors (excluding Alternate Directors and institutional Directors) shall not be more than Ten.
- 110. So long as Trustees of Trilochan Singh Sahney Trust 2 together with Trilochan Singh Sahney, H.B.K Sahney, Harshbeena S Zaveri and Devesh S Sahney hold not less than 25% of the issued capital of the Company, they shall be entitled to appoint one person who shall be the ex-officio Director appointed by it and also to fill in any vacancy which may occur as a result of any such person ceasing to be a Director for any reason whatsoever. Such appointment and removal shall be effected by a writing addressed to the Board of Directors of the Company under the hands of the Chairman and the same shall take effect forthwith upon being delivered to the Company. Any Director or Directors so appointed shall not be required to hold any qualification shares and shall not be liable to retire by rotation.
- 111. (1) At every Annual General Meeting of the Company one third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, then the number nearest to one third shall retire from office. The Directors appointed under Article 110 shall not be subject to retirement under this Article and shall not be taken into account in determining rotation, retirement or the number of Directors to retire.  
(2) The Directors to retire by rotation under the foregoing Article shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. A retiring Director shall be eligible for re-appointment.

Retirement by rotation  
of directors

(3) The Company at the Annual General Meeting at which a Director retires in the manner aforesaid, may fill up the vacated office by electing the retiring Director or some other person thereto.

(4) (a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.

(b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill up the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless:

- (i) at the meeting or the previous meeting a resolution for the re-appointment of such Director has been put to the meeting and lost;
- (ii) the retiring Director has by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be re-appointed;
- (iii) he is not qualified or is disqualified for appointment;
- (iv) a Resolution, whether Special or Ordinary, is required for the appointment or re-appointment by virtue of any provisions of the Act; or
- (v) the proviso to sub-section (2) of Section 263 of the Act is applicable to the case.

Power to appoint  
nominated  
Directors

112. (A) Whenever the Directors enter into a contract with any Government (Central, State or Local) or any person or persons for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for

underwriting or enter into any other arrangement whatsoever, the Directors shall have, subject to the provisions of Section 255 of the Act, the power to agree that such Government, person or persons shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the agreement and that such Director or Directors may not be liable to retire by rotation nor be required to hold any qualification shares. The Directors may also agree that any such Director or Directors may be removed from time to time by the Government, person or persons entitled to appoint or nominate them and such person or persons may appoint another or others in his or their place and also fill in any vacancy which may occur as a result of any such Director or Directors ceasing to hold that office for any reason whatever. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the Directors of the Company including the payment of remuneration and travelling expenses to such Director or Directors as may be agreed by the Company with such person or persons aforesaid.

(B) If it is provided by any trust deed, securing or otherwise, in connection with any issue of debentures of the Company that 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 debentures, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as Debenture Director. A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares. Debenture Director

(C) Notwithstanding anything to the contrary contained in these Articles, so long as any monies remain owing by the Company to any of the financial institutions enumerated in Section 4-A of the Act or by two (2) or more of them or by Central Government or State Government by themselves (each of the above is hereinafter in this Article referred to as "the corporation") out of any loans/debenture assistance granted by them to the Company or so long as the Corporation holds or continues to hold Institutional Director

debentures/shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any Guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Non wholetime Director or Directors (which Director or Directors is/are hereinafter referred to as "Nominee Director/Directors(s)" on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place(s).

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

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

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

The Company shall pay to the Nominee Director(s) sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission,

monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Director(s) shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director(s) in connection with their appointment or directorship shall also be paid or reimbursed by the Company to the Corporation or, as the case may be, to such Nominee Director(s).

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

Appointment of  
Alternate Director

113. 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 the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall be a person recommended for such appointment by the Original Director. An alternate Director 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 office if and when the Original Director returns to that State, any provisions in the Act or in these Articles for automatic re-appointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the Alternate Director.

114. (a) Subject to the provisions of Sections 260 and 264 of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be an Additional Director, but so that the total number of Directors shall not at any time exceed the maximum fixed under Article 111. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting but shall be eligible for election at such meeting.

(b) Subject to the provisions of Sections 262, 264 and 284(6) 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. Provided in the event of any Director of the choice of Trustees of Trilochan

Board's power to  
add to Board

Board's power to fill  
casual vacancies

Singh Sahney Trust 2 vacating office for any reason including death or resignation such vacancy shall be filled up in accordance with the Trustees of Trilochan Singh Sahney Trust 2. Any person so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.

