

THE INDIAN COMPANIES ACT 2013  
(INCORPORATED UNDER THE COMPANIES ACT 1882)

MEMORANDUM OF ASSOCIATION

OF

SHALIMAR PAINTS LIMITED

1. The name of the Company is "Shalimar Paints Limited".
2. The registered office of the Company will be situated in the State of Haryana\*.
3. The objects for which company is established are:-
  - (a) To acquire by purchase the business, land, jety, buildings, plant, machinery, furniture, stocks, goodwill and other effects of the paint, colour, varnish and composition manufacturing business, carried on by The Shalimar Works Limited, at Shalimar and Goabaria, in the District of the 24 Pargunnahs, in the Province of Bengal, for such price as may be mutually agreed upon.
  - (b) To carry on the trade or business of paint, colour, varnish, composition, oil, soap, candle and chemical manufacturer, painters of ships, steamers and other vessels and to buy, sell, manufacture and deal in oil and materials for the manufacture of paints of all kinds, colour, varnish, composition, soap, candles and chemicals.
  - # (b) To carry on business as Manufacturers, Dealers, Importers, Exporters and Agents of such consumer, industrial, marine and agricultural products and commodities as are synergetic and/ or add economic value to company operations.
  - (c) To build, purchase, reclaim, charter, lease, hire or otherwise acquire, equip, maintain, improve and repair land, buildings, workshops, warehouses, launches, cargo boats, floating godowns, piers, jetties, wharves, landing places, roads, railways, tramways, docks ponds, canals, mines and other buildings and works, calculated, directly or indirectly, to advance the interests of the Company, and to contribute to the expense of constructing, maintaining and improving any such works.
- # *Inserted by Special Resolution Passed at the Annual General Meeting held on 16<sup>th</sup> December, 1994 and approved by the Company Law Board, Eastern Region Bench, vide Letter No. CLB/ERB/CAI/4(279)/95 dated 26.05.97 Containing Certified Copy of Order dated 28<sup>th</sup> February, 1997.*
- \* *The Shareholders of the Company have passed a Special Resolution on 15<sup>th</sup> March, 2016, through Postal Ballot Process, approving shifting of the Registered Office of the Company from State of West Bengal to State of Haryana and approved by the Hon'ble Regional Director, Eastern Region, Kolkata, vide Letter No. RD/T/23269/S-13(4)/16/6452 DATED 05.08.16 Containing Certified Copy of Order dated 5th August, 2016.*
- \*ca To acquire, purchase, sell, own, manage, improve, develop, let, take on lease, exchange, mortgage, assign, hire or otherwise acquire and/or sell of any type of lands or properties of any tenure of interest therein and to erect and construct houses, multistoried buildings including commercial, residential, farm houses, group housing, flats, townships and civil works of every land rebuild and enlarge, alter and improve existing houses, buildings and works thereon and to convert and appropriate any such land into road, streets, gardens and other convenience and generally to act as real estate developers, builders, colonisers, contractors & agents.
- \*cb To set up all types of infrastructure projects, facilities & to build, construct, install, commission, lay down, establish, own, operate, manage, administer, lead, transfer all infrastructure projects, works and facilities including industrial parks, agricultural parks, roads, bridges, gardens, fly-overs, highways, roadways, rail-roads, air strips, air-ports, ports, warehousing, storage plants, exhibition parks, well, dams, water treatment and supply systems, sewage drainage treatment plants and systems, environmental protection plants and systems, canals, electrical works, generation, transmission, distribution and supply of power and related development and construction work.
- \*cc To act as traders, agents including commission agents, brokers & supervisors for all types of land, real estate and development and construction and infrastructure activities.
- \*cd To build, construct, establish, own, purchase, sell, take on lease or exchange or otherwise acquire, hold, maintain, manage and operate industrial, institutional, commercial or residential buildings and plots, apartment houses, business centres, cafeterias, hotels, motels, hostels, restaurants, parking facilities, factory premises, godowns, galas, warehouses, flats, hostels, boarding houses, clubs, pleasure grounds and

amusement parks, theatres, cinemas or other show houses, meeting or lecture halls, libraries, dharamshalas and sarais, health resorts and sanatoriums, gardens, swimming pools and baths, huts, bazars and market, melas and exhibition and to let, sublet, give on lease or otherwise to permit use and occupation of the same for rent or on hire charges and provide for the tenants and occupiers thereof all or any of the conveniences commonly provided in residential, commercial and industrial quarters on a support service or on a commercial basis.

- (d) To purchase or otherwise acquire any patents, inventions, licences, commissions and the like, conferring any exclusive or non-exclusive or limited right to use any invention which may seem capable of being used for any of the purposes of the Company, or the acquisition of which may seem calculated, directly or indirectly, to benefit this Company, and to use, exercise, develop, grant licences in respect of, or otherwise turn to account, the property and rights acquired.
- \* *Inserted by Special Resolution Passed by the Members of the Company by means of Postal Ballot process on 7<sup>th</sup> December 2007.*
- (e) To acquire and undertake the whole or any part of the business, property and liabilities of any person or company carrying on any business which this Company is authorized to carry on or possessed of property suitable for the purposes of this Company.
- (f) To enter into partnership or into any arrangement for sharing profits, union of interests, co-operation, joint adventures, reciprocal concessions or otherwise, with any person or company carrying on, or engaged in, or about to carry on or engage in, any business or transaction which this Company is authorised to carry on or engage in, or any business or transaction capable of being conducted, so as, directly or indirectly, to benefit this Company, and to take or otherwise acquire shares and securities of any such company, or of any company dealing with this Company, and to hold, sell, re-issue, with or without guarantee, or otherwise deal with the same.
- (g) To sell the undertaking of the Company or any part thereof for such consideration as the Company may think fit, and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to those of this Company.
- (h) To promote any other Company for the purpose of acquiring all or any of the property and liabilities of this Company, or for any other purpose which may seem, directly or indirectly, calculated to benefit this Company.
- (i) Generally, to purchase, take on lease or in exchange, hire or otherwise acquire any moveable or immovable property and any rights or privileges, which the Company may think necessary or convenient for the purposes of its business.
- (j) To invest and deal with the moneys of the Company not immediately required upon such securities, including Indian Government, municipal and other loans, in such manner as may, from time to time, be determined.
- (k) To allot shares in this Company, to be considered as fully or partly paid up in payment for any property of whatever description which the Company may acquire.
- (l) To lend money to such persons, and on such terms, as may seem expedient, and in particular to customers and others having dealings with the Company, and to guarantee the performance of contracts by any such persons.
- (m) To borrow or raise money in such manner as the Company may think fit and in particular by the issue of bonds, debentures, or debenture stock, perpetual or otherwise charged upon all or any part of the Company's property both present and future, including its uncalled capital or by bills of exchange, promissory notes or other obligations of the Company or by mortgage or charge of all or any part of the property of the Company, or by receiving money in advance of calls upon shares with power to make any arrangements as to interest thereon which the Company may from time to time see fit.
- (n) To sell, improve, manage, work, develop, lease, mortgage, dispose of, turn to account or otherwise deal with all or any part of the property of the Company.
- (o) To purchase or otherwise acquire shares in any other Company and to dispose thereof by sale or otherwise.
- (p) To procure the Company to be registered or recognized in any foreign place or country.

- (q) To do all or any of the above things as principals, agents, contractors, trustees or otherwise, and by or through trustees, agents or otherwise, and either alone or in conjunction with others.
  - (r) To enter into arrangements with any authorities with supreme, municipal, local or otherwise that may seem conducive to the Company's objects or any of them.
  - (s) To change the name of the Company from time to time on complying with the formalities required by law.
  - (t) To do all such other things as are incidental or conducive to the attainment of the above objects or any of them, in the State of West Bengal or any other part of the world.
4. The liability of the Members is limited.
- \*\$5. The Authorised Share Capital of the Company is Rs. 20,00,00,000/- (Rupees Twenty Crore Only) consisting of 10,00,00,000 (Ten Crore) equity shares of Rs. 2/- (Rupees Two Only) each.
- \* Authorised Share Capital of the Company increased to Rs.5 crores from Rs.2 crores by Ordinary Resolution Passed at the Annual General Meeting held on 3<sup>rd</sup> September, 1992 and further increased to Rs.8 crores by Ordinary Resolution Passed at the Annual General Meeting held on 22<sup>nd</sup> December, 1995.
- # The Authorised Share Capital of the Company was sub-divided into 4,00,00,000 equity shares of Rs.2/- by Ordinary Resolution passed at the Extraordinary General Meeting held on 26<sup>th</sup> October, 2012.
- \$ Authorised Share Capital of the Company increased from Rs.8 crores to Rs.20 crores by Ordinary Resolution Passed by the members through Postal Ballot, result of which was declared on 07<sup>th</sup> July, 2018

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

Dated this 16<sup>th</sup> day of December, 1992

NAME, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS	Number of Shares taken by each Subscriber
A. M. TURNER Merchant 6, Dale Street, Liverpool	1 share
EDWARD C. TURNER Sugar Refiner 6, Dale Street, Liverpool	1 share
J. K. OSGOOD Merchant, 6, Dale Street, Liverpool	1 share
C. E. SMYTH Merchant 6, Lyons Range, Calcutta	1 share
J. M. G. PROPHIT Merchant 6, Lyons Range, Calcutta	1 share
W. K. DOWDING Merchant 6, Lyons Range, Calcutta	1 share
FRANK W. CARTER Merchant 6, Lyons Range, Calcutta	1 share
	7 shares

WITNESS to the signatures of the above named A. M. Turner, E.S. Turner and J.K. Osgood:-

W. J. KING  
Cashier to Turner and Co.  
6, Dale Street, Liverpool.

WITNESS to the signatures of the above named C. E. Smyth, J. M. G. Prophit, W. K. Dowding and F. W. Carter:-

J.A. GALLOWAY  
Assistant,  
Turner, Morrison & Co. Ltd.  
6, Lyons Range, Calcutta.

THE COMPANIES ACT, 2013  
PUBLIC COMPANY LIMITED BY SHARES  
(INCORPORATED UNDER THE COMPANIES ACT, 1882)

ARTICLES OF ASSOCIATION\*\*  
OF  
SHALIMAR PAINTS LIMITED

(Adopted by Special Resolution passed at General Meeting of the Company held on 9<sup>th</sup> May, 1972)

**PRELIMINARY**

1. Subject as hereinafter provided the Regulations contained in Table 'F' in the First Schedule to the Companies Act, 2013 shall apply to the Company.

**Interpretation Clause**

2. For purposes of these Articles, the following words and expressions, when capitalised, shall have the following meanings assigned to them:

- \* "Beneficial Owner" shall mean beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.
- \* "Depositories Act, 1996" shall include any statutory modification or re-enactment thereof.
- \* "Depository" shall mean a Depository as defined under clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996.

"Dividend" shall include Bonus.

"In writing" and "written" shall include printed, lithograph, typewritten and visibly represented or reproduced by any other mode.

