

(THE COMPANIES ACT, 1956)
COMPANY LIMITED BY SHARES

**MEMORANDUM AND
ARTICLES OF ASSOCIATION**

ARIHANT'S SECURITIES LIMITED

FORM I R,



CERTIFICATE OF INCORPORATION

No. 18-27783 of 19 94

I hereby certify that ARIHANT'S SECURITIES PRIVATE

LIMITED

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

MADRAS

Given under my hand at

THIRTEENTH

JUNE

this day of

TWENTY THIRD

JYAISTHA

One thousand nine hundred and NINETY FOUR

One thousand nine hundred and SIXTEEN(SAKA)



(Signature)
(HENRY RICHARD)

ADDL. Registrar of Companies
TAMIL NADU



Conversion u/s 44 of the
Companies Act 1956 w.e.f.
12.12.94

Company Number : 18 - 27783

**FRESH CERTIFICATE OF INCORPORATION
CONSEQUENT ON CHANGE OF NAME**

In the office of the Registrar of Companies, Tamil Nadu, Madras-6.
(Under the Companies Act, 1956 (I of 1956))

IN THE MATTER OF* ARIHANT'S SECURITIES PRIVATE LIMITED

I hereby certify that ARIHANT'S SECURITIES PRIVATE LIMITED
which was originally incorporated on 13TH day of JUNE 1994

under** Companies Act, 1956/1913 and under the name... ARIHANT'S SECURITIES
PRIVATE LIMITED

on 18.11.94 & 12.12.94 44
having duly passed the necessary resolution in terms of Section 21(2)(a) & 22(1)(b) of the
companies Act, 1956 and the approval of the Central Government signified in writing having been
accorded hereto in the Ministry of Industry and Company Affairs, Department of Company Affairs,
Registrar of Companies, Madras, Letter No
date..... the name of the said company in this day changed to

ARIHANT'S SECURITIES LIMITED
and this Certificate is issued pursuant to Section 23(1) of the said Act

Given under my hand at MADRAS this THIRD Day of JANUARY
THIRTEENTH PAUSA

One thousand nine hundred and Eighty NINETY FIVE
One thousand nine hundred and SIXTEEN (Saka)



(S. RAMABHADRAN)
Registrar of Companies
Tamil Nadu

- * Here give the name of the company as existing prior to the change.
** Here give the name of the Act(s) under which the company was originally registered and incorporated.

The Companies Act, 1956

(1 of 1956)

Company Limited by Shares

MEMORANDUM OF ASSOCIATION

OF

ARIHANT'S SECURITIES LIMITED

- I. The name of the Company is "ARIHANT'S SECURITIES LIMITED".
- II. The Registered Office of the Company shall be situated in the State of Tamil Nadu.
- III. The objects for which the Company on its incorporation are :
 - A. **MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE**
 1. To apply for, purchase or otherwise obtain the membership interests and trading privileges in various stock exchanges, security exchanges, trade associations, and investment exchanges and to carry on the business, profession, or vocation of a stockbroker, dealer, investor, broker or agent in securities, shares, debentures, bonds, warrants, obligations, promissory notes, bills, units, savings instruments, financial instruments and money market instruments of all kinds and nature; underwriter, subunderwriter, merchant banker portfolio manager; manager of assets; investment advisor and consultant; market maker; fixed deposit broker; finance broker; financial consultant; agent of national and other small savings schemes; agent of the Unit Trust of India and other mutual funds; registrar, manager, advisor and consultant to raise capital either through public issues or otherwise; registrars and securities transfer agents; and as any other intermediary, broker or agent in the capital, money and securities markets.
 2. To carry on the business, profession or vocation of acting as consultants, discount houses, advisors, managers, trustees, administrators, attorneys and agents for and in all matters and problems relating to touching upon or arising out of buying, selling, holding or otherwise dealing in savings instruments, securities, shares, bonds, debentures, units, warrants, obligations, money market instruments, and financial instruments of all kinds and nature; investments; real estate and foreign exchange.
 3. To carry on the business of advisors, consultants and agents for any government, statutory body, company, firm, association, trust or person in the field of stock market, factoring, investments.
 4. To provide custodial and depository services for the safe custody of funds, assets, securities, shares, stocks, debentures, warrants, certificates of deposit, bonds, commercial paper, units of mutual funds, financial instruments and money market instruments of all kinds and natures and documents relating to or touching upon them or arising out of them and to hold, register or transfer in the name of the Company either as attorneys or agents and as part of the duties and functions of such custodial and depository services various assets,

securities, units, shares, stocks, debentures, bonds, obligations, warrants, certificates of deposit, commercial paper, financial instruments, and money market instruments of all kinds and nature held or owned by any person, firm, trust, society, institution, company, body corporate (whether incorporated or not), public undertaking or government authority having residence or office in India or elsewhere and to collect dividends, interests, rights, rights entitlements, bonuses and other benefits, incomes and entitlements accruing on such assets, securities, financial instruments and money market instruments and account for the same to the beneficial owners of such assets, securities, financial instruments and money market instruments.