115. A Director shall not be required to hold any share qualification.

No share qualification for Directors

116. (1) Subject to the provisions of the Act, a Managing Director or Director, who is in the Whole-time employment of the Company 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 or any other mode not prohibited by the Act.

Remuneration of Directors

(2) Such reasonable additional remuneration as fixed by the Board may be paid to any one or more of its number for services rendered by him or them in signing the share certificates in respect of the Company's capital or any debenture issued by the Company.

(3) Subject to the provisions of the Act, a Director who is neither in the Whole-time employment of the Company nor a Managing Director, may be paid remuneration either:

(a) by way of a monthly, quarterly or annual payment with the approval of the Central Government, if necessary,

or

(b) by way of commission if the Company by a Special Resolution authorises such payment.

Provided that the remuneration paid to such Director or where there is more than one such Director, to all of them, together, shall not exceed-

- (i) one percent of the net profits of the Company, if the Company has a Managing or Whole-time Director or a Manager.
- (ii) three percent of the net profits of the Company in any other case.

4. The fee payable to the Directors (excluding a Managing Director or Whole-time Director, if any) for attending a meeting of the Board or a Committee thereof shall be Rs.5000 or such other sum as the Company in Board Meeting may decide from time to time determine.

5. The Board may allow and pay to any Director, such sum as the Board may consider fair compensation for travelling, boarding, lodging and other expenses, in addition to his fee for attending a meeting of the Board or a Committee thereof; and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be paid and reimbursed any travelling or other expenses incurred in connection with the business of the Company.

6. For the purposes of this Article, the expression "net profits" shall mean the net profits of the Company as computed in accordance with the provisions of Section 309(5) of the Act.

117. 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 110 hereof, the continuing Directors not being less than two, may act for the purpose of increasing the number of Directors to that number, or of summoning a General Meeting, but for no other purpose.

118. Subject to Sections 283(2) and 314 of the Act, the office of a Director shall become vacant if:-

- (a) he is found to be of unsound mind by a court of competent jurisdiction; or
- (b) he applies to be adjudicated an insolvent; or
- (c) he is adjudged an insolvent; or

Directors may act notwithstanding any vacancy

When office of Directors to become vacant

- (d) he fails to pay any call made on him in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the date fixed for payment of such call unless the Central Government has, by notification in the Official Gazette removed the disqualification incurred by such failure; or
- (e) he absents himself for three consecutive meetings of the Directors or from all meetings of the Directors for a continuous period of three months, whichever is longer, without leave of absence from the Board; or
- (f) he becomes disqualified by an order of the court under Section 203 of the Act; or
- (g) he is removed in pursuance of Section 284 of the Act; or
- (h) he (whether by himself or by any person for his benefit or on his account) or any firm in which he is a partner, or any private company of which he is a Director, accepts a loan, or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act; or
- (i) he acts in contravention of Section 299 of the Act; or
- (j) he is convicted by a court of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months; or
- (k) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company; or
- (l) he resigns his office by a notice in writing addressed to the Company.

Director may contract with the Company

119. (1) Except with the consent of the Board of Directors of the Company, and, so long as the paid-up share capital of the Company continues to be not less than Rupees one crore, except with the previous

approval of the Central Government, a Director of the Company or his relative, a firm in which such a Director or relative is a partner, any other partner in such a firm, or a private company of which the Director is a member or Director, shall not enter into any contract with the Company:-

- (a) for the sale, purchase or supply of any goods, materials or services; or
- (b) for underwriting the subscription of any shares in or debentures of the Company.

(2) Nothing contained in sub-clause (a) of Clause (1) shall affect:

- (a) the purchase of goods and materials from the Company, or the sale of goods and materials to the Company by any Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or
- (b) any contract or contracts between the Company on one side and such Director, relative, firm, partner or a private company on the other for sale, purchase or supply of any goods, materials and services in which either the Company or the Director, relative, firm, partner or private company, as the case may be, regularly trades or does business.

PROVIDED THAT such contract or contracts do not relate to goods and materials the value of which or services the cost of which exceed five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts.

(3) Notwithstanding anything contained in sub-clauses (1) and (2) of this Article, a Director, relative, firm, partner or private company as aforesaid may, in circumstances of urgent necessity, enter, without obtaining the consent of the Board, into any contract with the Company for the sale, purchase or supply of any goods or materials or services, even if the value of such goods or cost of such services exceeds five thousand rupees in the aggregate in any year comprised in the period of

the contract; but in such a case the consent of the Board shall be obtained at a meeting within three months of the date on which the contract was entered into.