- \* *Inserted by Special Resolution Passed at the Annual General Meeting held on 7<sup>th</sup> December, 2000.*

- \*\* *The entire set of Articles has been replaced vide Special Resolution passed at the Annual General Meeting of the Company held on September 28, 2016.*

- \* "Member" means the duly registered holder from time to time of the shares of the Company and includes the subscribers of the Memorandum of the Company and the beneficial owner(s) as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.  
 "Month" shall mean calendar month.  
 "Paid up" shall mean paid up capital as defined under section 2(64) of the Companies Act, 2013.  
 "Proxy" includes Attorney duly constituted under a Power of Attorney.
- \* "Record" includes the records maintained in the form of book or stored in a computer or in such other form as may be determined by regulations made by SEBI Board; and  
 "Seal" shall mean the Common Seal of the Company.  
 "Secretary" shall mean a Company Secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 (56 of 1980) and who is appointed by a Company to perform the functions of a Company Secretary under this Act.  
 "The Act" shall mean the Companies Act, 2013 and the Companies Act, 1956 or any statutory modification or re-enactment thereof from time to time, and every other Act concerning joint stock companies for the time being in force and affecting the Company.  
 "The Board of Directors" or "the Board" shall mean the collective body of directors of the Company.  
 "The Company" shall mean Shalimar Paints Limited.  
 "The Directors" shall mean the Directors for the time being of the Company.  
 "The Managing Director" or "The Managing Directors" shall mean the Managing Director or the Managing Directors for the time being of the Company.  
 "The Office" shall mean the Registered Office for the time being of the Company.
- \* "The Register" shall mean a register and Index of Members maintained in accordance with all acceptable provisions of the Companies Act, 1956 and the Depositories Act, 1996 and the rules framed thereunder with the details of shares held in material and dematerialised form in any media as may be permitted by law including any form of electronic media.  
 "The Registrar" shall mean the Registrar of Companies, NCT of Delhi and Haryana.  
 "Year" shall mean calendar year and "financial year" shall have the same meaning assigned thereto by or under the Companies Act, 2013.  
 Words and expressions which have a special meaning assigned to them in the Act shall have the same meaning in these Articles.  
 Words importing the singular number only shall include the plural, and the converse shall also apply.  
 Words importing males shall include females.  
 Words importing individuals shall include corporations.
- \* Inserted by Special Resolution passed at the Annual General Meeting held on 7<sup>th</sup> December, 2000.

#### **Buyback of Securities**

- \*3 The Company shall have power, subject to and in accordance with all applicable provisions of the Act to purchase any of its own fully paid shares or other specified securities whether or not they are redeemable and may make a payment out of its free reserves or securities premium account of the Company or proceeds of any shares or other specified securities provided that, no buy-back of any kind of shares or other specified securities shall be made out of the proceeds of an earlier issue of the same kind of shares or same kind of other specified securities; or from such other sources as may be permitted by law on such terms, conditions and in such manner as may be prescribed by the law from time to time in respect of such purchase.

#### **SHARES**

##### **Division of Capital**

- \*#4 The Authorised Share Capital of the Company is as mentioned in Clause 5 of the Memorandum of Association of the Company with power of the Board of Directors to sub-divide, consolidate and increase and with power from time to time, issue any shares of the original capital with the subject to any preferential, qualified or special rights, privilege or condition as may be, though fit, and upon the sub-division of shares aspiration the right to participate in profits in any manner as between the shares resulting from sub-division.

#### **Allotment of Shares**

- \*\*\*5 Subject to the provisions hereinafter contained the shares shall be under the control of Board of Directors, who may, subject to the provisions of the Act, allot or otherwise dispose of the same to such persons, on such terms and conditions, and at such times, and for such consideration as it thinks fit. Provided always, that if the Board decides to increase the subscribed capital of the Company by allotment of further shares, it shall comply with the provisions of section 81 of the Act.

Option or right to call of shares shall not be given to any person or persons without the sanction of the Company in General Meeting.

#### **Restriction on allotments**

6. If the Company shall offer any of its shares to the public for subscription the amount payable on application on each share shall not be less than 5 per cent of the nominal amount of the shares.

#### **Payment of commission and brokerage**

7. 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 in, or debentures of, the Company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in, or debentures of, the Company, but so that if the commission in respect of the shares or debentures shall be paid or payable out of capital the statutory conditions and requirements shall be observed and complied with, and the amount or rate of commission shall not exceed 5 per cent of the price at which the said shares are issued and 2.5 per cent of the price at which the said debentures are issued. Such commission may be satisfied by the payment in cash, or by the allotment of fully or partly paid shares or debentures, or partly in one way and partly in the other. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.

\* Substituted by Special Resolution Passed at the Annual General Meeting held on 7<sup>th</sup> December, 2000.

\*\* Authorised Share Capital of the Company increased to Rs.5 crores from Rs.2 crores by Ordinary Resolution Passed at the Annual General Meeting held on 3<sup>rd</sup> September, 1992 and further increased to Rs.8 crores by Ordinary Resolution Passed at the Annual General Meeting held on 22<sup>nd</sup> December, 1995.

\*\*\* Substituted by Special Resolution Passed at the Annual General Meeting held on 19<sup>th</sup> June, 1987.

\*# Substituted by Special Resolution Passed by the members through Postal Ballot, result of which was declared on 07<sup>th</sup> July, 2018

#### **Payment of interest out of capital**

8. Where many shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings, or the provision of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of such share capital as is for the time being paid up, for the period and subject to the conditions and restrictions mentioned in sub-sections (3) to (7) of section 208 of the Act, and may charge the sum so paid by way of interest, to capital as part of the cost of construction of the works or building or the provision of the plant.

#### **Shares at a discount**

9. Except sweat equity shares, a Company shall not issue shares at a discount.

#### **Redeemable Preference Shares**

10. The Company shall have power to issue preference shares which are, or at the option of the Company are to be liable, to be redeemed on any terms and in any manner permissible by the Act, and the Board may, subject to the provisions of the Act, exercise such power in any manner it thinks fit.

#### **Instalments on shares to be duly paid**

11. If, by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the share.

#### **Beneficial owner deemed as Absolute Owner**

- \*12. 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 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 has express or implied notice thereof, but the Board shall be entitled 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.

#### **Who may be registered**

13. Shares may be registered in the name of any person or body corporate. Not more than four persons shall be registered as joint holders of any share.

## **CERTIFICATES**

### **Certificates**

- \*\*14** The certificates of the title to shares, and duplicates thereof when necessary, shall, unless the conditions of issue of any shares otherwise provide, be completed and ready for delivery within two months after allotment or within one of the receipt of the application for registration of the transfer of the shares, as the case may be. Provided however, no Share Certificate(s) shall be issued for Shares held in a depository.
- \*** Substituted by Special Resolution Passed at the Annual General Meeting held on 7<sup>th</sup> December, 2000.
- \*\*** Substituted by Special Resolution Passed at the Annual General Meeting held on 19<sup>th</sup> June, 1987. Further amendment made by Special Resolution passed at the Annual General Meeting held on 7<sup>th</sup> December, 2000.

### **Members' right to certificate**

- 15.** Every member shall be entitled without payment to one certificate for all his shares of one class registered in his name or, in the case of shares of more than one class being registered in his name, to a separate certificate for each class of shares so registered. Every certificate shall specify the number and class of shares in respect of which it is issued and the denoting numbers of such shares and the amount paid up thereon respectively.

### **Company entitled to dematerialize/ rematerialize its shares**

- \*15A.** Notwithstanding anything contained in this Articles of Association, the Company shall be entitled to dematerialise its existing shares, rematerialize its shares held in the Depositories and/ or to offer its fresh shares in a dematerialise form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

### **Option for investor**

- \*15 B.** Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the Securities with a Depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted by law, in respect of any Security in the manner provided by the Depositories Act, and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.
- \*15C.** If a person opts to hold a Security with a Depository, Company shall intimate such depository, the details of allotment of the Security and, on receipt of the information, the Depository shall enter its record the name of the allottee as the Beneficial Owner of the Security.

### **Additional Certificates**

- 16.** If any member shall require additional certificates he shall pay for each additional certificates a sum of Rs.2/- or such less sum as the Board may determine. The Board may waive such a charge.

### **Subdivision or Consolidation**

- 17.** No certificate shall be issued in exchange for a certificate on subdivision or consolidation unless the certificate in lieu of which it is issued is surrendered to the Company, and a fee not exceeding Rs.2/- for every certificate to be issued is paid to the Company, which the Board may waive.
- \*\*** Notwithstanding anything contained hereinabove, the Board of Directors may refuse applications for subdivision or consolidation of share certificates into denominations of less than 25 except when such subdivision or consolidation is required to be made to comply with a statutory order or an order of a competent Court of Law.

### **Renewal of certificates**

- 18.** If any certificate be defaced, worn out, decrepit, mutilated or torn, then a new certificate may be issued in lieu thereof on payment of a fee not exceeding Rs.2/- as the Board may prescribe and on surrender of the certificate in lieu of which it is issued. The Board may waive such a fee.

### **Duplicate certificates**

- 19.** If any certificate be lost or destroyed, then a duplicate certificate may be issued in lieu thereof, with the prior consent of the Board, on payment of a fee not exceeding Rs.2/- as the Board may prescribe and on such terms as to satisfactory evidence about the loss or destruction of the certificate, indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the Board may think fit. The Board may waive such a fee.



- \* Inserted by Special Resolution Passed at the Annual General Meeting held on 7<sup>th</sup> December, 2000.  
 \*\* Inserted by Special Resolution Passed at the Annual General Meeting held 19<sup>th</sup> June, 1987.

#### **Sealing and signing of certificates**

20. Every certificate shall be issued under the seal of the Company, which shall be affixed in the presence of (i) two Directors, one of them being a Director other than the Managing or Wholetime Director, and (ii) the Secretary or some other person appointed by the Board for the purpose, and the two Directors or their attorneys and Secretary or other person shall sign the certificate. A Director may sign a 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.

#### **Debenture Certificate**

21. Unless the terms and conditions of issue of any debentures or debenture stock otherwise provide, Clauses 14 to 20 above shall apply with respect to certificates for debentures or debenture stock.

### **JOINT HOLDERS OF SHARES**

#### **Joint Holders**

22. 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 benefit of survivorship, subject to the provision following:

#### **Liability Several as well as Joint**

- (a) The joint holders of any share shall be liable, severally as well as jointly, in respect of all payments which ought to be made in respect of such share.

#### **Survivors of joint holders recognized**

- (b) On death of any one such joint holders the survivor or survivors shall be the only person or persons recognized by the Company as having any title to such share; but nothing herein contained shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him.

#### **Receipts**

- (c) Any one of such joint holders may give effectual receipts for any dividend, bonus or return of capital payable to such joint holders

#### **Who entitled to certificate, notice etc.**

- (d) Only the person whose name stands first in the register as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share, or to receive notices from the Company, and any notice given to such person shall be deemed notice to all the joint holders.

#### **Voting**

- (e) Any one of the joint holders of any share for the time being conferring a right to vote may vote, either personally or by proxy, at any meeting in respect of such share as if he were solely entitled thereto, provided that if more than one of such joint holders be present at any meeting, either personally or by proxy, the person whose name stands first in the register as one of such holders, and no other, shall alone be entitled to vote in respect of the said share.

### **CALLS**

#### **Calls, how made**

23. The Board may from time to time, subject to the terms on which any shares may have been issued and to the provisions of section 91 of Act, by resolution passed at a meeting of the Board make such calls as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively (whether on account of the nominal amount of the shares or by way of premium), and not by the terms of issue thereof made payable at any fixed time, and each member shall, subject to receiving not less than fourteen days'

notice in writing specifying the time and place for payment, pay to the Company at the time and place so specified the amount called on his shares. A call may be made payable by instalments. A Call may be revoked or postponed at the discretion of the Board.

#### **When call deemed to be made**

24. A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed.

#### **Interest on Calls in arrear**

25. If a call payable in respect of any share or any instalment of a call be not paid on or before the day appointed for payment thereof, the holder for the time being of such share shall be liable to pay interest on the same at such rate, not exceeding ten per cent per annum, as the Board shall determine, from the day appointed for the payment of such call or instalment to the time of actual payment; but the Board may, if it shall think fit, waive payment of such interest or any part thereof.

#### **Instalments to be treated as calls**

26. If by the terms of issue of any shares, or otherwise, any amount is made payable on allotment or at any fixed date, whether on account of the nominal value of the shares or by way of premium, every such amount shall be payable as if it were a call duly made by the Board, of which due notice had been given; and in case of non-payment all the provisions hereof with respect to payment of calls and interest thereon, forfeiture or otherwise shall apply to every such amount and the shares in respect of which it is payable.