B. THE OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS ARE.

1. To engage in any business or transaction in partnership or otherwise in conjunction with any other person, firm, trust, society, company or body corporate to act as promoters, consultants, advisor and surveyor of technical or managerial know-how for the promotion and the development of companies, firms, trusts, institutes or bodies corporate with power to assist such company, firm, trust, institute or body corporate by parting or contributing towards the preliminary expenses or providing the whole or part of the capital thereof or by taking or subscribing for shares or securities or by lending money thereto or by underwriting paying brokerage and commission for obtaining applications for or placing or guaranteeing the placing thereof such issues and generally to transact and undertake all kinds of agency business in the promotion and incorporation of and raising the capital for any person, firm, trust, company or body corporate whether or not the objects of such firm, trust, Company or body corporate are similar to those of this Company.
2. To pay for any property, undertaking, rights, licences, privileges, benefits or interest acquired by the Company or for services rendered to the Company either in cash or in fully or partly paid up shares, bills, bonds, debentures, promissory notes or by any securities which the Company has the power to issue or by any negotiable instruments or partly one way and partly in another or otherwise and in general and such terms and conditions as the Board of Directors may decide.
3. To accept payment for any property, undertaking rights, privileges, interests, benefits or licenses sold, leased out or otherwise disposes of or dealt in by the company or for any services rendered by the Company either in cash in full or instalments or otherwise or in fully or partly paid up shares, debentures, bonds, mortgage or mortgages of other securities of any other company or body corporate, bills of promissory notes of any negotiable instruments or partly in one way or partly in another or otherwise and in general on such terms and conditions as the Board of Directors may decide.
4. To enter into agreement with any Government or authority supreme, municipal, local or otherwise or any companies, bodies corporate, associations, trusts, firms, societies or individuals that may seem conducive and necessary to the attainment of the Company's objects or any of them and to obtain from such Government or authority, company, body corporate, association, society, trust, firm, or individual such arrangements, agreements, rights, privileges, licenses, and concessions which the Board of Directors may think desirable to obtain and carry out, exercise and comply with any such arrangements, agreements, rights, licenses, privileges and concessions.
5. To apply for, tender, purchase, take in exchange or otherwise acquire any contract, license, rights, privilege and concession for or in relation to the objects or business of the Company or any of them and to undertake execute, carry on, dispose of or otherwise turn to account the same.
6. To underwrite, take, buy, acquire, sell, barter, exchange, dispose of and otherwise deal as principal in securities, shares, stocks, bonds, warrants, debentures, debenture- stock, certificate of deposit, commercial paper, promissory notes, bills, obligations, units of mutual funds, saving certificates and instruments, financial instrument and money market instruments of all kinds and natures issued or guaranteed in India or elsewhere by any

- person, firm, trust, society, institute, company, body corporate, government, public body or authority, supreme, local, municipal or otherwise, mutual funds and public undertaking of whatever nature and to hold the same either as investments or stock-in-trade and from time to time and at any time as the Board of Directors may decide, to sell or vary any or all such investments and to execute all contracts, receipts and documents that may be necessary in that behalf.
7. To buy, take in exchange, take on lease, take on hire or otherwise acquire lands, sites, farms with or without buildings and built up structures thereon, buildings, and built-up structures of all kinds and natures used for residential, commercial, industrial, recreational, or for any other purposes of whatever nature and to develop, divide, alter, build on, pull down, repair, modify or renovate such sites, lands, firms, building and build-up structures and to use the same for the business and purposes of the Company or to sell give in exchange, lease out give on hire, let out, control and superintend such sites, land, farms, build-up structures and building and in general turn them into account.
 8. To sell, improve, manage, develop, mortgage, leaseout, give on hire or otherwise dispose of or let out or deal with the whole or any part of the business; property, assets, rights, license, privileges, concessions, undertaking of the Company or part or parts thereof for such consideration as the Board of Directors may think fit and desirable and in particular for a rent or rents or lease, shares, debentures or obligations of any other firm, company, purchase or take on lease or in anywise deal with any property, rights, privileges, licenses, concessions or interests of the Company, or which may be considered to help the Company in its business or in which it may be considered desirable that this company shall be interested and to subscribe absolutely or subject to any condition, or conditions for, or acquire in anywise, any share or obligations of such firm, trust or company.
 9. To invest any of the funds or moneys of the Company from time to time as the Board of Directors may think fit and desirable in fixed deposits with any Company or body corporate (whether corporated or not), or by way of loans and advances on interest or otherwise with or without any security to any person, firm, company body corporate, trust, association, society, public undertaking, or government authority or in deposits with any bank and from time to time as the Board of Directors may decide to vary any or all such deposits and advances and to execute all contracts, receipts and documents that may be necessary in that behalf.
 10. To open accounts with any bank or banks and to deposit moneys therein and to draw and endorse cheques on and to withdraw moneys from such accounts and generally operate upon the same whether overdrawn or not as may be required for any of the objects or purposes or business of the Company.
 11. For all and any purposes of the Company to make, draw, accept, endorse, negotiate, buy, market, sell or otherwise deal in either with or security bill of exchange, letters of credit, promissory notes, cheques, shipping documents, railway and transport receipts and other instruments negotiable or otherwise; to take and receive advances of any sum or sums of money with or without giving security upon such terms and conditions as the Board of Directors may deem expedient; and to advance sum or sums of money for the purposes of the business of the Company with or without security upon such terms and conditions as the Board of Directors may from time to time deem expedient.
 12. To borrow and raise money for any purpose of the Company in any manner and on any terms approved by the Board of Directors from time to time; and for any purpose and in any manner and from time to time to mortgage or charge the whole or any part of the undertaking, property, rights, licenses (including property, rights, and licenses to be subsequently acquired) privileges and concessions of the Company and any money uncalled on any shares of the capital (original or increased) of the Company, and whether at the time issued or created or not, and to create, issue, make and give debentures, bonds or other obligations perpetual or otherwise, with or without any mortgage or charge on all or any part of the property, undertaking, rights, privileges, licences, concessions and uncalled money of the Company.