(4) Every consent of the Board required under this Article shall be accorded by a resolution passed at a meeting of the Board and not otherwise, and the consent of the Board required under sub-clause (1) of this Article shall not be deemed to have been given within the meaning of that sub-clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into.

(5) If the consent is not accorded to any contract under this Article, anything done in pursuance of the contract shall be voidable at the option of the Board.

120. A Director of the Company who is in anyway, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 299(2) of the Act; provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other company where any of the Directors of the Company or two or more of them together holds or hold not more than two percent of the paid-up share capital in any such other company. Disclosure of interest

121. A general notice given to the Board by the Director, to the effect that he is a Director or Member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it would have otherwise expired. No such general notice, and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given. General notice of interest

Interested Director  
not to participate or  
vote in Board's  
proceedings

122. No Director shall as a Director take any part in the discussion of, or vote, on any contract or arrangement entered into, or to be entered into, by or on behalf of the Company, if he is 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; provided however, that nothing herein contained shall apply to:-

(a) any contract of indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;

(b) any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely\_\_\_\_

(h) in his being \_\_\_\_

(a) a Director of such company; and

(b) the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by the Company; or

(ii) in his being a member holding not more than 2% of its paid-up share capital.

Register of  
contracts in  
which Directors  
are interested

123. The Company shall keep a Register in accordance with Section 301(1) of the Act and shall within the time specified in Section 301(1) of the Act and shall within the time specified in Section 301(2) of the Act enter therein such of the particulars as may be relevant having regard to the application thereto of Section 297 or Section 299 of the Act as the case may be. The Register aforesaid shall also specify, in relation to each Director of the Company, the names aforesaid shall also specify, in relation to each Director of the Company, the names of the bodies corporate and firms of which notice has been given by him under Article 121. The Register shall be kept at the Office of the Company and shall be open to inspection at such

Office, and extracts may be taken therefrom and copies thereof may be required by any Member of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 163 of the Act shall apply accordingly.

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

Directors may be directors of companies promoted by the Company

125. Subject to Section 259 of the Act, the Company may by Ordinary Resolution from time to time, increase or reduce the number of Directors, and may alter their qualifications.

Company may increase or reduce the number of Directors

126. (1) Subject to the provisions of the Act and these Articles, any person who is not a retiring Director shall be eligible for appointment to the office of Director at any General Meeting if he or some Member intending to propose him has at least fourteen clear days before the Meeting left at the Registered Office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such Member to propose him as a candidate for that office as the case may be, along with a deposit of five hundred rupees which shall be refunded to such person or, as the case may be, to such Member, if the person succeeds in getting elected as a Director.

Notice of candidature for office of Director except in certain cases

(2) Every person (other than a Director retiring by rotation or otherwise, or a person who has left at the Office of the Company a notice under Section 257 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director, shall sign and file with the Company, his consent in writing to act as a Director, if appointed.

(3) A person other than a Director re-appointed after retirement by rotation or 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 262 of the Act, appointed as a Director or re-

appointed as an Additional or Alternate Director, immediately on the expiry of his term of office, shall not act as a Director of the Company, unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.

Register of Directors, etc. and notification of change to Registrar

127. (a) The Company shall keep at its Office a Register containing the particulars of its Directors, Managers, Secretaries and other persons mentioned in Section 303 of the Act, and shall otherwise comply with the provisions of the said Section in all respects.

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

Disclosure by Director of appointment to any other body corporate

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

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

#### **MANAGING DIRECTOR(S), WHOLE-TIME DIRECTOR AND MANAGER**

Board may appoint Managing Director

129. Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any one of their number as Managing director of the Company and who shall be of the choice of Trustees of Trilochan Singh Sahney Trust 2 for

a term not exceeding five years at a time and upon such terms and conditions as the Board think fit, and subject to the provisions of Article 131, the Board may by a resolution vest in such Managing Director or Managing Directors such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods upon such conditions and subject to such restrictions as it may determine. The remuneration of a Managing Director may be by way of monthly payment, participation in profits or by any other mode not expressly prohibited by the Act.

Subject to the applicable provisions of the Act and of these Articles the Board shall have power to appoint from time to time any of its number as Whole-time Director or Whole-time Directors of the Company for a 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 Article 131, the Board may by resolution vest in such Whole-time Director or Whole-time Directors such of the powers hereby vested in the Board generally as it thinks fit, 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. The remuneration of Whole-time Director or Whole-time Directors may by way of monthly payment, fee for each meeting or participation in profits, or by any or all of these modes, or any other mode not prohibited by the Act.