#### **Evidence in actions by Company against members**

27. On the trial or hearing of any action or suit brought by the Company against any member or his representatives to recover any debt or money claimed to be due to the Company for any call made in respect of his shares, it shall be sufficient to prove that the name of the defendant is, or was when the claim arose, on the register as a holder, or one of the holders, of the number of shares in respect of which such claim is made; 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 sued; and that the amount claimed is not entered as paid in the books of the Company; and it shall not be necessary to prove the appointment of the Directors who made any call, nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted, nor any other matter whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.

#### **Payment in advance of calls**

28. The Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the moneys uncalled and unpaid upon any shares held by him; and upon any shares held by him; and upon all or any of the moneys so paid in advance the Board may (until the same would, but for such advance, become presently payable) pay interest at such rates (not exceeding, without the sanction of the Company in general meeting, six per cent per annum) as may be agreed upon between the member paying the moneys in advance and the Board. Money so paid in excess of the amount of calls shall not confer a right to dividend or otherwise to participate in profits. The Board may at any time repay the amount so advanced upon giving to such member three months notice in writing.

#### **FORFEITURE AND LIEN**

##### **Notice requiring payment of call or instalment**

29. If any member fails to pay any call or instalment on the day appointed for the payment of the same, the Board may, at any time thereafter during such time as the call or instalment remains unpaid, serve a notice on such member requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

#### **Form of Notice**

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

#### **If notice not complied with, shares may be forfeited**

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

#### **Notice of forfeiture**

32. When any share shall have been so forfeited, notice to the resolution 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, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

#### **Forfeited shares and property of the Company**

33. Any shares so forfeited shall be deemed be the property of the Company, and may be sold or otherwise disposed of on such terms and in such manner, either subject to or discharged from all calls made instalments due prior to the forfeiture, as the Board thinks fit; the Board may. At any time before any shares so forfeited are sold or otherwise disposed of, annul the forfeiture thereof on such terms as it thinks fit.

#### **Liability to pay calls after forfeiture**

34. Any person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of the forfeiture, were presently payable by him to the Company in respect of the shares, together with interest thereon at such rate not exceeding ten per cent per annum, as the Board shall think fit, from the date of forfeiture until payment, but this liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares, together with interest as aforesaid. The Board may, if it shall think fit, remit payment of such interest or any part thereof.

#### **Evidence of forfeiture**

35. A duly verified declaration in writing that the declarant is a Director or Secretary of the Company, and that certain shares in the Company have been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares, and such declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposition thereof shall constitute a good title to such shares; and the person to whom the shares are sold shall be registered as the holder of such shares, and shall not be bound to see the application of the purchase money, nor shall his title to such shares be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, or disposal of the shares.

#### **Lien on shares**

36. The Company shall have a first and paramount lien upon all the shares, other than fully paid shares, held by any member of the Company (whether alone or jointly with other persons) and upon all dividends and bonuses which may be declared in respect of such shares, for all moneys (whether presently payable or not) called or payable at fixed time in respect of shares, whether the period for the payment thereof shall have arrived or not; Provided always that if the Company shall register a transfer of any shares upon which it has such a lien as aforesaid, without giving to the transferee notice of its claim, the said shares shall, in default of agreement to the contrary between the Company and the transferee, be freed and discharged from the lien of the Company.

#### **Enforcement of lien**

37. For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as it thinks fit; but no sale shall be made until such period as aforesaid shall have arrived, and until notice in writing of the intention to sell shall have been served on such member or his legal representatives, and default shall have been made by him or them in the payment of moneys called or payable at fixed time in respect of such shares for seven days after such notice.

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

38. The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of the moneys called or payable at a fixed time in respect of such shares of such member, and the residue, if any, shall be paid to such member or his legal representatives.

#### **What necessary to give title to Purchaser**

39. Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register as holder of the shares sold in substitution for the name of the holder whose shares have been sold, and the purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money, and after his name has been entered in the register as holder 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.

#### **Directors may issue new share certificates**

40. Where any shares under the powers in that behalf herein contained are sold by the Board and the certificate thereof has not been delivered up to the Company by the former holder of the said shares, the Board may issue a new certificate for such shares distinguishing it in such manner as it may think fit from the certificate not so delivered up.

### **TRANSFER AND TRANSMISSION**

#### **Execution of transfer etc.**

41. Subject to provisions of the Act, no transfer of shares shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on the behalf of the transferee and duly attested, and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares, or if no such certificate is in existence, along with the letter of allotment of the shares. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the register in respect thereof.

#### **Transfer of securities held in dematerialised form**

- \*41A. Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities affected by a Transferor and Transferee both of whom are entered as Beneficial owners in the records of a Depository.

#### **Register of Transfer**

- \*41B. The Company shall maintain a register of transfers and therein shall be fairly and distinctively entered particulars of every transfer or transmission of any share held in a material form.

#### **Applications by transferor**

42. Application for the registration of the transfer of a share may be either by the transferor or by the transferee, provided that, where such application is made by the Board gives notice of the application to the transferee in the manner prescribed by the Act, and the transferee makes no objection to the transfer within two weeks from the date of receipt of the notice.

#### **Form of transfer**

43. The instrument of transfer of any shares shall be in writing in the form prescribed under the Act or in such form as may from time to time be recognised by the Stock Exchanges in India or the respective Committees thereof.

#### Refusal to register transfer

- \*\*44. Subject to the provision of section 111 of the Act, the Board may at its own absolute and uncontrolled discretion and without assigning any reason, decline to register any transfer of shares upon which the Company has a lien, and in the case of shares not fully paid up may refuse to register a transferee of whom it does not approve. Registration of a transfer of shares shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except in the lien on the shares.

#### No transfer to minor etc.

45. No transfer shall be registered in favour of a person known to be a minor, insolvent or person of unsound mind.

#### Shares in fungible form

- \*45A. In the case of transfer or transmission or other marketable securities, where the Company has not issued any certificates and where such shares or securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply. Nothing contained in sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

#### Transfer to be left at office and evidence of title given

46. Every instrument of transfer shall be left at the office for registration, accompanied by the certificate of the shares to be transferred, and such other evidence as the Board may require to prove the title of the transferor or his right to transfer the shares and the transferee shall (subject to the Board's right to decline to register hereinbefore mentioned) be registered as a member in respect of such shares.

\* Inserted by Special Resolution Passed at the Annual General Meeting held on 7<sup>th</sup> December, 2000.

\*\* Substituted by Special Resolution Passed at the Annual General Meeting held on 19<sup>th</sup> June, 1987.

#### When transfer to be retained

47. All instruments of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Board may decline to register shall be returned to the person depositing the same.

#### Notice of refusal to register transfer

- \*48. If the Board refuses to register the transfer of, or the transmission by operation of law of the right to, any shares, it shall, within one month from the date on which the instrument of transfer, or the intimation of such transmission was delivered to the Company, send to the transferee and the transferor or the person giving intimation of such transmission, as the case may be, notice of the refusal.

#### Registration Fee

49. A fee not exceeding Rs.2/- may be charged for each transfer and for the registering of any Probate, Letters of Administration, Succession Certificate, Certificate of Death or Marriage, Power of Attorney or other instrument, and such fee shall, if required by the Board, be paid before the registration of any such transfer or any such documents or instruments. The Board may waive such a fee.

#### When transfer books and register may be closed

50. On giving seven days previous notice by advertisement in some newspaper circulating in Haryana, the transfer books and register of members may be closed during such time as the Board thinks fit, not exceeding in the whole forty- five days in any year, but not exceeding thirty days at a time.

#### Transmission of shares

51. The executors or administrators of deceased member (not being one of several joint-holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such member. Before recognising any executor or administrator the Board may require him to produce a Grant or Probate or Letters of Administration or other legal representation, as the case may be, from a court or competent jurisdiction in India and having effect in Haryana; provided nevertheless that in any case where the Board, in its absolute discretion, thinks fit, it shall be lawful for the Board to dispense with the production of Probate or

Letters of Administration or such other legal representation upon such terms as to indemnity or otherwise as the Board, in its absolute discretion, may consider necessary.

#### Nomination

- \*\*51A.** Every holder of share(s) in and/or debenture(s) of, the Company, so entitled under the Act and Rules framed thereunder may, at any time, nominate, in the manner prescribed under the Act, a person to whom his share(s) in and/or debenture(s) of the Company shall vest in the event of his death.
- (i) where the share(s) in and/or debenture(s) of the Company are held by more than one person jointly, the joint holders so entitled under the Act and Rules framed thereunder, may, together nominate in the manner prescribed under the Act, a person to whom all the rights in share(s) in and/or debenture(s) of the Company shall vest in the event of his death.
  - (ii) Notwithstanding anything contained in any other law for the time being in force or in these Articles or in any disposition, whether testamentary or otherwise, in respect of the share(s) and/or debenture(s) of the Company, where a nomination made in the manner prescribed under the Act, purports to confer on any person the rights to vest the share(s) and/or debenture(s) of the Company, the nominee shall, on the death of the shareholder and/or debenture holder concerned or on the death of the joint holders as the case may be, become entitled to all the rights in relation to such share(s) and/or debenture(s) to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner prescribed under the Act.

Where the nominee is a minor, the holder of the share(s) and/or debenture(s) of the Company can make the nomination in the manner prescribed under the Act, to appoint any person to become entitled to the share(s) and/or debenture(s) of the Company in the event of his death, during the minority.

\* Substituted by Special Resolution Passed at the Annual General Meeting held on 19<sup>th</sup> June, 1987.

\*\* Inserted by Special Resolution Passed at the Annual General Meeting held on 7<sup>th</sup> December, 2000.

#### Transmission in case of Nomination

- \*51B.** (i) Notwithstanding anything contained in these Articles any person who becomes a nominee by virtue of the provisions of Articles 51A, upon the production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either
- a) to be registered himself as holder of the share(s) and/or debenture(s) as the case may be, or
  - b) to make such transfer of the share(s) and/or debenture(s), as the case may be, as the deceased shareholder and/or debentureholder, concerned or deceased jointholder, as the case may be, could have made.
- (ii) If a person being a nominee, so becoming entitled, elects himself to be registered as holder of share(s) and/or debenture(s), as the case may be, he shall deliver or send to the Company a notice in writing duly signed by him stating the nominee concerned, so elects and such notice shall be accompanied with the death certificate(s) of the deceased shareholder/ debentureholder/ jointholders, as the case may be.
  - (iii) All the limitations, restrictions and provisions of these Articles, relating to the right to transfer and the registration of transfer of share(s) and/or debenture(s), shall be applicable to any such notice or the transfer as aforesaid as if the death of shareholder/debenture holder had not occurred and the notices or transfers were signed by the shareholder/ debenture holder/ joint holder, as the case may be.
  - (iv) A person being a nominee, becoming entitled to the share(s) and/or debenture(s) by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of share(s) and/or debenture(s), except that he shall not, before being registered a member in respect of his share(s) and/or debenture(s), be entitled in respect of it, to exercise, any right conferred by membership in relation to meeting of the Company.

\* Inserted by Special Resolution Passed at the Annual General Meeting held on 7<sup>th</sup> December, 2000.

Provided that the Board may, at any time give notice requiring any such person to elect either to be registered himself or to transfer the share(s) and/or debenture(s); and if the notice is not complied with, within ninety days, the Board may thereafter withhold payments of all dividends, bonuses or other moneys payable or rights accruing in respect of the share(s) and/or debenture(s), until the requirements of the notice have been complied with.

As to registration of or transfer by representative

52. Subject to the provisions of the last preceding Clause, any person becoming entitled to or to transfer any share in consequence of death, bankruptcy or insolvency of any member or in any way other than by transfer, upon producing the share certificate and such evidence that he sustains the character in respect of which he proposes to act under this clause of his title as the Board thinks sufficient may, with its consent (which it shall not be under any obligation to give), and subject to the regulation as to transfer hereinbefore contained, transfer such share, or may, with such consent as aforesaid, be registered as a member in respect of such share.