13. To make advances on stocks, shares, debentures, bonds, fixed deposits, commercial paper, bills, certificates of deposits, units of mutual funds, promissory notes, or other securities and properties both movable and immovable of all kinds and nature and to guarantee or secure the debts and contracts of customers, constituents, and others, either with or without the personal liability of such borrowers, customers, constituents and others.
14. To subsidise, assist and guarantee the performance of any contracts, obligations or engagements of any person, firm, company or body corporate and in particular the customers and constituents of the Company or any persons, firms, companies or bodies corporate with whom the Company may have or intends to have any business relations.
15. To create any depreciation fund, reserve fund, sinking fund, insurance fund, dividend equalisation fund, capital redemption fund, bond or debenture redemption fund or any other special fund or reserve whether for depreciation or for repairing, improving or extending the life of assets of the Company or for redemption of debentures, bonds or redeemable preference shares or for any other purpose whatsoever conducive to the interest of the Company as the Board of Directors may think desirable and fit.
16. To purchase, take on lease or in exchange, hire or otherwise, acquire any movable property, and any licences, rights or privileges, which the Board of Directors may deem necessary or expedient for the purpose of the business of the Company, and in particular inventions, copy-rights, patents and patent rights, software, privileges, monopolies, licenses, concessions, or processes and the like and any other rights, or powers conferring, any exclusive or non exclusive or limited rights for trading or for providing professional, technical and/or consultancy services or to use any secret or other information available for use in connection with any of the objects of the Company.
17. To undertake research and make any experiments in connection with any business of the Company and take out, or otherwise acquire, by original application or otherwise any trademarks, software, patents, patent-rights, or the like and to use, exercise, develop, grant licenses in respect of, sell dispose of or otherwise turn to account any trademarks, software, patents, patent-rights, other rights, licenses or other interests for the time being held by the Company.
18. To enter into any arrangements for sharing of profits, co- operation, reciprocal concession, joint venture, or joint adventure with any other person, firm, company or body corporate carrying on or about to carry on or engage or in any business or transaction which may seem calculated directly or indirectly, to benefit this company and to amalgamate with any other firm, company or body corporate and to give to any person, firm, company or body corporate special rights and privileges in connection with or control over this Company and in particular the right to nominate one or more Directors of the Company.
19. To enter into negotiations with any foreign firms, companies and bodies corporate (whether incorporated or not) and other persons and acquire by grant, purchase, lease, barter, license or otherwise formulac; processes, copy-rights, software, patents; patent-rights or other rights and benefits and to obtain technical information, expert advice and knowhow and to enter into technical and/or financial collaboration.
20. To amalgamate with and to acquire and undertake on any terms and subject to any conditions, the whole or any parts of the business, property and liabilities of any person, firm, company or body corporate carrying on any business in any way related to the business of this Company either directly or indirectly, or otherwise possess of properties suitable to the purpose of the Company.
21. To give any directors or employees of the Company any share or interest in the profits or revenue of the Company's business or any branch or agency thereof and whether carried on in its own or by means of or through any agency of any subsidiary company or associate company whether incorporated or not and for that purpose to enter into any arrangements and agreements the Board of Directors may think desirable and fit.