130. The Managing Director or Whole-time director shall not exercise the powers to:

- (a) make calls on shareholders in respect of money unpaid on the shares in the Company.
- (b) issue debentures; and except to the extent mentioned in the resolution passed at the Board Meeting under Section 292 of the Act, shall also not exercise the powers to-
- (c) borrow moneys, otherwise than on debentures;
- (d) invest the funds of the Company; and
- (e) make loans

131. The Company shall not appoint or employ, or continue the appointment or employment of, a person as its Managing Director who –

- (a) is an undischarged insolvent, or has at any time been adjudged an insolvent.

Restriction on management

Certain persons not to be appointed Managing Director

(b) suspends, or has at any time suspended, payment to his creditors or makes, or has at any time made, a composition with them; or

(c) is, or has at any time been, convicted by a court of any offence involving moral turpitude.

132. A Managing Director shall ipso facto and immediately cease to be Managing Director, if he ceases to hold the office of a Director.

(B) Subject to the provisions of the Act and of these Articles the Board shall have the power to appoint any person as manager of the Company who subject to the superintendence, control and direction of the Board, shall have the management of the whole, or substantially the whole of the affairs of the Company. The manager may, subject to the provisions of Section 198, receive remuneration either by way of monthly payment or by way of a specified percentage of the net profits of the company calculated in the manner laid down in Section 349, 350 and 351 or partly by the one way and partly by the other provided that except with the approval of the Central Government such remuneration shall not exceed in the aggregate 5% of the net profits of the Company.

(C) The provisions of Section 269, 310, 311 and 317 of the Act shall apply in relation to the Manager of the Company as they apply in relation to a Managing Director thereof, and those of Section 312 shall apply in relation to the Manager of the Company as they apply to a Director thereof.

(D) The Manager shall not exercise powers to :

(i) borrow monies, otherwise than on debentures;

(ii) invest, the funds of the Company; and

(iii) make loans

(E) The provisions contained in Article 132 shall apply to the appointment of employment of a person as the Manager of the Company.

Special position of  
Managing/  
Wholetime Director

#### **PROCEEDINGS OF THE BOARD OF DIRECTORS**

Meeting of Directors	133. The Directors may meet together as a Board for the despatch of business from time to time and shall so meet at least once in every three months and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit.
Notice of Meeting	134. Unless otherwise agreed to by all the Directors at least seven (7) days notice of every meeting of the Board shall be given in writing to every Director whether in or outside India. In case of Directors residing outside India notice shall be sent by fax or at his usual address outside India and also at his usual address in India or by email, seven (7) days in advance of such meeting including an adjourned meeting.
Quorum at Board Meeting	135. (a) The quorum for a meeting of the Board including an adjourned meeting shall be one third of its total strength, excluding directors, if any, whose places may be vacant at the time and any fraction contained in that one third being rounded off as one, or two Directors, whichever is higher.
	Provided further no quorum for a meeting of the Board shall be constituted unless a Director appointed by Trustees of Trilochan Singh Sahney Trust 2 under Article 110 or their Alternate is present at such meeting, except where for a particular meeting the said requirement for a quorum is waived in writing by a Director appointed by Trustees of Trilochan Singh Sahney Trust 2 under Article 110 or their alternates.
	(b) If there is no quorum present as stipulated in sub-article (a) hereof the meeting shall be adjourned for ten days from the date of the original meeting and if the tenth day is a public holiday then the meeting shall be held on the next working day.
	Provided that where at any time the number of interested Directors exceeds or is equal to two thirds of the total strength, the number of the remaining Directors, that is to say, the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time.
When meeting to be convened	136. The Secretary shall, as and when directed by any one of the Directors to do so, convene a meeting of the Board by giving a notice in writing to every Director.
Chairman and Vice Chairman	137. (a) The Chairman of the Company shall be a Director of a choice of Trustees of Trilochan Singh Sahney Trust 2. If at any meeting of the Board, the Chairman is not present

Adjournment of meeting for want of quorum

within fifteen minutes after the time appointed for holding the same, the Vice-Chairman of the Company shall be Chairman of such meeting. Should the Chairman and Vice-Chairman be not present the Directors shall choose one of their number to be the Chairman of such meeting. The Chairman shall have the casting vote.

Decisions at Board meetings 138. All questions arising at a meeting of the Board of Directors shall require to be approved by a majority of the Board of Directors provided that such majority shall include the affirmative votes of the Directors nominated by Trustees of Trilochan Singh Sahney Trust 2 under Articles 110.

Powers of Board Meeting 139. A Meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act, or the Articles of the Company are for the time being vested in or exercisable by the Board generally.