Death of member estate duty

53. If the Company shall become aware, though any of its principal officers, of the death of a member the Company shall comply with the requirements of the law relating to estate duty so far as the same ought to be complied with by the Company.

**INCREASE AND REDUCTION OF CAPITAL**

Power to increase Capital

54. The company in general meeting may, from time to time, by ordinary resolution alter the conditions of its Memorandum so as to increase its capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.

On What conditions new shares may be issued

55. Subject to the provisions of section 86 of the Act, and to any special rights or privileges for the time being attached to any issued shares, the new shares shall be issued upon such terms and conditions, and with such rights and privileges annexed thereto as the resolution creating the same shall direct, and if no direction be given, as the Board shall determine, and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting in conformity of sections 87 and 88 of the Act.

Provisions relating to the issue

- \*56. Before the issue of any new shares, the Company may, by ordinary resolution, make provision as to the allotment and issue of the new shares, and in particular may determine that the same, or any of them, shall be offered in the first instance either at par or at a premium or, subject to the provisions of the Act, at a discount. Subject to any direction to the contrary that may be given by the meeting that sanctions the increase of capital (provided such sanction shall have been given by a special resolution), all new shares shall be offered to all the existing holders of any class of shares, in proportion, as nearly as possible, to the capital paid up on those shares and such offer shall be made by notice specifying the number of shares to which the member is entitled and limiting the time, being not less than fifteen (15) days from the date of the offer, within which the offer, if not accepted, will be deemed to have been declined, and advising that upon the expiration of such time, or on receipt of an intimation from the member to whom such notice is given that he declines to accept the shares offered, the Board may dispose of the same in such manner as it thinks most beneficial to the Company.

\* Substituted by Special Resolution Passed at the Annual General Meeting held on 19<sup>th</sup> June, 1987.

New Capital to be considered part of original unless otherwise provided

57. 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 part of the existing capital, and shall be subject to the provisions herein contained with reference to the payment of dividends, calls and instalments, transfer and transmission, forfeiture, lien, voting and otherwise.

Inequality in number of new shares

58. If owing to any inequality in the number of new shares to be issued and the number of new shares to be issued and the number held by members entitled to have the offer of such new shares, any difficulty shall arise in the apportionment of such new shares or any of them amongst the members, such difficulty shall, in the absence of any direction in the resolution creating the shares or by the Company in general meeting, be determined by the Board.

Reduction of capital etc.

59. The Company may (subject to the provisions of sections 100 to 105 inclusive of the Act) from time to time, by special resolution, cancel shares, which at the date of the resolution, have not been taken or agreed to be taken by any person, or reduce its capital in any way and in particular (without prejudice to the Generality of the power) by paying of capital or cancelling capital which has been lost, or is unrepresented by available assets or reducing the liability on the shares or otherwise as may seem expedient, and capital may be paid off upon the footing that it may be called up again or otherwise as may seem expedient.

#### CONSOLIDATION, SUB- DIVISION & CONVERSION

##### Power to subdivided and consolidate shares

60. The Company may in general meeting alter the conditions of its Memorandum as follows:
- (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.
  - (b) Sub- divides its shares, or any of them, into shares of smaller amounts than originally fixed by the Memorandum, subject nevertheless to the provisions of the Act and of these Articles.
  - (c) Convert all or any of its fully paid up shares into stock, and reconvert that stock into fully paid- up shares of any denomination.

##### Sub-division into Preference and Equity

61. The resolution whereby any share is sub- divided may determine that, as between the holders of the shares resulting from such sub- division, one or more of such shares shall have some preference or special advantage as regards dividend, capital, voting or otherwise over or as compared with the others or other, subject, nevertheless, to the provisions of sections 85,87,88,91 and 106 of the Act.

##### Stock

62. When any shares have been converted into stock, the several holders of such stock may, thenceforth, transfer their respective interests therein, or any part of such interests, in the same manner and subject to which fully paid- up shares in the Company's capital may be transferred, or as near thereto as circumstances will admit. But the Board may, from time to time, if it thinks fit, fix the minimum amount of stock transferable, and direct that fractions of any sum not exceeding Rupees ten shall not be dealt with, but with power nevertheless, at its discretion, to waive such rules in any particular case.

##### Rights of Stock- holders

63. The stock shall confer on the holders thereof respectively the same privileges and advantages as regards participation in profits and voting at meetings of the Company, and for other purposes, as would have been conferred by shares of equal amount in the capital of the Company of the same class as the shares from which such stock was converted, but so that none of such privileges or advantages, except the participation in the profits of the Company or in the assets of the Company on a winding- up shall be conferred by any such aliquot part of stock as would not, if existing in shares, have conferred such privileges or advantages. No such conversion shall affect or prejudice any preference or other special privilege attached to the shares so converted. Save as aforesaid, all the provisions herein contained shall, so far as circumstances will admit, apply to stock as well as to shares.

##### Right of various classes may be altered

64. If at any time the capital is divided into different classes of shares, the rights attached to any class or any such rights (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provision of section 107 of the Act, be modified, abrogated, or varied with consent in writing of the holders of not less than three fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class, but not otherwise. To every such separate meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one- third of the issued shares of the class in question.

##### Creation or Issue of further shares of special class

65. The rights attached to any class of shares shall not (unless otherwise provided by the terms of issue of the shares of that class or by the terms upon which such shares are for the time being held) be deemed to be modified or varied by the creation or issue of further shares ranking *pari passu* therewith.



## BORROWING POWERS

### Power to borrow

66. The board may from time to time and at its discretion passed at a meeting of the Board borrow, subject to the provisions of sections 179, 180 of the Act, and secure the payment of any sum or sums of money for the purposes of the Company, provided, however that unless the Company in general meeting otherwise approves the power to borrow hereby conferred shall be limited to a sum not exceeding the aggregate of the paid-up capital of the Company and its free reserves for the time being; provided further that the limitation shall not apply to temporary loans obtained from the Company's bankers in the ordinary course of business. No debt incurred in excess of the limit imposed by this clause shall be valid or effectual unless the lender proves that he advanced the loans obtained from the Company's bankers in the ordinary course of business. No debt incurred in excess of the limit imposed by this clause shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit hereinbefore imposed had been exceeded.

### Conditions on which money may be borrowed

67. The Board may raise or secure the repayment or payment of any sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and in particular by the creation of any mortgage or charge on the undertaking of whole or any part of the property, present or future, or uncalled capital of the Company or by the issue of bonds, perpetual or redeemable, debentures or debenture stock of the Company charged upon all or any part of the property of the Company, both present and future, including its uncalled capital for the time being.

### Securities may be assignable free from equities

68. 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.

### Issue at discount etc. or with special privileges

69. Any debentures, debenture stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares (if approved in the manner provided by Section 62 of the Act), and attending at general meeting of the Company.

### Register of mortgages to be kept

70. The Board shall cause proper registers to be kept in accordance with the Act, of holders of debentures of the Company and also of all mortgages and charges specifically affecting the property of the Company, and shall duly comply with the requirements of the Act, in regard to the registration of mortgages and charges therein specified and otherwise and shall also duly comply with the requirements of the Act, as to keeping a copy of every instrument creating any mortgage or charge by the Company at the registered office, and the requirements of the Act, as to giving intimation of the payment or satisfaction of any charge or mortgage created by the Company.

### Register of holders of debentures

71. On giving seven days' previous notice by advertisement in some newspaper circulating in Haryana, every register of holders of debentures of the Company may be closed for any periods not exceeding in the whole forty five days in each year but not exceeding thirty days at any one time. Subject as aforesaid, every such register shall be open to the inspection of the registered holder of any such debentures and any of any member, but the Company may in general meeting impose any reasonable restrictions so that such register is open for inspection not less than two hours in each working day.

### Instruments of transfer

72. Subject to the provisions of the Act, no transfer of registered debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the debentures.

### Notice of refusal to register transfer

73. If the Board refuses to register the transfer of any debentures, it shall, within two months from the date on which the instrument of transfer was lodged with the Company send to the transferee and the transferor notice of the refusal.

#### Inspection of copies of mortgages

74. The Company shall comply with the provisions of the Act as to allowing inspection of Copies of mortgages and of the register of mortgages.

#### Supplying copies of Register of holders of debentures

75. The Company shall comply with the provisions of the Act as to supplying copies of any register of holders of debentures or of any Trust Deed for securing any issue of debentures.

#### Right of holders of debentures to Balance Sheets

76. Holders of debentures and their trustees shall have the same right to receive and inspect the Balance Sheets and Profit and Loss Accounts of the Company and the Reports of the Auditors and other reports as is possessed by the members of the Company.

#### Mortgage of uncalled capital

77. If the uncalled capital of the Company be included in or charged by any mortgage or other security, the Board may, by instrument under the Company's Seal, authorise the person in whose favour such mortgage or security is executed or any other person in trust for him, to make calls on the members in respect of such uncalled capital, and the provisions hereinbefore contained in regard to calls shall, mutatis mutandis apply to calls made under such authority and such authority may be made exercisable either to the exclusion of the Board's power or otherwise and shall be assignable if expressed so to be.

### GENERAL MEETINGS

#### Annual General Meeting

78. A general meeting shall be held in each year within six months of the closure of each financial year of the Company, unless the Registrar, for any special reason, has granted an extension of time within which any such general meeting shall be held by a further period not exceeding three months provided that unless the Registrar shall have extended the time as aforesaid not more than fifteen months shall elapse between the date of one such general meeting and that of the next. Every such general meeting shall be called for a time during business hours that is, between 9 a.m. to 6 p.m. on a day that is not a National Holiday and shall be held either at the office or at some other place within the city, town or village in which the registered office of the Company is situated as the Board may determine and the notices calling the meeting shall specify it as the Annual General Meeting.

#### Distinction between Annual and Extraordinary General Meetings

79. The general meetings referred to in the last preceding Article shall be called Annual General Meetings; all other meetings of the Company shall be called Extraordinary General Meetings.

#### When extra-ordinary Meetings to be called on Requisition

80. The Board may, whenever thinks fit, convene an Extraordinary General Meeting and it shall do so upon requisition in writing by any member or members holding in the aggregate one-tenth of the paid up capital upon which all calls or other sums that may be due have been paid.

#### Notice of Meeting

81. (a) Not less than clear twenty one days' notice to the members and directors specifying the place, date, day and hour of meeting, with a statement of the business to be transacted at the meeting, shall be given either by advertisement or by notice sent by post or through electronic mode or otherwise served as hereinafter provided. Subject to the provisions of the Act, in the case of an Annual General Meeting, with the consent of all the members entitled to vote at the meeting and in the case of any other meeting, by members holding not less than 95% of such part of the paid-up share capital of the Company as gives a right to vote at the meeting, which consent may be signified by electronic mode or in writing, a meeting may be called after giving less than twenty-one days' notice. The Board shall be entitled to assume the authenticity of and act without being obliged to require any or further evidence as to its authenticity.
- (b) In every such notice there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a member.

Omission to give notice

82. The accidental omission to give notice to any person entitled under these Articles to receive notice of a general meeting, or non- receipt by any such person of such notice, shall not invalidate the proceedings at that meeting.

**PROCEEDINGS AT GENERAL MEETINGS**

Business of Meeting

83. The business of an Annual General Meeting shall be to receive and consider the accounts and balance sheet, the reports of the Board of Directors and Auditors, and any other documents required by law to be attached or annexed to the balance sheet, to elect Directors in place of those retiring, to elect Auditors and fix their remuneration, and to declare a dividend. All other business transacted at an Annual General Meeting and all business transacted at an Extraordinary General Meeting shall be deemed special.

When explanatory statement to be annexed to notice

84. (a) Where any item of business to be transacted at a meeting is deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business, including in particular the nature and extent of the concern or interest, if any, therein, of every Director.
- (b) 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.

Quorum

85. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. The quorum for the general meetings shall be as provided in Section 103 of the Act.