22. To provide for the welfare of directors or ex-directors or employees of the Company and their wives, widows and families or the dependents or connections of such person, by building or by contributing to the building of houses, dwelling units or by grants of money, pensions, gratuities, allowances, bonus or other payments, and to establish, provide, maintain and support or to contribute to the establishment, maintenance and support of trusts, associations, institutes, clubs, libraries and canteens to the benefit of such persons.
23. To undertake and execute any trusts the undertaking of which may seem to the Board of Directors desirable, and to undertake and administer estates as executors, trustees, attorneys, agents or otherwise.
24. To subscribe, to become a member of and co-operate with any association, society, trust, chamber of commerce, company or any body corporate (whether incorporated or not) or to apply the money of the company in any way towards the establishment, maintenance or extension of any association, society, trust, institution, chamber of commerce, company body corporate or board whose objects, rights, privileges and interests are altogether or in part similar to those of the company or in anywise connected with the protection of the rights, privileges and interests of the Company or its members or its employees or its customers and constituents.
25. To subscribe or guarantee money for any national, international, charitable, benevolent, educational, public, general or any other useful objects, activity, exhibition or trade show of for any purposes whatsoever which may be or may appear to be conducive directly or indirectly to the furtherance of the objects of the Company or the interests of its members, employees or constituents.
26. To adopt such means of making known the business of the Company as may seem expedient and, in particular by advertisements in all media, by purchase, and exhibition of works of art, aircrafts and antiques of interest, by sponsoring of exhibitions, concerts, plays, and movies of interest, by publication of booklets, pamphlets, newsletters, periodicals, newspapers and books and by granting of prizes, awards, scholarships and donations.
27. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its employees or otherwise concerning the affairs of the Company and to refer to arbitration any claims by or against the Company and to observe and perform or challenger any award made therein and pay, satisfy or compromise the claims made by the company and claims against the company, which in the opinion of the Board of Directors be necessary or seem expedient to pay, satisfy or compromise.
28. To procure the Company to be registered or incorporated in any state of the Union of India and in any other country and to establish agencies, representatives, correspondents, branches, or subsidiaries in India or elsewhere for conduct of the business of the Company.
29. To pay the costs, charges and expenses preliminary and incidental to the formation, establishment and incorporation of the Company and to pay all expenses which the Company may lawfully pay for or incidental to the raising of the capital and other monies of the Company.
30. To distribute any of the properties of the Company in specie among the members of the Company.
31. To establish branches, offices, or agencies anywhere in India or outside India for the purpose of enabling the Company to carry on business and to discontinue, if necessary at anytime and reconstitute any such branches, offices or agencies.
32. To organise information cell and Data Bank relating to industrial, agricultural and other economic activities and to provide information for the development of industries to entrepreneurs.
33. To carry on the business in any of the objects specified above, whether within or outside India and whether by itself or by forming any subsidiary wholly owned by itself or along with other(s) in India or anywhere in the world.

34. To engage in the business of the foreign exchange, finance and call money broking, badly in securities and related activities, and administration of capital market funds, investment clubs, investments pools, syndicate in stocks, share and services in securities of all kinds.
35. To carry on and undertake the business of equipment-leasing, including import leasing and to give on lease or on leave basis or in any other manner all types of equipment, property and assets including all kinds of goods, articles or things including vehicles, ships, trawlers, vessels, aircrafts, aeroplanes, flying machines, office equipments, computers, satellites and any other capital equipment whether movable or immovable.

C. THE OTHER OBJECTS OF THE COMPANY ARE.

1. To establish and carry on the business of general financiers, industrial financiers, hire purchase financiers, credit corporation, bankers, shroffs, capitalists, factors and investors.
2. To establish and carry on the business of financing, leading, letting on hire purchase immovable and movable properties of all kinds and natures, household, domestic, business or industrial appliances, furniture, utensils, implements, tools, devices, machinery and plants of all kinds and nature.
3. To carry on the business of stationers, printers, publishers, advertising agents, lithographers, exhibitors, magazine and book sellers, and magazine and journal subscription agents.
4. To establish and run processing and computer centers and to offer consultancy and other services that are normally offered by data processing and computer centres for the purchase of hardware and software and development of software for data processing, data acquisition and data transmission and for any other and all purposes.
5. To carry on the business of real estate brokers and agents.
6. To carry on the business of general agriculturists, farmers, growers, planters and producers of cereals, vegetables, pulses, fruits, orchards, oilseeds, spices, tea, coffees, cotton, tobacco, flowers and all any other produce of soil.
7. To lease out, provide on hire, retail or otherwise safe deposit lockers, strong rooms and other facilities for safe custody of valuables, securities and documents.
8. To do all such things and acts as are incidental or conducive to the attainment of the above objects, like appointing agents, dealers, brokers, either by itself or in conjunction with others, undertaking money deals, remunerating any person connected with the Company in any capacity and without prejudice to the aforesaid objects to do all such acts which may be necessary and conducive to the attainment of the aforesaid objects either in India or elsewhere.
9. To plan, promote, generate, acquire by purchase in bulk, develop, distribute and accumulate power by wind, solar, hydro, thermal, biomass, coal, lignite, gas, ocean energy, geothermal or any other form by which energy, power can be produced and to transmit, distribute, sell and supply such power for captive consumption by the Company and/or for consumption by the others.
10. To buy, sell, re-sell, trade, alter, import, export, stock, supply, exchange, prepare for market, to act as dealer(s), agent(s), sub-agent(s), representative(s) of manufacturer(s), sale and marketing organisers, suppliers or others, and to do the business of forwarding agents, or otherwise in relation to the following(s)
 - Elasto Meric Rubber Cables (with or without Copper),
 - Welding Cable (with or without Copper),
 - Cable Glands, other types of glands relating to cable wires and other related items,
 - Electrical cables, wires, switch gears,
 - Insulated cables and wires,
 - Rubber insulated wires and cables,
 - Cab tyre sheeted wires,
 - PVC cables and flexible cords, cotton or silk branded,
 - Conduct wires and cables, low and high tension paper, rubber or bitumen insulated lead covered power cables,