140. Subject to the restrictions contained in Section 292 of the Act the Board may delegate any of their powers to Committees of the Board provided that such committee shall always include the Director appointed by Trustees of Trilochan Singh Sahney Trust 2 under Article 110 or his alternate. The Board may from time to time revoke and discharge any such Committee of the Board either wholly or in part and either as to persons or purposes, but every Committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by such Committee of the Board in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board. All resolutions passed by the Committee of Directors shall be passed by a majority vote provided that such majority shall include the Director appointed by Trustees of Trilochan Singh Sahney Trust 2 under Article 110 or his alternate.

Board may appoint Committee

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

Meetings of Committee, how to be governed

142. No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee, then in India (not being less than three Directors) and

Resolution by circulation

which shall include the Director appointed by Trustees of Trilochan Singh Sahney Trust 2 under Article 110 or his alternate and to all other Directors or members of the Committee at their usual address in India, and has been approved by a majority vote, provided that such majority shall include the affirmative votes of the Directors nominated by Trustees of Trilochan Singh Sahney Trust 2 under Article 110 or their alternates.

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

Acts of Board or Committee valid notwithstanding defective appointment

Minutes of proceedings of meetings of the Board and Committees to be kept

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

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

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

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

(5) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.

(6) the minutes shall also contain –

(a) the names of the Directors present at the meeting; and

- (b) in the case of each resolution passed at the meeting, names of the Directors, if any, dissenting from, or not concurring with the resolution.
- (7) Nothing contained in sub-clauses (1) to (6) above shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting –
  - (a) is, or could reasonably be regarded as defamatory of any person;
  - (b) is irrelevant or immaterial to the proceedings; or
  - (c) is detrimental to the interests of the Company.

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

- (8) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.
- 145. The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the 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, or any other Act or to any regulations being not inconsistent therewith, as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

Powers of Board

Provided that the Board shall not, except with the consent of the Company in the General Meeting :-

- (a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole of any such undertaking;
- (b) remit, or give time for the repayment of, any debt due by a Director;

- (c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in clause (a), or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;
- (d) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans) obtained from the Company's bankers in the ordinary course of business will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose. Provided further that the powers specified in Section 292 of the Act shall, subject to these Articles be exercised only at meetings of the Board, unless the same be delegated to the extent therein stated; or
- (e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year exceed fifty thousand rupees or five percent of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater.

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

- (1) To pay costs, charges and expenses, Preliminary and incidental to the promotion, formation, establishment, registration and regulation of the Company and to the issue of further capital.
- (2) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereout under the provisions of Sections 76 and 208 of the Act.
- (3) Subject to Sections 292 and 297 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

Certain powers of the Board

the Directors may believe or may be advised to be reasonably satisfactory.

- (4) Their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, loan stocks, mortgages, or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon, and any such bonds debentures, loan stocks, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
- (5) To secure the fulfilment of any contracts or engagements entered into by the Company by mortgatge or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.
- (6) To accept from any Member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed.
- (7) To appoint any person to accept and hold in trust for the Company any property belonging of the Company, in which it is interested, or for any other purposes; and to execute and do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.
- (8) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due, and of any claim or demand by or against the Company and to refer any claim or demand by or against the Company and to refer any differences to arbitration, and observe and perform any awards made thereon.
- (9) To act on behalf of the Company in all matters relating to bankrupts and insolvents.
- (10) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.

- (11) subject to the provisions of Sections 292, 295, 370 and 372 of the Act, to invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such security (not being shares of the Company) or without security and in such manner as they may think fit, and from time to time to vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.
- (12) 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 and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.
- (13) To determine from time to time who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose.
- (14) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company, and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expense of the Company.
- (15) 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 dependants or connections of such persons, by building or contributing to the building of houses, dwellings or chawls, 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 funds, associations, institutions or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit; and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise.

(16) Before recommending any dividend to set aside out of profits of the Company such terms 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, loan stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (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 Sections 292 and 372 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 expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in their absolute discretion, think conducive to the interest of the Company, notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund 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.

(17) To appoint, and at their discretion remove or suspend such general managers, managers, secretaries, assistants, supervisors, clerks, agents and servants for permanent, temporary, or special services as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments or remuneration and to require security in such instances and to such amount as they may think fit, also without prejudice as aforesaid, from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit; and the provisions contained in the three next

following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.