When, if quorum not present, meeting to be dissolved and when to be adjourned

86. If within half an hour from the time appointed for a general meeting a quorum be not present, the meeting, if convened by or on the requisition of members, shall stand dissolved. In any other case the meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Board may determine. If at such adjourned meeting also a quorum be not present within half an hour from the time appointed for the meeting, those members who are present shall be deemed to be quorum, and may do all business which a quorum might have done.

Requisition

87. The requisition by members referred to in Article 80 must set out the matters for the consideration of which the meeting is 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.

Calling Meeting

88. If the Board does not proceed, within twenty- one days from the date of receipt of a valid requisition at the office, to cause an Extraordinary General Meeting to be called on a day not later than forty- five days from the date of receipt of the requisition, the requisitionists or such of them as are enabled so to do by virtue of section 100(4) of the Act, may themselves call the meeting, but any meeting so called shall be held within three months from the date of the deposit of requisition as aforesaid.

Manner thereof

89. Any meeting called under the foregoing Article by the requisitionists shall be called in the same manner, as nearly as possible, in which meetings are to be called by the Board, but such meeting shall be held at the Office.

#### Adjournment with consent of Meeting

90. The Chairman may, with the consent of any general meeting at which a quorum is present, adjourn the 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. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjourned meeting or of the business to be transacted thereat.

#### Chairman of General Meeting

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

#### How questions to be decided at meetings

92. At any general meeting every question shall be decided in the first instance by a show of hands; and unless a poll be (before or on the declaration of the result of the voting on a show of hands) directed by the Chairman or demanded by at least five members entitled to vote and present in person or by proxy, or by one or more members present in person or by proxy and having not less than one-tenth of the total voting power or holding shares in the Company conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right, a declaration by the Chairman that 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 that effect in the Minute Book of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

#### Poll

93. If a poll be directed or demanded in the manner hereinbefore mentioned, it shall (subject to provisions of Article 97 hereof) be taken at such time not later than forty-eight hours from the time when poll was demanded, and, subject to the provisions of the Act, in such manner as the Chairman may direct, and the result of such poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

#### Scrutineers at Poll

94. (1) 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.  
(2) The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and to fill vacancies in the office of scrutineer arising from such removal or from any other cause.  
(3) Of the two scrutineers appointed under this Article, one shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed.

#### Casting Vote

95. In the case of an equality of votes at any general meeting, whether on a show of hands or on a poll, the Chairman of the meeting shall be entitled to a casting vote in addition to the vote to which he may be entitled as a member.

#### Disputed Vote

96. No objection to the admission or rejection of any vote shall be taken except at the meeting or adjourned meeting at which the vote in dispute is given or tendered. The Chairman shall determine any such objection if made within due time, and such determination shall be final and conclusive.

#### When poll taken without adjournment

97. A poll demanded upon the election of a Chairman or upon a question of adjournment shall be taken forthwith. Any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

## VOTING

### Proxy permitted

98. Subject to the provision of these Articles, votes in any general meeting may be given either personally or by proxy, or in the case of a company or corporation by a representative, duly authorised under Article 103 hereof, and such representative's proxy.

### No vote where call unpaid

99. No member shall be entitled to be present or to vote, either personally or by proxy, or as proxy for another member, at any general meeting, or upon a poll, or be reckoned in quorum, whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such member, or in regard to which the Company has, and has exercised, any right of lien.

### Regulation of voting rights

100. Subject to the provisions of section 47 of the Act and subject to the provisions of Articles 101 and 102 hereof, every member not disqualified by the last preceding Article, shall be entitled to be present and to speak and vote at a general 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 capital of the Company. And provided that if any preference shareholder be present at any meeting of the Company, he shall have a right to vote in respect of preference share capital only on resolutions placed before the meeting which directly affect the rights attached to his preference shares.

### No vote by proxy on show of hands

101. No member present only by proxy not being himself a member shall be entitled a vote on a show of hands or speak at a general meeting.

### Voting Rights of Depositories and beneficial owner

- \*101A. Notwithstanding anything contained in these Articles of Association, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of shares on behalf of a Beneficial Owner. Save as otherwise provided hereinabove, the Depository as a registered owner shall not have any voting rights or any other rights in respect of shares held by it. Every person holding securities of the Company and whose name is entered as the Beneficial owner in the records of the Depository shall be deemed to be member of the Company; and the Beneficial owner shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of its shares held by a Depository.

### Joint holders

102. 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 the proxy so appointed shall not have any right to speak at the meeting and; if more than one of such joint holders be present at any meeting, that one of the said persons so present whose name stands first in the register shall be alone entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased member in whose name shares stand shall, for the purpose of these Articles, be deemed joint holders thereof.

\*Inserted by Special Resolution Passed at the Annual General Meeting held on 7<sup>th</sup> December, 2000.

### Representation of Companies or Corporations which are members of this Company

103. Any company or corporation which is a member of the Company may, by resolution of its Board or other Governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company, and the person so authorized shall be entitled to exercise the same rights (include the right to vote by proxy) on behalf of the company or corporation which he represents as that company or corporation could exercise if it were a natural person and a shareholder of the Company, and the production at the meeting of a copy of such resolution by the person so authorized (or his proxy) duly signed by an officer of such company or corporation and certified by him as being a copy of the resolution shall, on production at the meeting, be accepted by the Company as sufficient evidence of the validity of the appointment of the representative.

Votes in respect of deceased insane and insolvent members

104. Any person entitled under Article 52 to transfer any shares may vote at any general meeting in respect thereof in the same manner as if he were registered holder of such shares, provided that forty eight hours at least before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Board of his right to transfer such shares, or the Board shall have previously admitted his right to vote at such meeting in respect thereof. If any member be a lunatic, idiot or non compos mentis, he may vote whether by a show of hands or at a poll by his committee, curator bonis or other legal curator and such last mentioned persons may give their votes by proxy.

Instrument appointing proxy to be in writing

105. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised writing, or if such appointer is a company or corporation, under its common seal or the hand of its authorised officer, representative or attorney.

Proxies may be General or Special

106. A proxy who is appointed for a special meeting only shall be called a Special Proxy. Any other proxy shall be called a General Proxy.

Instrument appointing a proxy to be deposited at the office

107. 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, may be rejected if it has not been deposited at the office at least forty- eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote.

When vote by proxy valid though authority revoked

108. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer of the share shall have been received at the office before the meeting; provided nevertheless the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.

Form of Instrument

109. Every instrument appointing a Special Proxy shall, as nearly as circumstances will admit, be in the form or to the effect following and shall be retained by the Company:-

SHALIMAR PAINTS LIMITED

I, \_\_\_\_\_ of \_\_\_\_\_ being a member of Shalimar Paints Limited hereby appoint \_\_\_\_\_ of \_\_\_\_\_ (or \_\_\_\_\_ falling him \_\_\_\_\_ of \_\_\_\_\_ or falling him \_\_\_\_\_ of \_\_\_\_\_) as my Proxy in my absence to attend and vote for me, and on my behalf at the Annual or Extraordinary (as the case may be) General Meeting of the Company to be held on the day of and any adjournment thereof.

AS WITNESS I set my hand this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_  
Signed by the said

Provided always that if any form is prescribed by statute for use as an instrument appointing a Special Proxy such instrument shall be in that form.

Registered member to be subject to same rights and liabilities as remainder of his class

110. Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.

DIRECTORS

Number of Directors

111. Unless and until the Company in general meeting shall otherwise determine, the number of Directors shall not be less than three nor more than twenty as per Companies Act, 2013.

Existing Directors

112. At the date of adoption of these Articles the persons hereinafter named are the Directors of the Company namely:-

Mr. S. Chaudhuri  
Mr. C. A. Hogg  
Mr. E.W. Osmond  
Mr. P. B. Sen Gupta  
Mr. I. M. Malkani

No qualifications required

113. Unless otherwise determined by the Company in the General Meeting a Director shall not be required to hold any shares in the Company in order to qualify him to act as a Director, but nevertheless he shall be entitled to attend and speak at any general meeting of the Company and at any separate meeting of the holders of any class of shares.

Remuneration of Directors

- \*114. The remuneration payable to a Director for his services, whether as a Managing Director or as a Director in the whole or part time service of the Company, shall be determined in accordance with this Article and the Act. Unless otherwise determined by the Company in General Meeting, each Director, other than the Managing or Whole- Time Director, shall be paid out of the funds of the Company by way of remuneration for his services the sum of Rs.500/- or such higher amount as may be prescribed by the Central Government from time to time, for each meeting of the Board or of a Committee thereof, attended by him. Besides the fee aforesaid the Chairman of the Board of Directors may be paid an additional fee of Rs.500/- for each meeting of the Board, or a Committee thereof, attended by him, subject to the prior approval of the Central Government. A Managing Director or a Whole- time Director may be paid remuneration either by such monthly payment or at such specified percentage of the net profits of the Company (not exceeding that permitted by the Act) or partly by one way and partly by the other as may be determined by the Company in General Meeting by a special resolution. The Directors, other than a Managing or Whole- time Director, may also be paid a commission at such specified percentage of the net profits (not exceeding that permitted by the Act) as may be determined by the Company in General Meeting by a special resolution, as may be requisite for the purpose. The Directors shall also be entitled to be paid by way of reimbursement all reasonable travelling, hotel and other expenses incurred by them in connection with the business of the Company. Subject to the provisions of Act, if any Director, other than a Managing or Whole time Director, be called upon to perform extra service of a professional nature, the Company may pay such extra remuneration therefore as may be determined by the Board, and such remuneration may be in addition to the remuneration as in hereinbefore provided.

Alternate Director

115. The Board may appoint an alternate Director to act for a Director (hereinafter called "the original Director") during his absence for a period of not less than three months from India but so that an alternate Director shall not hold office as such for a period longer than that permissible to the original Director in whose place he shall have been appointed and shall have vacate office and if and when the original Director returns to India. If the term of office of the original Director is determined before he so returns to India aforesaid, any provision in the Act or in these Articles for the automatic re- appointment of retiring Directors in default of another appointment shall apply to the original Director and not to the alternate Director.

Casual vacancies and additions

116. The Board is empowered, at any time and from time to time, to appoint any other person to be a Director of the Company, either to fill a casual vacancy or as an addition to the Board, but so that the total number of Directors shall not exceed the maximum for the time being prescribed. A person appointed to fill a casual vacancy can hold an office until the date up to which the Director in whose place he is appointed would have held the same, and one who is appointed as an Additional Director shall hold office only up to the date of next Annual General meeting, but such person shall in either case be eligible for re- election. Whenever necessary, a Director shall file with the Registrar the consent required by Section 152 of the Act.

\*Substituted by Special Resolution Passed at the Extraordinary General Meeting held on 17<sup>th</sup> November, 1988.

#### Nominee Directors

- \*116A. (a) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The Industrial Credit and Investment Corporation of India (ICICI), The Industrial Reconstruction Bank of India Limited (IRBI), Life Insurance Corporation of India (LIC), Unit Trust of India (UTI), General Insurance Corporation of India (GIC), National Insurance Company Limited (NIC), The Oriental fire General Insurance Company Limited (OFGI), The New India Assurance Company Limited (NIA), United India Insurance Company Limited (UIA), or a State Financial Corporation or any financial institution owned or controlled by the Central Government or a State Government or the Reserve Bank of India (RBI) or by two or more of them or by Central Government or State Government by themselves (each of 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 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 right to appoint from time to time any person or persons as a Director or Directors, whole- time or non- whole- time (which director or directors, is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his their place/s.
- (b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. Also at the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.
- (c) The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds 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 moneys 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.

\* New Article inserted by Special Resolution Passed at the Extraordinary General Meeting held on 26<sup>th</sup> March, 1991.