- Armoured or non-armoured extra high tension shielded and belted power cables,
- Long distance cables,
- Signaling cables,
- Lead covered cables,
- House installation,
- Accessories of power cables,
- All platable cables with seamless aluminium sheath covered with a second seamless skin of thermoplastic material, overhead material, bare copper, bronze, aluminium wires and
- Cables solid or standard for telephone, telegraph and signaling purposes,
- Aluminium cables for overhead lines, bare copper and cadmium copper wire round or grooved, aluminium bards, binders, rotor bars, switch board wires, bell wires, fuse wires, lead, lead alloy and tinned copper and all kinds of cables, wire conductors and accessories.
- Insulated wires
- Electrical equipments
- Cables insulated wires and other equipments
- All types of winding wires whatsoever of fine and superfine gauge; made of non ferrous metals such as steel, stainless steel, copper, aluminium, bronze and of ferrous metals such as steel, stainless steel, alloy steel, nickled chromium steel used in electrical electronic industries.
- Magnet wires, winding wires, enameled wires, paper, cotton, synthetic, fiber glass, plastic and other rubber covered wires and all by products thereof.
- All types of Electrical Cables
- Electrical Switch Gears
- Electrical Accessories

IV. The liability of the members is limited. Subject to the provisions of Section 323 of the Companies Act, 1956 and the Articles of Association of the Company, by the sanction of a Special resolution the Company may render the liability of any director or all directors unlimited.

V. The Share Capital of the Company is Rs. 6,00,00,000/- (Rupees Six Crores only) divided into 60,00,000 Equity Shares of Rs. 10/- (Rupees Ten only) each with power to increase or decrease the capital from time to time and to divide the shares in the capital for the time being into several classes to attach thereto respectively such preferential, deferred, special or qualified rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate such rights, privileges or conditions in such manner as may be permitted by the Act or Articles of Association of the company for the time being. The rights of the holders of the classes of shares for the time being forming part of the capital of the company may be modified, altered, varied, extended or surrendered with the consent in writing of the holders of 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.

We, the several persons whose names, addresses, descriptions and occupations are subscribed below, 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 this Company indicated against our respective names.

Sl. No.	Signature, Name, Address Description and Occupation of the Subscribers	No. of Equity Shares taken by each Subscriber	Signature, Name, Address Description and Occupation of the Witness
1.	RAVIKANT CHOUDHARY S/o Mohanlal Choudhary 51, Elephant Gate Street Sowcarpet, Madras - 600 079 <i>Stock & Share Broker</i>	1,000	SURESH KUMAR MEHTA S/o Baboolal Mehta 37, Kasi Chetty Street Madras - 600 079 <i>Chartered Accountant</i>
2.	NISHIKANT CHOUDHARY S/o Mohanlal Choudhary 21/2, Vadamalai Pillai Street Puruswalkam Madras - 600 007. <i>Industrialist</i>	1,000	
		2,000	

Place : Madras

Date : 02-06-1994

The Companies Act, 1956
(Company Limited by Shares)
ARTICLES OF ASSOCIATION
OF
ARIHANT'S SECURITIES LIMITED
CONSTITUTION OF THE COMPANY

Constitution

1. The Regulations contained in Table 'A' in the First Schedule to the Companies Act, 1956 shall apply to the Company except in so far as they have been specifically excluded by or under these Articles.

INTERPRETATION CLAUSE

Interpretation

2. The marginal notes hereto shall not affect the construction hereof. In these presents, the following words and expressions shall have the following meanings unless excluded by the subject or context.

The Act

- a. "The Act" or "The Companies Act" shall mean the Companies Act, 1956.

"The Board" or "The Board of Directors"

- b. "The Board" or "The Board of Directors" means a meeting of the Directors duly called and constituted or as the case may be, the Directors assembled at a Board, or the requisite number of Directors entitled to pass a circular resolution in accordance with these articles.

The Company or This Company

- c. "The Company" or "This Company" means "ARIHANT'S SECURITIES LIMITED"

Directors

- d. "Directors" means the Directors for the time being of the Company.

Members

- e. "Members" means members of the Company holding a share or shares of any class.

Month

- f. "Month" shall mean a Calendar month.

Managing Director

- g. "Managing Director" means a Director having management of the whole or substantially the whole of the affairs of the Company.

Office

- h. "The Office" means the Registered Office for the time being of the Company.

Paid-up

- i. "Paid-up" shall include "credited as fully paid-up".

Person

- j. "Person" shall include any Corporation as well as individuals.

"These Presents" or "Regulations"

- k. "These presents" or "Regulations" shall mean these Articles of Association as now framed or altered from time to time and shall include the memorandum where the context so required.

Proxy

- l. "Proxy" includes Attorney duly constituted under a power of attorney.

The Register

- m. "The Register" means the Register of members to be kept pursuant to Section 150 of the Companies Act, 1956.

Special Resolution

- n. "Special Resolution" means special resolution as defined by Section 189.

Section

- o. "Section" or "Sec" means Section of the Act.

Gender

- p. Words importing the masculine gender shall include the feminine gender.

Number

- q. Except where the context otherwise requires, words importing the singular, shall include the plural and the words importing the plural shall include the singular.

Whole-time Director

- r. "Whole-time Director" means a Whole-time Director of the Board and an employee of the Company.