- (18) At any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also, except in the limits authorised by the Board, the power to make loans and borrow moneys) 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 member or any of the members of any local Board, established as aforesaid or in favour of any company, or the shareholders, Directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board 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.
- (19) Subject to Sections 294, 294AA and 297 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 negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.
- (20) From time to time to make, vary and repeal bye-laws for the regulation of the business of the Company, its officers and servants.
- (21) To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any part of the buildings, plant, machinery, vessels, vehicles, goods, stores, produce and all other movable and immovable property of the Company, either separately or conjointly, and to assign, surrender or discontinue any policies of insurance effected in pursuance of this power.
- (22) To open accounts with any bank or bankers or with any company, firm or individual and to pay money into and

draw money from or otherwise operate any such account from time to time as they may think fit.

- (23) To attach to any shares to be issued as the consideration or part consideration for any contract with or property acquired by the Company or in payment for services rendered to the Company, such conditions as to the transfer thereof as they think fit.
- (24) Generally, from time to time and at any time, to delegate (with or without powers of sub-delegations) all or any of the powers, authorities, discretions for the time being vested in the Directors to any employee of the Company or to any other person, firm or body corporate or otherwise to any fluctuating body of persons.

## **MANAGEMENT**

- 147. The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel namely;
  - (A) Managing Director, and
  - (B) Manager.

Prohibition of simultaneous appointment of different categories of managerial personnel

## **THE SECRETARY**

- 148. The Directors may from time to time appoint, and at their discretion remove, any individual (hereinafter called "the Secretary") to perform any functions which by the Act are to be performed by the Secretary, and to execute any other purely ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Directors. The Directors may also at any time appoint some other person (who need not be the Secretary) to keep the registers required to be kept by the Company.
- 149. (a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.

Secretary

The Seal, its custody and use

(b) The Company shall also be at liberty to have an official Seal in accordance with Section 50 of the Act, for use in any territory, district or place outside India.

Deeds how executed

150. Every Deed or other instrument, to which the Seal of the Company is required to be affixed, shall, unless the same is executed by a duly constituted attorney, be signed by two Directors or one Director and Secretary or by some other person appointed by the Board for the purpose, provided that in respect of the share certificate the Seal shall be affixed in accordance with Article 18(a).

## **DIVIDENDS**

Division of profits

151. The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles, and subject to the provisions of the Act and of these Articles, shall be divisible among the members in proportion to the amount of capital paid-up or credited as paid-up on the share held by them respectively.

The Company in General Meeting may declare a dividend

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

Dividends only to be paid out of profits

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

Provided that:

- (a) If the Company has not provided for depreciation for any previous financial year or years it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year, or out of the profits of any other previous financial year or years.
- (b) If the Company has incurred any loss in any previous financial year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years, whichever is

less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act or against both.

(2) Notwithstanding anything contained in sub-clause (1) hereof, no dividend shall be declared or paid by the Company for any financial year out of the profits of the Company for that year arrived at after providing for depreciation in accordance with the provisions of Section 205 of the Act, except after the transfer to the reserves of the Company of such percentage of its profits for that year, not exceeding ten percent, as may be prescribed. Provided that nothing in this sub-clause shall be deemed to prohibit the voluntary transfer by the Company of a higher percentage of its profits to the reserves in accordance with such rules as may be made by the Central Government in this behalf.

(3) Where, owing to inadequacy or absence of profits in any year, the Company proposes to declare dividend out of the accumulated profits earned by the Company in previous years and transferred by it to the reserves, such declaration of dividend shall not be made except in accordance with such rules as may be made by the Central Government in this behalf, and, where any such declaration is not in accordance with such rules, such declaration shall not be made except with the previous approval of the Central Government.

154. Subject to the provisions of the Act, the Board may, from time to time, pay to the Members such interim dividend as in their judgement the position of the Company justifies.

Interim Dividend

155. 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.

Capital paid-up in advance as interest not to earn dividend

156. 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.

Dividends in proportion to amount paid-up

	157. Subject to the provisions of the Act, the Board may retain the dividends payable upon shares in respect of which any person is under Article 61 entitled to become a Member or which any person under that Article is entitled to transfer, until such person shall become a Member in respect of such shares or shall duly transfer the same.	Retention of dividend until completion of transfer under Article 61
Dividend etc. to joint holders	158. Any one of several persons who are registered as the joint holders of any share may give effectual receipt for all dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such shares.	
No Member to receive dividend whilst indebted to the Company and Company's right of reimbursement thereof	159. No Member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, while any money may be due or owing from him to the Company in respect of such share or shares or otherwise, howsoever, either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any Member all sums of money so due from him to the Company.	
Transfer of shares must be registered	160. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.	
Dividends how remitted	161. Unless otherwise directed, any dividend may be paid by cheque or warrant or by a payslip or receipt having the force of the cheque or warrant sent through the post to the registered address of the Member or person entitled or in case of joint-holders to that one of them first named in the Register of Members in respect of joint-holdings. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or payslip or receipt lost in transmission, or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any payslip or receipt or the fraudulent recovery of the dividend by any other means.	
No interest on dividends	162. Subject to the provisions of the Act, no unpaid dividend shall bear interest as against the Company.	
Dividend declared but not paid	163. (a) Where a dividend has been declared by the Company but has not been paid or claimed within forty-two (42) days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall, within seven (7) days from the date of expiry of the said period of forty-two (42) days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of forty-two (42) days to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "Unpaid Dividend Account of NRB	