#### Vacation of office by Directors

117. (1) The office of a Director shall become vacant if-
- He is found to be unsound mind by a Court of competent jurisdiction.
  - He applies to be adjudicated an insolvent.
  - He is adjudged an insolvent
  - 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.
- (e) An order disqualifying him for appointment as a director has been passed by the court or Tribunal and the order is in force.
- (f) He fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government has by notification in the official Gazette removed the disqualification incurred by such failure;
- (g) He absent himself from all the meeting of the Board held during a period of twelve months with or without seeking leave of absence of the Board.
- (h) He (whether himself, or by any person for his benefit, or on his account), or any firm which he is a partner, or any Private Company of which he is Director, accepts a loan, or any guarantee or security for a loan, from the Company in contravention of section 185 of the Act.
- (i) He being concerned or interested in any contract or arrangement, or proposed contract or arrangement, entered into or to be entered into by or on behalf of the Company fails to disclose the nature of his concern or interest as required by section 184 of Act.
- (j) He is removed in pursuance of section 169 of the Act;
- (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 has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years;
- (m) If a person is a Director of more than Twenty Companies or such other numbers of Companies as per the provisions of the Companies Act, 2013 or any other law for the time being in force, provided that the



- maximum number of public companies or holding or subsidiary company of a holding company in which a person can be appointed as a director shall not exceed ten.
- (n) He has not complied with sub-section (3) of section 152.
- (2) No person who is or has been a director of the company which-
- (a) has not filled financial statement or annual returns for any continuous period of three financial years; or
- (b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more.
- (3) Notwithstanding anything in paragraphs (c), (d) and (i) of sub- clause (1), the disqualification referred to in those paragraphs shall not take effect:-
- (a) From thirty days from the date of adjudication, sentence or order
- (b) Where any appeal or petition is preferred within the thirty days aforesaid, against the adjudication, sentence or conviction resulting in the sentence or order, until the expiry of seven days from the date on which such appeal or petition is disposed of; or
- (c) Where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, order or conviction and the appeal or petition, if allowed, would result in the removal of disqualifications, until such further appeal or petition is disposed of.

### ROTATION AND RETIREMENT OF DIRECTORS

#### Rotation and retirement of Directors

118. At every annual general meeting one- third 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 to retire by rotation shall be those who have been longest in their office since their last appointment, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re- election.

#### Filling Vacancies

119. At the annual general meeting at which any Director retires as aforesaid, the Company may fill up the vacancies by appointing the retiring Director or some other person thereto, and may fill up other offices which may then be vacant by electing the necessary number of persons. The Company may also at any extraordinary general meeting, on notice duly given, fill up any vacancies in the office of Director or appoint additional directors, provided that the maximum fixed as hereinbefore mention be not exceeded.

#### When vacating Directors deemed re- elected

120. If, at any meeting at which an election of Directors ought to take place, the place of any retiring Director is not 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 National Holiday, till the next succeeding day which is not a National holiday; at the same time and place, and, if at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re- appointed at the adjourned meeting unless:-
- (i) at the meeting or at the previous meeting a resolution for the re- appointment of such Director has been put to the meeting and lost;
- (ii) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re- appointed;
- (iii) he is disqualified for appointment;
- (iv) a resolution, whether special or ordinary, is required for his appointment or re- appointment in virtue of any provisions of the Act, or
- (v) The provision to sub- section (2) of section 162 of the Act is applicable to the case

#### Directors may act notwithstanding vacancy

121. The continuing Directors may act notwithstanding any vacancy in their body; but, if the number falls below the minimum, the number of Directors fixed above, the continuing Directors shall not, except for the purpose of filling vacancies or of summoning a general meeting, act so long as their number is below the minimum number is fixed.

## Removal of Directors

122. Subject to and in accordance with the provisions of the Act the Company may, by ordinary resolution, remove a Director before the expiration of his period of office.

## Directors may contract with Company

123. (1) Subject to provisions of the Act and of these Articles, the Directors shall not be disqualified from contracting with the Company either as vendor, purchaser or otherwise, nor shall any contract or arrangement entered into by or on behalf of the Company with any company or partnership of or in which any Director shall be a member or otherwise interested be avoided, nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established, but the nature of their or his interest (required to be disclosed by section 184 of the Act) must be disclosed by them or him at the meeting of the Directors at which the contract and arrangement is determined on, if the interest then exists, or in any other case, at the first meeting of the Directors after the acquisition of the interest.

Provided nevertheless that no Director shall vote as a Director in respect of any contract or arrangement in which he is so interested as aforesaid, and if he does so his vote shall not be counted, but he shall be entitled to be present at the meeting during the transaction of the business in relation to which he is precluded from voting although he shall not be reckoned for the purpose of ascertaining whether there is quorum of Directors present. Subject to the provisions of the Act, this proviso shall not apply to any contract by or on behalf of the Company to give to the Directors or any of them any indemnity against any loss which they or any of them may suffer by reason of becoming or being sureties for the Company. A general notice that any Director is a Director or a member of any specified company or is a member of any specified firm and is to be regarded as interested in any subsequent transaction with such company or firm shall as regards any such transaction be sufficient disclosure under this clause, and after such general notice it shall not be necessary to give any special notice relating to any particular transaction with such company or firm provided that any such general notice shall expire at the end of the financial year in which it is given, but may be renewed for further periods of one financial year at a time, by a fresh notice given in the last month of the financial year in which it would otherwise have expired. No such general notice and no renewal thereof, shall be of effect unless either it is given at a meeting of the Directors, or the Director concerned takes reasonable steps to secure that it is brought up and read at the next meeting of the Directors after it is given.

- (2) Except with the consent of the Board of Directors to be given by a resolution at the meeting of the Board and in accordance with the provisions of section 188 of the Act, a Director of the Company or his relative, a key managerial personnel or his relative, a firm in which he or his relative is a partner or 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 for sale or purchase or supply of goods, material or services or for underwriting the subscription of any shares in, or debentures of, the Company. Nothing contained hereinbefore shall affect the purchase of goods and materials from the Company or the sale of goods and materials to the Company as aforesaid for cash at prevailing market prices, or any contracts for the sale, purchase or supply of goods, materials or 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 the value of such goods and materials and the cost of such services do not exceed five thousand rupees in aggregate in any calendar year comprised in the period of the contract or contracts.
- (3) Notwithstanding anything contained in sub-clause (2) hereof, a Director, relative, firm, partner or private company as aforesaid, may, in circumstances of urgent necessity, enter, without obtaining the consent of the Board, into any contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or cost of such services exceed five thousand rupees in the aggregate in any year comprised in the period of 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.

## PROCEEDINGS OF DIRECTORS

### Meetings of Directors

124. The Directors shall meet together at least once in three months and at least four such meetings shall be held every year for despatch of business and may adjourn and otherwise regulate its meetings and proceedings as they think fit. All Board meetings shall be held in India and the Directors shall be entitled to exercise their powers only when and whilst they are respectively in India. Unless otherwise determined from time to time and at any time by the consent of all Directors for the time being in India, meetings of the Board shall take place in office.

#### Summoning meeting of Directors

125. The Managing Director or the Secretary may at any time, and the Secretary shall, if so directed by the Chairman or the Managing Director, convene a meeting of the Board of Directors by giving a notice in writing to every Director for the time being resident in India, and at his usual address in India to every other Director.

#### Chairman

126. The Director may elect a Chairman of their meetings and determine the period for which he is to hold the office. If no such Chairman is elected, or if at any meeting the Chairman is not present within fifteen minutes after the time appointed for holding the same, the Directors present may choose someone of their number to be Chairman of such meeting.

#### Quorum

127. The quorum for a meeting of the Board shall be determined from time to time in accordance with the provision of section 174 of the Act. If a quorum shall not be present within fifteen minutes from the time appointed for holding a meeting of the Board it shall be adjourned until such date and time as the Chairman shall appoint.

#### Powers of quorum

128. A meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Act or these Articles for the time being vested in exercisable by the Board.

#### How questions to be decided

129. Subject to the provisions of sections 203 and 186 of the Act, questions arising at any meeting shall be decided by a majority of votes, and, in case of any equality of votes, the Chairman shall have a second or casting vote.

#### Power to appoint Committees and to delegate

130. The Board may, subject to the provisions of Act, from time to time and at any time delegate any of its powers to a committee consisting of such Director or Directors as it thinks fit and may from time to time revoke such delegation. Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

#### Proceedings of Committee

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

#### When Acts of Directors of Committee valid notwithstanding defective appointment

132. All acts done by any meeting of the Directors or by a Committee of Directors or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director. Provided that nothing in this Article shall be deemed to give validity to acts done by a Director after the appointment of such Director has been shown to the Company to be invalid or to have terminated.

#### Resolution without Board Meeting

133. Save in those cases where a resolution is required by sections 161 and 179 of the Act, to be passed at a meeting of the Board, a resolution shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee of the Board, as the case may be, duly called and constituted, if a draft in writing is circulated together with the necessary papers, if any, or to all the Directors, or to all the members of the Committee of the Board, as the case may be, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be) and to all other Directors or members of the Committee at their usual address in India and has been approved by such of them as are then in India or by a majority of such of them, as are entitled to vote on the resolution.

## MINUTES

### Minutes to be made

134. (a) The Company shall cause minutes of all proceedings of every meeting of the Board and the Committee thereof to be kept by making, within 30 (Thirty) days of the conclusion of each such meeting, entries thereof in books kept, whether manually in the registers by way of loose leaves bound together, as may be decided by the Board of Directors for that purpose with their page consecutively numbered.
- (b) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the chairman of the said meeting of the chairman of the next succeeding meeting.
- (c) In no case, the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (d) the minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (e) All appointment made at any of the meetings aforesaid shall be included in the minutes of the meeting.
- (f) The minutes shall also contain :-
- (i) the name of the Directors present at the meeting; and
  - (ii) in the case of each resolution passed at the meeting, the names of the directors, if any dissenting from or not concurring in the resolution.
- (g) Nothing contained in sub-clauses (a) to (f) shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting-
- (i) is, or could reasonably be regarded as, defamatory of any person;
  - (ii) is irrelevant or immaterial to the proceedings; or
  - (iii) is detrimental to the interest of the Company;

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

(h) Minutes of the meetings kept in accordance with the aforesaid provisions shall be an evidence of the proceedings recorded therein.

## POWER OF DIRECTORS

### Management vested in Directors

135. The management of the business of the Company shall be vested in the Board of Directors who, in addition to the powers and authorities by these Articles or otherwise expressly conferred upon them, may exercise all such powers and do all such acts and things as may exercised or done by the Company and are not hereby or by statute expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the Act and of these Articles and to any regulations from time to time made by the Company in general meeting; provided that no regulation so made shall invalidate any prior act of the Board which would have been valid if such regulation had not been made; and provided further that the Board shall not, except with the consent of the Company in general meeting-
- (a) sell, lease or otherwise dispose of the whole or substantially the whole, of the undertaking of the Company or if 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 a 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 of any specific purpose; or
  - (e) contribution to bona fide charitable and other funds not directly relating to business of the Company or the welfare of its employees any amount the aggregate of which, in any financial year, exceed 5% of its average net profits for the three immediately preceding financial year.

### Specific Powers

136. Without prejudice to the general powers conferred by the last preceding Article and of the other powers conferred by these Articles, it is hereby expressly declared that the Board shall have following powers, that is to say, power-

To acquire and dispose of property and rights

- (1) Subject to sections 179 and 188 of the Act, to purchase any property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as it thinks fit, and subject to section 180, to sell, let, exchange or otherwise dispose of absolutely or conditionally any part of the property, rights and privileges of the Company upon such terms and conditions and for such consideration as they may think fit;

To pay for property in shares etc.

- (2) At their discretion 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 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 or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;

To draw bills etc.

- (3) To make, draw, endorse, sign, accept, negotiate, and give all cheques, bills of lading, drafts, orders, bills, of exchange, Government of India and other promissory notes and other negotiable instruments required in the business of the Company

To secure contracts by mortgage

- (4) To secure the fulfilment of any contracts, agreements or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being or in such other manner as it may think fit;

To appoint officers etc.