Writing

- s. "Writing" includes printing, lithography, typewriting, and any other usual substitute for writing.

Prohibition of Investment of Funds in Company's Own Shares

3. Except as provided by Section 77, no part of funds of the Company shall be employed in the purchase of the shares of the Company and the Company shall not give directly or indirectly and whether by means of loan, guarantee, the provision of security or otherwise any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company.

SHARE CAPITAL

Capital

4. a. The Share Capital of the Company is Rs. 6,00,00,000/- (Rupees Six Crores only) divided into 60,00,000 Equity Shares of Rs. 10/- each.

Preference Shares

- b. The Company may also issue redeemable preference shares convertible or otherwise. The Redeemable Preference Shares shall confer the right on the holders thereof to be paid out of any profits that may at any time be determined to be distributed among members a fixed cumulative preferential dividend at the rates not exceeding the percentage notified by the Central Government from time to time and as may be determined by the Board and also subject to the terms and conditions of the issue free of the Company's tax but subject to deduction of taxes at source at the prescribed rates, on the capital for the time being paid up thereon in priority to the equity shares and shall have no further rights to participate in the profits of the Company.
- c. The redeemable Preference Shares shall confer the right on the holders thereof in a winding up to payment of the paid up capital and all arrears of the fixed cumulative preferential dividends set out in clause (b) above, whether earned, declared or not upto the date of commencement of the winding up in the profits or assets of the Company in priority to the equity shares.
- d. In calculating any fixed percentage on the capital-paid up on any shares for the purpose of this Articles such percentage shall be calculated upto and as on the date of the close of the year account of the Company next prior to the date of the declaration of dividend at a general meeting and in respect of interim dividend upto the date of the declaration of such interim dividend by the Board.
- e. The said redeemable preference shares shall be redeemable at par at the option of the Company, not later than 10 years from the date of issue by giving three months notices of such redemption to the holders thereof.
- f. The Board of Directors may at their discretion redeem the whole or any part of the outstanding Redeemable Preference Shares any time provided that :
- no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption.
 - no such shares shall be redeemed unless they are fully paid up ;
 - where any such shares are redeemed otherwise than out of the proceeds of fresh issue, there shall, out of profits which would otherwise have been available for dividend be transferred to a Reserve Account to be called "the Capital Redemption Reserve Account" a sum equal to the nominal amount of the shares redeemed; and the provisions of the Companies Act relating to the reduction of the share capital of a Company shall except as provided in Sec. 80 of the Act, apply as if the Capital Redemption Reserve Account were paid up share capital of the Company;
 - Where the option to redeem a part of the outstanding redeemable preference shares is exercised the particular shares to be redeemed shall be determined by drawing of lots.

Shares under the control of the Directors

5. Subject to the provisions of the Act and these Articles the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Board who may allot the same or any of them to such persons in such proportion and on such terms and conditions and either at a premium or at par, or at a discount (subject to compliance with the provisions of the Act) and at such times as they may from time to time think fit unless the Company in General Meeting by a Special Resolution otherwise decides

any offer of further shares shall be deemed to include a right, exercisable by the person to whom the shares are offered to renounce the shares offered to him in favour of any other person.

Powers of General Meeting to offer shares to such persons as the Company may resolve

6. In addition to and without derogating from the powers for the purpose conferred on the Board under Article 5 above, the Company in General Meeting, by a special resolution, may determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or holders of debentures of the Company or not) giving them the option to call or be allotted shares of any class of the Company either at a premium or at a par, or at discount (subject to compliance with the provisions of Section 79) such option being exercisable at such times and for such consideration as may be directed by a Special Resolution at a General Meeting of the Company in General Meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares.

Further issue of Capital

7. The Board may at any time increase the subscribed capital of the Company by issue of new shares out of the unissued part of the Share Capital in the original or subsequently created capital, but subject to Section 81 of the Act, and subject to the following conditions namely.
- A.
- a. such further shares shall be offered to the persons, what the date of the offer, are holders of the equity shares of the Company in proportion, as nearly as circumstances admit, to the capital paid upon those shares at that date :
 - b. the offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time, not being less than 21 days from the date of the offer, within which the offer if not accepted will be deemed to have been declined;
 - c. the offer aforesaid shall be deemed to include a right exercisable or in by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in clause (b) shall contain a statement of this right;
 - d. after the expiry of the time specified in the notice aforesaid or in respect of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered the Board may dispose of them in such manner as it thinks most beneficial to the Company.
- B. The Directors may, with the sanction of the Company in General Meeting offer and allots shares to any person at their discretion provided that such sanction is accorded either by:
- a. a special resolution passed at any General Meeting; or
 - b. by any ordinary resolution passed at a General Meeting by a majority of the votes cast, with the approval of the Central Government, in accordance with Section 81 of the Act.
- C. Nothing in this article shall apply :
- a. to the increase of the subscribed capital of the Company, caused by the exercise of an option attached to debentures issued or loans raised by the Company.
 - b. to convert such debentures or loans into shares in the Company; or
 - c. to subscribe for shares in the Company, provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term;
 - i. has been approved by a Special Resolution passed by the Company in General Meeting before the issue of the Debentures or the raising of the loans also; and
 - ii. either has been approved by the Central Government before the issue of the debentures or raising of the loans or is in conformity with the rules, if any, made by that Government in this behalf.