Industrial Bearings Limited.." No unpaid dividend or unclaimed dividend shall be forfeited by the Board.

- (b) In sub-clause (a) of this Article the expression "dividend which remains unpaid" shall mean any dividend the warrant in respect whereof has not been encashed or which has otherwise not been paid or claimed.
- (c) Where any instrument of transfer of shares as been delivered to the Company for registration and the transfer of such shares has not been registered by the Company, it shall :
  - (i) transfer the dividend in relation to such shares to the Special Account referred to in Section 205A of the Act unless the Company is authorised by the registered holder of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer; and
  - (ii) keep in abeyance in relation to such shares any offer of rights shares under clause (a) of sub-section (1) of Section 81 and any issue of fully paid up bonus shares in pursuance of sub-section (3) of Section 205 of the Act.

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

Dividend and call together

## **CAPITALISATION**

165. The Company in General Meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Account, or in the hands of the Company and available for dividend (or representing premium received on the issue of shares and standing to the credit of the Share Premium Account) be capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such shareholders in paying up in full either at par or at such

Capitalisation

premium as the resolution may provide, any unissued shares or debentures or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares or debentures or debenture-stock and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum. Provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purpose of this Article, only be applied in the paying of any unissued shares to be issued to Members of the Company as fully paid bonus shares.

166. A General Meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company, or any investments representing the same, or any other undistributed profits of the Company not subject to charge for income-tax be distributed amongst the Members on the footing that they receive the same as capital.

Surplus on sale of capital assets

Board empowered to settle difficulties on capitalisation, etc.

167. For the purpose of giving effect to any resolution under Articles 165 and 166 the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient, and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any Member upon the footing of the value so fixed or that fraction of less value than Rs.100/- may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the person entitled to the dividend or capitalised fund as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Act, and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.

## ACCOUNTS

Company to keep true accounts

168. (1) The Company shall keep at the Office or at such other place in India as the Board thinks fit, proper books of account in accordance with Section 209 of the Act with respect to –

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

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

(3) the Company shall preserve in good order the books of account relating to a period of not less than eighty years preceding the current year together with the vouchers relevant to any entry in such books of account.

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

(5) the books of account shall give a true and fair view of the state of the affairs of the Company and shall be open to the inspection of Members not being Directors, and no Member (not being a Director) shall have any right to inspection any accounts or books or documents of the Company except as conferred by law or authorised by the Board.

169. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors, and no Member (not being a Director) shall have any right of inspection any accounts or books or documents of the Company except as conferred by law or authorised by the Board. As to inspection of accounts or books by Members

170. The Directors shall from time to time, in with Sections 210, 211, 212, 215, 216 and 217 of the Act, cause to be prepared and to be laid before the Company in General Meeting, such Balance Sheets, profit and loss accounts and reports as are required by these sections. Statement of accounts to be furnished in general meeting

171. A copy of every such Profit and Loss Account and Balance Sheet (including the Auditors' Report and every other document required by law to be annexed or attached to the Balance Sheet), shall at least twenty one days before the meeting at which the same are to be laid before the Members, be sent to the Members of the Copies shall be sent to each Member

Company, to holders of debentures issued by the Company (not being debentures which ex-facie are payable to the bearer thereof), to trustees for the holders of such debentures and to all persons entitled to receive notice of General Meetings of the Company.

## **AUDIT**

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

173. Subject to provisions of Article 179, every Balance Sheet and Profit and Loss Account of the Company when audited and adopted by the Company at an Annual General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period, the Balance Sheet and Profit and Loss Account shall forthwith be corrected, and thenceforth shall be conclusive.

174. The Directors shall, if they consider it to be necessary and in the interest of the Company, be entitled to amend the audited accounts of the Company of any financial year which have been laid before the Company in General Meeting. The amendments to the accounts effected by the Directors in pursuance of this Article shall be placed before the Members in General Meeting for their consideration and approval.