- (5) Subject to the terms of any agreement for the time being in force, to appoint and at their discretion remove or suspend such agents, managers, secretaries, officers, clerks and servants for permanent, temporary or special services as it may from time to time think fit, and to determine their powers and duties and fix their salaries or emoluments and to require security in such instances and to such amount as it may think fit;

To appoint trustees

- (6) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purposes and to execute and do all such deeds, documents and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees;

To bring and defend actions etc.

- (7) 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 the compound and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the company;

To refer to arbitration

- (8) To refer any claims or demands by or against the Company to arbitration and observe and perform the awards;

To give receipts

- (9) To make and give receipts, releases and other discharges for the money payable to the company and for the claims and demands of the Company;

To act in matters of insolvents

- (10) To act on behalf of the company in all matters relating to insolvents;

To authorise acceptances etc.

- (11) To determine who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and documents;

To appoint attorneys

- (12) From time to time to provide for the management of the affairs of the Company either in different parts of India or elsewhere in such manner as it thinks fit, and in particular to establish branch offices and to appoint any person to be the attorneys or agents of the Company with such powers (including power to sub-delegate) and upon such terms as may be thought fit;

To Invest Moneys

- (13) Subject to the provision of section 179 of the Act, to invest any of the moneys of the Company not immediately required for the purposes thereof upon such securities and in such manner as it may think fit, with power from time to time to vary or realize such investments. Save as otherwise provided for by section 187 of the Act, all such investments shall be made and held in the name of the Company and where, in pursuance of the said section, any such investment are not so held, the board shall keep or cause to be kept a register which shall be maintained and be open to inspection in manner required by the said sections;

To give security by way of Indemnity

- (14) To execute in the name and on the behalf of the company in favour of any Director or the person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as it think fit, and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed on;

To give percentages

- (15) To give to any person employed by the Company a commission on the profits of any particular business or transaction or a share in the general profits of the Company, and such commission or share or profits shall be treated as a part of the working expenses of the Company;

To make bye- laws

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

To make contracts etc.

- (17) 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 for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company;

To establish and support charitable objects

- (18) To establish, maintain, support and subscribe to any charitable or public object, and any institution, society, or club which may be for the benefit of the Company or its employees; to give pensions, gratuities, or charitable aid to any person or persons who have served the company or to wives, children or dependents of such person or persons, that may appear to the Board just or proper, whether any such person, his widow, children or dependents, have or have not a legal claim upon the Company.

To set inside profits for Provident Fund

- (19) Before recommending any dividends to set aside portions of the profits of the Company to form a fund to provide for such pensions, gratuities, or compensation; or to create any provident pension or benefit fund in such or any other manner as to the board of directors may seem fit;

To make and alter rules

- (20) To make and alter rules and regulations concerning the time and manner of payment of the contributions of the employees and the Company respectively to any such fund and the accrual, employment, suspension and forfeiture of the benefits of any such fund and the application and disposal thereof, and otherwise in relation to the working and management of any such fund as the Board shall, from time to time think fit.

## MANAGING DIRECTOR AND WHOLE TIME DIRECTOR

### Power to appoint

137. Subject to the provisions of the Act, the Board of Directors shall have power to appoint from time to time one or more of their body (not including any person rendered ineligible by the provision of the section 196 of the Act) to be Managing Director of Directors, or Whole-time Director or Directors of the Company for a fixed term not exceeding five years at a time and on such terms as the Board thinks fit and may from time to time (subject to the provision of section 169 of the Act and of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

### Special position

138. Subject as hereafter provided, a Managing Director, while he continues to hold that office, be subject to retirement by rotation, and he shall be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire, but if he ceases to hold the office of Director from any cause he shall, ipso facto and immediately, cease to be a Managing Director.

### Remuneration

139. The Board shall fix the remuneration payable to a Managing or Whole time Director, either by way of monthly payments, or a specified percentage of the net profits of the Company, or partly by one way and partly by the other, and may provide, as a term of his appointment, that there be paid to him, or his heirs and legal representatives, or his widow or other dependents, a provident fund, pension, or gratuity, any or all of them, on retirement or death. But such remuneration shall be subject to the limitations prescribed by sections 197 of the Act.

### Powers

140. (1) The Board of Directors may from time to time entrust to and confer upon a Managing or Whole-time Director for the time being such of the powers exercisable under these presents by the Board as it may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks expedient; and it may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Board in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers. Provided always that the Board shall not delegate the powers to make calls and to issue debentures which, by virtue of section 179 of the Act, may be exercised only by resolutions passed at meetings of the Board, nor the other powers specified in the said section, namely, to borrow moneys otherwise than on debentures, to invest the funds of the Company and to make loans, unless such delegation be made by resolution passed at a meeting of the Board specifying such matters as are prescribed by the said section.

(2) Until otherwise determined by the Board of Directors, the Managing Directors and if there is more than one Managing Director, the Senior Managing Director, shall have the following powers, subject to the provisions of the Act and in particular to the prohibitions and restrictions contained in section 292 thereof:-

- (a) To conduct and manage the business affairs and property of the Company, and to do everything necessary or expedient thereunto;
- (b) To demand, sue for, receive and give receipts for all debts and other moneys, goods and chattels due to or receivable by the Company including any such as may be due from the Central or any State Government, the Reserves Bank of India, or any Treasury of Public Debt Office, or any other Government, Municipal, Local, Military, or Civil Authority;
- (c) To draw, sign and endorse as may be required –
  - (i) cheque on bankers (whether on credit or overdraft account), dividend warrant and other orders for payment;
  - (ii) bills of exchange and promissory note (including those issued by any Government);
  - (iii) any other documents necessary or proper for the operation of the Company's banking account or monetary affairs.

- (d) To enter into, carry out, rescind or vary all financial arrangements with any Banks, persons or corporations for or in connection with the Company's business subject to the limitation that the total amount outstanding at any one time upto which moneys may be borrowed shall not exceed the amount which the Board may from time to time authorise and in pursuance of or in connection with any such arrangements to deposit, pledge or hypothecate any property of the Company or documents representing or relating to the same;
  - (e) To buy or procure the supply of all plant, machinery, materials, stores, implements and other movable property required for the Company.
  - (f) To sell and dispose of all the materials, articles and goods manufactured or dealt in by the Company;
  - (g) To effect , maintain and recover under insurance against loss, damages and liability;
  - (h) To represent the Company in all matters of taxation and to receive and give receipt for all sums receivable by way of relief, rebate or refund and to appoint any person to represent the Company in any proceeding, original appellate or revisional, before any Authority Officer and Tribunal and to file any papers in such proceeding and to withdraw the same;
  - (i) To make application to the Government, or any local or other authority for any licence, sanction, permit or consent that may be requisite;
  - (j) To represent the Company in all Courts and before all Magistrates, Commissioners, Income-tax Officers and other authorities with whom the Company or its affairs or property may be concerned;
  - (k) To commence, prosecute, enforce, defend, answer or oppose all actions, suits and other legal proceeding and demands touching any of the matters in which the Company is or may hereafter be interested or concerned and also, if thought fit , to compromise , refer to arbitration , abandon , submit to judgement , or become non-suited in any such action, suit or legal proceedings as aforesaid, and in such actions to file such appeals, applications for review, revision or otherwise as Managing Director shall think fit;
  - (l) To submit any dispute or other matter to arbitration;
  - (m) To appoint Solicitors, Counsel, Advocates and other persons for such purposes and with such powers authorities and discretions not exceeding those vested in him and for such period and subject to such conditions as he may think fit;
  - (n) To invest and dealt with , any moneys of the Company not immediately required for the purposes of the Company in such manner and for such amount as may from time to time be determined by the Board and from time to time vary or realise such investments;
  - (o) To sign and execute-
    - (i) conveyances, transfers and assignments;
    - (ii) reconveyances, releases and surrenders;
    - (iii) bonds, guarantees, indemnities, contracts and undertakings;
    - (iv) transfers of shares, stocks, debentures and other investments;
    - (v) bills of lading, insurance policies, invoices and other shipping and customs documents and mercantile papers;
    - (vi) arbitration agreements, warrants, vakalatnamas and authorities to prosecute or defend;
    - (vii) complaints, written statements, petitions and applications.
  - (p) To engage, fix and pay the remuneration of and dismiss and discharge all persons employed or to be employed in or in connection with the Company's business;
  - (q) To appear before Registrars and Sub-Registrars of Assurances at all places in India and to present. For registration, admit execution of and register all instruments executed by the Company and to sign memoranda and endorsements for such purpose.
- When there is more than one Managing Director, the Board shall decide who will be Senior Managing Director, for the purpose of this Article.



## LOCAL MANAGEMENT

### Local Managements

141. Subject to the provisions of the Act, the following regulations shall have effect:-
- (1) The Board may, from time to time, provide for the management of the affairs of the Company outside India or in any specified locality in India, in such manner as it shall think fit and the provisions contained in the four next following sub- clauses shall be applicable without prejudice to the general powers conferred by this sub- paragraph.
  - (2) The Board may, from time to time and at any time, establish any Local Directorates or agencies for managing any of the affairs of the Company outside India, or in any specified locality in India, and may appoint any persons to be members of such Local Directorate or any managers or agents or attorneys or secretaries and may fix their remuneration and, save as provided in section 179 of the Act, the Board may, from time to time and at any time, delegate to any person so appointed any of the powers; authorities and discretions for the time being vested in the Board and may authorise the members for the time being of any such Local Directorate or any of them to fill up any vacancies therein and to act notwithstanding vacancies; and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit; and the Board may, at any time, remove any person so appointed and may annul or vary any such delegation.
  - (3) The Board may, at any time and from time to time, by Power of Attorney under its Seal, appoint any persons to be the attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those which may be delegated by the Board under the Act) and for such period and subject to such conditions as the Board may, from time to time, think fit; any such appointment may, if Board thinks fit, be made in favour of the members or any of the members of any Local Directorate established as aforesaid, or in favour of any company or of the members, directors, nominees or officers of any company or firm or in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board; and any such Power of Attorney may contain such provisions for the protection of convenience of persons dealing with such attorneys as the Board thinks fit.
  - (4) Any such delegates or attorneys as aforesaid may be authorised by the Board to sub- delegate all or any of the powers, authorities and discretions, for the time being vested in them.
  - (5) The Company may exercise the powers conferred by section 50 of the Act with regard to having an official seal for use abroad, and such powers shall be vested in the Board and the Company may cause to be kept in any State or country outside India, as may be permitted by the Act, a foreign register of members or debenture-holders resident in any such state or country and the Board may, from time to time, make such regulations as it may think fit respecting the keeping of any such foreign register, such regulations not being inconsistent with the provisions of sections 88 of the Act; and the Board may, from time to time, make such provisions as it may think fit relating thereto and may comply with the requirements of any local law and shall, in any case, comply with provisions of sections 88 of the Act.

## SECRETARY

### Secretary

142. The Board may from time to time appoint a Secretary of the Company either for a fixed time or without any limitation as to the period for which he is to hold such office, at such remuneration and upon such conditions as it may think fit and may from time to time (subject to provisions of any contract between him and the Company) remove or dismiss him from office and appoint another in his place.

## SEAL

### The Seal

143. The Board shall provide a Seal for the purposes of the Company and for the safe custody thereof, and the Seal shall only be used by the authority of the Board or of a Committee of the Board authorised by the Board in that behalf, and, save as otherwise provided in Article 20 hereof, in the presence of two Directors, or of one Director and the Secretary (or some other person appointed by the Board for the purpose), who shall sign every instrument to which the Seal is affixed. Provided, nevertheless, that any instrument bearing the Seal of the Company and issued for a valuable consideration shall be binding on the Company notwithstanding any irregularities touching the authority of the Board to issue the same.

## DIVIDENDS

### Dividend how payable

144. Subject to the rights of the holders of any shares entitled to any priority, preference or special privileges, all dividends shall be declared and paid to the members in proportion to the amounts paid up on the shares held by them respectively. No amount paid on a share in advance of calls shall be treated for the purpose of this clause as paid on the share. All dividends shall, subject as aforesaid, be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; if any share is issued on terms providing that it shall rank for dividend from a particular date it shall rank accordingly.