Variation of Rights

8. i. The rights attached to each class of shares (unless otherwise provided by the terms of the issue of the shares of that class) may, subject to the provisions of Sections 106 and 107 of the Act be varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a Special General Meeting of the holders of the shares of that class.
- ii. To every such separate General Meeting, the provisions of these Articles relating to General Meeting shall mutatis apply so that the necessary quorum shall be two persons at least holding or representing by proxy one-tenth of the issued shares of that class.

Issue of further Shares shall not affect the rights of shares already issued

9. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided for the terms of the issue of shares of that class, be deemed to be varied by the creation of further shares ranking *pari passu* therewith.

Not to issue shares with disproportionate rights

10. The Company shall not issue any shares (not being preference shares) which carry voting rights or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of the shares not being preference shares.

Power to pay commission

11. The Company may at any time pay a Commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures or debenture stock of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, debentures, or debenture stock of the Company but so that if the commission in respect of shares shall be paid or payable out of the capital, the statutory conditions and requirements shall be observed and complied with and the amount or rate of commission shall not exceed five percent of the price at which the shares are issued and in the case of debentures the rate of commission shall not exceed two and a half percent of the price at which the debentures are issued. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.

Liability of Joint Holders of Shares

12. The joint holders of a share or shares shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such share or shares.

Interest in Shares Not recognised

13. Save as otherwise provided by these Articles, the Company shall be entitled to treat the registered holder of any shares as the absolute owner thereof and accordingly the Company shall not, except as ordered by a Court of competent jurisdiction or as by a statute required, be bound to recognise any equitable, contingent, future or partial interest, lien, pledge or charge in any share or (except only as by these presents, otherwise provided for) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder)

Issue other than for cash

14. a. The Board may issue and allot shares in the capital of the company as payment or part payment for any property sold or goods transferred or machinery or appliances supplied or for services rendered or to be rendered to the Company in or about the formation or promotion of the Company or the acquisition and or conduct of its business and the share may be so allotted as fully paid-up shares and if so issued, shall be deemed to be fully paid-up shares.
- b. As regards all allotments from time to time made the Board shall duly comply with Section 75 of the Act.

Acceptance of Shares

15. An application signed by or on behalf of the applicant for shares in the Company, followed by an allotment of any shares therein, shall be acceptance of the shares within the meaning of these Articles; and every person who thus or otherwise accepts any shares and whose name is on the Register shall, for the purpose of these Articles be a share holder.

Members' Right to Share Certificates

16. i. Every person whose name is entered as a member in the Register shall be entitled to receive without payment;
- a. One certificate for all his shares; or
- b. Where the shares so allotted at any time exceed the number of shares fixed as market lot in accordance with the usage of the Stock Exchange, at the request of the share-holder several certificates one each per marketable lot and for the balance.
- c. Where the share certificates are issued for either more or less than marketable lots, sub-divisions or consolidation into marketable lots shall be done free of charge.
- ii. The Company shall unless prohibited by any provision of law or/and any order of any court, tribunal, or other authority, within three months after the allotment of any of its shares, debentures, or debenture stock and within one month after application for registration of the transfer of any such shares, or debentures stock, deliver in accordance with the procedures laid down in Sec. 53 the certificates of all shares, debentures and certificates of debenture stock so allotted or transferred.
- iii. Every certificate shall be under the Seal and shall specify the shares to which it relates and the amount paid up thereon.
- iv. The certificate of title to shares, and duplicates thereof when necessary shall be issued under the Seal of the Company and signed by two Directors and the Secretary of the Company or any person authorised by the Board in this behalf.
- (v). Share/ Debenture Certificates shall be issued in marketable lots and where Share/ Debenture Certificates are issued for either more or less than marketable lots, subdivision, consolidation into marketable lots shall be free of charge.

One Certificate for Joint Holders

17. In respect of any shares, held jointly by several persons, the Company shall not be bound to issue more than one certificate for the same share or shares and the delivery of a certificate for the share or shares to one of the several joint holders shall be sufficient delivery to all such holders. Subject as aforesaid, where more than one share is so held, the joint holders shall be entitled to apply jointly for the issue of several certificates in accordance with Article 20 below.

Renewal of Certificate

18. If a certificate be worn out, defaced, destroyed, or lost or if there is no further space on the back thereof for endorsement of transfer, it shall, if requested be replaced by a new certificate without any fee, provided however, that such new certificate shall not be given except upon delivery of the worn out or defaced or used up certificate for the purpose of cancellation, or upon proof of destruction or loss, or such terms as to evidence, advertisement and indemnity and the payment of out-of-pocket expenses as the Board may require in the case of the certificate having been destroyed or lost. Any renewed certificate shall be marked as such in accordance with the Companies (issue of Share Certificate) Rules 1960 or any modification thereof for the time being in force.
19. For every certificate issued under the last preceding Article, no fee shall be charged by the Company.