Auditors, their rights, duties and liabilities

When accounts to be deemed finally settled

Power to amend audited accounts laid before the Company in General Meeting

## **DOCUMENTS AND NOTICES**

Service of documents or Notices on Members by Company

175. (1) A document or notice may be served or given by the Company on any Member either personally or by email, or by sending it by post to him to his registered address (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.

(2) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, 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 under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by

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

(3) Notwithstanding anything contained herein in the case of a non-resident member, any document or notice shall be given or serviced by fax or telex as specified by such member, and such service shall be deemed to be effected upon receipt of the proper telex answer back code or fax confirmation by the company.

By advertisement 176. A document or notice advertised in a newspaper circulating in the neighbourhood of the Office shall be deemed to be duly served or sent on the day on which the advertisement appears on or to every Member who has no registered address in India and has not supplied to the Company an address within India for the serving of documents on or the sending of notices to him.

On jointholders 177. A document or notice may be served or given by the Company on or to the joint-holders of a share by serving or giving the document or notice on or to the joint-holder named first in the Register of Members in respect of the share.

On personal representatives etc. 178. 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 the post in prepaid letter addressed to them by name or by the title of representatives of the deceased, or assignee of the insolvent or by any like description, 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.

179. Documents or notices of every General Meeting shall be served or given in some manner hereinbefore authorised on or to (a) every Member, (b) every person entitled to a share in consequence of the death or insolvency of a Member and (c) the Auditor or Auditors for the time being of the Company.

180. 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 share, which 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 share.

To whom documents or notices must be served or given

Members bound by documents or notices served or given to previous holders

Document or notice by Company and signature thereto

181. 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 for such purpose and the signatures thereto may be written, printed or lithographed.

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

Service of documents or notices by Members

(b) Notwithstanding anything contained in (a) above, a member may serve all documents or notices to the company by cable, telex or fax provided that the proper answer back is received for telex and fax transmissions.

### **WINDING UP**

183. The Liquidator on any winding-up (whether voluntary, under supervision or compulsory) may, with the sanction of a Special Resolution, but subject to the rights attached to any preference share capital, divide among the contributories in specie 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 like sanction shall think fit.

Liquidator may divide assets in specie

### **INDEMNITY AND RESPONSIBILITY**

184. Every officer or agent for the time being of the Company shall be indemnified out of the assets of the Company against all liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.

Directors and others' right of indemnity

### **INSPECTION OF REGISTERS ETC.**

Inspection of Registers etc.

185. Where under any provisions of the Act any person, whether a Member of the Company or not, is entitled to inspect any register, return, certificate, deed, instrument or document required to be kept or maintained by the Company, the person so entitled to inspection shall be permitted to inspect the same during business

hours, for such periods not being less in the aggregate than two hours in each day as the Directors may determine.

### **SECRECY CLAUSE**

Secrecy Clause

186. (a) Every Director, Manager, Auditor, Treasurer, Trustee, member of a Committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with any customer, supplier, lender, borrower, financial institutions, adviser, consultant or government authority and the state of the company's accounts and the industrial processes, technical know-how and research owned by available to, and utilised by the company, and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the persons to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

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

### **RECORDS IN ELECTRONIC FORM**

187. The Company shall be entitled to create, keep, maintain and produce any document, paper, record, book and register in electronic form through computer or otherwise in accordance with the provisions of the Act or the Information Technology Act, 2000 or any successor thereof, or any other law for the time being in force.



We, the several persons whose names, addresses and occupations are subscribed, are desirous of being formed into a Company in pursuance of these Articles of Association.

Name of subscribers and Signatures	Addresses, Descriptions and Occupations of Subscriber	Signatures of Witnesses and their Address, Descriptions and Occupations.
<p>TRILOCHAN SINGH SAHNEY son of SANT SINGH Sahney J. S. S. 1</p> <p>DEVESH SINGH SAHNEY SON OF TRILOCHAN SINGH SAHNEY</p> <p><i>A. S.</i></p>	<p>13, SHANGRI-LA, 27 A, CARMICHAEL ROAD, MUMBAI - 400026 BUSINESS</p> <p>13, SHANGRI-LA 27, A, CARMICHAEL ROAD, MUMBAI 400026 - BUSINESS</p>	<p>W. it was to take signatures P. 3/2</p> <p>Venkateswaran Sahney 13, New Lyric, Phiroze Jeejeebhoy Road, Colaba, Mumbai, Maharashtra Company Secretary in Practice</p>

Place: Mumbai

Date: 19<sup>th</sup> January, 2011