### Directors to recommend payment of dividend

145. The Directors shall lay before the Company in general meeting a recommendation as to the amount (if any) which they consider should be paid by way of dividend and the Company may declare a dividend to be paid to the members according to their rights and interest in the profits and may, subject to the provisions of section 207 of the Act, fix the time for payment.

### Restrictions on the amount of dividends

146. No larger dividend shall be declared than is recommended by the Directors, but the Company in general meeting may declare a smaller dividend.

### Dividend out of profits only and not to carry interest

147. No dividend shall be payable except out of the profits of the Company or out of moneys provided by the Central or a State Government for the payment of the dividend in pursuance of any guarantee given by such Government and no dividend shall carry interest against the Company. Dividend may be declared either free or subject to the deduction of income-tax and other tax or duty chargeable with respect to such dividend.

### What to be deemed net profits

148. The determination of the Directors as to the amount of the net profits of the Company shall be conclusive and binding upon the members of the Company.

### Interim dividends

149. The Directors may from time to time pay to the members, or any class of members, such interim dividends as appear to the Directors to be justified by the profits of the Company.

### Debts may be deducted

150. The Directors may deduct from Dividends payable to any member all such sums of money as may be due from him to the Company on account of calls or otherwise.

### Dividends and call together

151. Any general meeting declaring a dividend may make a call on the members or 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 call.

### Dividend in specie

152. Save as otherwise provided in section 123 in the Act, no dividend shall be paid except in cash.

### Effect of transfer

153. A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer by the Company.

### Retention in certain cases

154. The Directors may retain the dividend payable upon shares in respect of which any person is under Article 52 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 thereof or shall duly transfer the same.

#### Dividend to joint-holders

155. Any one of several persons who are members registered jointly in respect of any share may give effectual receipts for all dividends, bonuses and other payments in respect of such share.

#### Dividends may be sent by post

156. Unless otherwise directed in accordance with section 209A and 234 of the Act, any dividend, interest or other moneys payable in cash in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or in the case of member registered jointly to the registered address of the first named in register or to such person and such address as the member or members as the case may be, may direct, and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.

#### Unclaimed dividends

157. Any dividend unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and any dividend unclaimed till the claim becomes barred by law may be forfeited by the Board for the benefit of the Company, but the Board may annul the forfeiture wherever it may think proper.

### RESERVES

#### Reserves

158. The Board may, from time to time before recommending any dividend, set aside any and such portion of the profits of the Company as it thinks fit as Reserves and may apply the same by employing it in a business of the Company or by investing it in such manner (subject to the provisions of the Act) as it shall think fit, and the income arising from such Reserves shall be treated as part of the profit of the Company. Such Reserves may be applied for the purpose of maintaining the property of the Company, replacing assets, meeting contingencies, forming an insurance fund, equalising dividends, paying special dividends or bonuses, liquidating any debentures, debts or other liabilities, or for any other purpose for which the net profits of the Company may lawfully be used, and until the same shall be so applied it shall be deemed to remain undivided profit.

### CAPITALISATION OF RESERVES

#### Capitalisation of Reserves

159. The Company in general meeting may, upon the recommendation of the Board, resolve that any moneys investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserves, or any Capital Redemption Reserve Account, or to the credit of the Profit and Loss Account or otherwise available for distribution or representing premiums received on the issue of shares and standing to the credit of the Share Premium Account be capitalised and distributed amongst such of the members 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 members in or towards paying up in full any unissued shares of the Company to be allotted and distributed credited as fully paid-up to and amongst such members in the proportion aforesaid, or in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively, or partly in the one way and partly in the other, and that such distribution or payment shall be accepted by such members in full satisfaction of their interest in the said capitalised sum. Provided that any sum standing to the credit of a Share Premium Account or a Capital Redemption Reserve Account may, for the purpose of this clause, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

#### Surplus Moneys

160. A general meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company or any investments representing the same, or any other undistributed profits of the Company not subject to charge for income-tax, be distributed among the members on the footing that they receive the same as capital.

#### Fractional Certificate

161. For the purpose of giving effect to any resolution under the two last preceding Articles, 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 cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest such cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalised fund as may seem expedient to the Board. Where requisite a Proper contract shall be filed in accordance with section 39 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.

#### BOOKS AND DOCUMENTS

##### Books of Accounts to be kept

162. The Board shall cause to be kept proper books of account so as to give a true and fair view with respect to:-  
(1) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place;  
(2) all sales and purchases of goods by the company;  
(3) the assets and liabilities of the Company.

##### Where to be kept

163. The books of account shall be kept at the Office or at such other place in India (to be notified to the Registrar in accordance with section 234A of the Act) as the Board of Directors may decide and shall be open to inspection by the Directors during business hours.

##### Inspection by members

164. 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, and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by the law or authorised by the Board or by a resolution of the Company in general meetings.

#### ACCOUNTS AND BALANCE SHEETS

##### Profit and Loss Account and Balance Sheet

165. (1) At each Annual General Meeting the Board of Directors shall in accordance with the provisions of the Act and the Schedules thereto, cause to be prepared and laid before the Company a Balance Sheet and profit and Loss Account made up to a date not earlier than the date of the meeting by more than six months (subject to the right of the Registrar to extend the period for any special reason by a period not exceeding three months) to which Balance Sheet and Profit and Loss Account there shall be attached copies of the Auditors' Report and of the Board of Directors' Report as required by the Act.  
(2) The said Balance Sheet shall give a true and fair view of the state of affairs of the Company as at the end of the financial year of the Company and shall be in such form as may from time to time be prescribed by law or as near to such form as circumstances admit.  
(3) The Profit and Loss Account shall be annexed to the Balance Sheet and shall give a true and fair view of the profit and loss of the Company and shall be in such a form as may from time to time be prescribed by law or as near to such form as circumstances admit.

#### AUDIT

##### Accounts to be audited annually

166. Once at least in every year the accounts of the Company shall be examined and the correctness of Balance Sheet and Profit and Loss Account ascertained by one or more Auditor or Auditors and the provisions of the Act in regard to audit and the appointment and qualification of Auditors shall be observed.

## NOTICES

### How notices to be served on member

167. (1) Subject to the provision of the Act read with provisions of Secretarial Standard 2, a notice or other document may be given by the Company to any member either by hand or by ordinary post or by speed post or by registered post or by courier or by facsimile or by E-mail or by any other means to his registered address or (if he has no registered address in India) to the address, if any, within India supplied by him to the Company for the giving of notices of him.
- (2) Where a notice or other document is sent by post
- (a) service thereof shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice or document, provided that where a member has intimated to the Company in advance that notices or documents 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 sufficient sum to defray the expenses of doing so, service of the notice or document shall not be deemed to be effected unless it is sent in the manner intimated by the member; and
- (b) such service shall be deemed to have been effected-
- (i) in the case of a notice of meeting at the expiration of forty eight hours after the letter containing the same is posted and
- (ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.

### Notices to members who have not supplied addresses

168. A notice or other document advertised in a newspaper circulating in the neighbourhood of the office shall be deemed to be duly served on the day on which the advertisement appears on every member of the Company who has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him. Any member who has no registered address in India shall, if so required to do by the Company, supply the Company with an address in India for the giving of notices to him.

### Notice to members registered jointly

169. A notice or other document may be served by the Company on the members registered jointly in respect of a share by giving the notice to the joint holder named first in the Register of member.

### Notice to persons entitled by transmission

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

### How to be advertised

171. Any notice required to be or which may be given by advertisement, shall be advertised once in one or more newspapers circulating in the neighbourhood of the Office.

### When notice by advertisement deemed to be served

172. Any notice given by advertisement shall be deemed to have given on the day on which the advertisement shall first appear.

### Transferee etc. bound by prior notices

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

Notice valid though member deceased

174. Subject to the provisions of Article 167 any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these Articles shall, notwithstanding such member be then deceased and whether or not the Company has notice of his death, be deemed to have been duly served in respect of share, whether registered solely or jointly with other persons, until some other person be registered in his stead as the member in respect thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his or her heirs or legal representatives and all persons, if any, jointly interested with him or her in any such share.

Service of Process in winding up

175. Subject to the provisions of the sections 318 of the Act, in the event of a winding-up of the Company, every member of the Company who is not for the time being in Haryana shall be bound, within eight weeks after the passing of an effective resolution to wind up the Company voluntarily or the making of an order for the winding-up of the Company, to serve notice in writing on the Company appointing some householder residing in the neighbourhood of the Office upon whom all summonses, notices, process, orders and judgements in relation to or under the winding-up of the Company may be served, and, in default of such nomination, the Liquidator of the Company shall be at liberty, on behalf of such member, to appoint some such person, and service upon any such appointee whether appointed by the member or the Liquidator shall be deemed to be good personal service on such member for all purposes, and where the Liquidator makes any, such appointment he shall with all convenient speed, give notice thereof to such member by advertisement in some daily newspaper circulating in the neighbourhood of the Office or by a registered letter sent by post and address to such member at his address as registered in the register and such notice shall be deemed to be served on the day on which the advertisement appears or the letter would be delivered in the ordinary course of the post. The provisions of this clause shall not prejudice the right of the Liquidator of the Company to serve any notice or other document in any other manner prescribed by these Articles.

RECONSTRUCTION

Reconstruction

176. On any sale of the undertaking of the Company, the Board or the Liquidators on a winding-up may, if authorised by a special resolution, accept fully paid or partly paid up shares, debentures or securities of any other company, whether incorporated in India or not either then existing or to be formed for the purchase in whole or in part of the property of the Company, and the Board (if the profits of the Company permits) or the Liquidators (in winding-up), may distribute such shares, or securities, or any other property of the Company amongst the members without realisation, or vest the same in trustees for them, and any special resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefits or property, otherwise than in accordance with the strict legal rights of the members or contributories of the Company, and for the valuation of any such securities or property at such price and in such manner as the meeting may approve, and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorised, and waive all rights in relation thereto, save only in case the Company is proposed to be or in the course of being wound up, such statutory rights (if any) under the Act as are incapable of being varied or excluded by these presents.

SECRECY

Secrecy

177. Every Director, Manager, Auditor, Trustee, Officer, member of a committee, servant, agent, accountant, or other person employed in the business of the Company shall, if so required by the Board before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions and affairs of the Company with its customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a court of law and except so far as may be necessary in order to comply with any of the provisions contained in these presents or the Memorandum of Association of the Company..

No share-holder to enter the premises of the Company without permission

178. No member or other person (not being a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's work, premises or properties of the Company without the permission of the Directors of the Company for the time being to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interest of the members of the Company to communicate. In exercising their powers hereunder the Directors shall have an absolute discretion and shall be under no obligation whatsoever to assign any reason for the decisions made by them.

#### WINDING -UP

##### Distribution of Assets

179. If the Company shall be wound up and the assets available for distribution among the members as such are insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding-up on the shares held by them respectively. And if in a winding-up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of winding- up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the shares held by them respectively. But this Article shall be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

##### Distribution of assets in specie

180. If the Company shall be wound up whether voluntarily or otherwise the Liquidators may with the sanction of a special resolution of the company and any other sanction required by the Act, divide among the members in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of the property of the same kind or not 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 members or any of them as the Liquidators, with the like sanction, shall think fit.

#### INDEMNITY

##### Indemnity

181. Every officer for the time being of the company shall be indemnified out of the assets of the company against any 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 in which relief is granted to him by the court/ Tribunal.

Special Resolution passed on the 9<sup>th</sup> day of May, 1972.

"That the Regulations contained in the draft Articles of Association submitted to this meeting, and for the purpose of identification initialled by the Chairman hereof, be and are hereby approved and adopted as the Articles of Association of the Company, in substitution for, and to the exclusion of all existing Articles thereof."