Splitting and Consolidation of Share Certificates

20. a. Any person (whether the registered holder of shares or not) being in possession of any share certificate or share certificates for the time being may surrender the said share certificate or certificates, to the Company and apply to the Company for the issue of two or more fresh

share certificates comprising the same shares, bearing the same distinctive numbers comprised in the said certificate and in such separate lots as he may desire in lieu of such share certificate so surrendered or for the consolidation of the shares comprised in such surrendered certificates into one certificates as the case may be in the name of the person or persons in whose name the original certificate so issued shall be delivered to the person who surrendered the original certificates or to his order. No fee shall be charged for the same.

- b. Notwithstanding anything contained in Article 20 (a) above, the Board of Directors may, in its absolute discretion, refuse application for sub-division or consolidation of share certificates or debenture certificates into denomination of less than the marketable lot except when such sub-division or consolidation is required to be made to comply with a statutory provision or an order of a competent Court of law.

Directors may issue new certificates

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

Person by whom instalments are payable

22. 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 and from time to time shall be the registered holder of the share or his legal representative if any.

22A : DEMATERIALISATION OF SECURITIES

- a) Notwithstanding any thing contained in these Articles, the Company shall be entitled to dematerialise its existing securities and to offer securities in a dematerialised form pursuant to the provision of the Depositories Act 1996 or otherwise.
- b) Notwithstanding any thing contained in these Articles, an issue of security by the Company can also be in the dematerialised form and the Company shall intimate the details of allotment to the depository immediately on allotment of such securities. Investors in a new issue and the beneficial owners of any existing securities held in the dematerialised form, shall have the option to rematerialise the securities subsequent to the allotment or dematerialisation, as the case may be, in which event the Company shall issue to the investor/ beneficiary owner the required certificates of securities subject to the provision of applicable laws, rules, regulations and guidelines. The shares so rematerialised shall bear new distinctive numbers so as to identify them from the shares dematerialised.
- c) All securities held in the depository mode with a depository shall be dematerialised and be in fungible form. To such securities held by a depository on behalf of a beneficial owner, nothing contained in Sections 153, 153A, 153B, 187A, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial owner.
- d) (i) Notwithstanding any thing to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposed of effecting transfer of ownership of securities on behalf of the beneficial owner.
- (ii) Save as otherwise provided in the (i) above, the depository as the registered owner of the securities shall not have any other membership rights in respect of the securities held by it.

(iii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the register maintained by a depository, shall be deemed to be a member of the Company. Such beneficial owner of securities shall alone be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities held in the depository mode of which he is the beneficial owner.

e) Notwithstanding any thing to the contrary contained in the Act or these Articles, where securities are held in a depository form, the records of the beneficial owners may be served by the depository on the Company by means of any electronic mode or by delivery of floppies or discs or any such similar mode.

f) Nothing contained in section 108 of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owner in the register maintained by a depository under the Depositories Act 1996.

g) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held in the depository mode.

h) The Register and index of beneficial owners maintained by the depository under the Depositories Act 1996 shall be deemed to be the Register and index of members and holders of securities for the purposes of these Articles and the Act.

22B. NOMINATION FACILITY

a) Every holder of shares in, or holder of debentures of the Company may at any time nominate, in the prescribed manner, a person to whom his/her shares or debentures of the Company shall vest in the event of his/her death.

b) Where the shares in or, debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in prescribed manner, a person to whom their shares or debentures of the Company shall vest in the event of death of all the joint holders.

LIEN

Company's lien on shares

23. The Company shall have a first and paramount lien upon all the shares (other than fully paid up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any share shall be created except upon the footing and condition that Article 13 hereof will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien if any, on such shares. The Directors may at any time declare any share/s wholly or in part to be exempt from the provisions of this clause.

As to enforcing lien by sale

24. For the purpose of enforcing such lien the Board of Directors may sell the shares subject thereto in such manner as it thinks fit but no sale shall be made until the expiration of 14 days after a notice in writing stating and demanding payment of such amount in respect of which the lien exists has been given to the registered holder of the shares for the time being or to the person entitled to the shares by reason of the death or insolvency of the registered holder.

Authority to transfer

25. a. To give effect to such sale, the Board of Directors may authorise any person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any sum transfer.

b. The purchaser shall not be bound to see application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

Application of Proceeds of Sale

26. The net proceeds of any such shall be applied in or towards satisfaction of the said moneys due from the member and the balance, if any, shall be paid to him or the person, if any entitled by transmission to the shares on the date of the sale.

CALLS ON SHARES

Calls

27. Subject to the provision of Section 91 of the Act, the Board of Directors may from time to time make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and not by the conditions of allotment thereof made payable at fixed times, and the member shall pay the amount of every call so made on him to the persons and at the time and place appointed by the Board of Directors.

When call deemed to have been made

28. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed. The Board of Directors making a call may by resolution determine that the call shall be deemed to be made on a date subsequent to the date of the resolution; and in the absence of such a provision a call shall be deemed to have been made on the same date as that of the resolution of the Board of Directors making such calls.

Length of notice of call

29. Not less than thirty days notice of any call shall be given specifying the time and place of payment provided that before the time for payment of such call the Directors may, by notice in writing to the members extend the time for payment thereof.

Sum payable in Fixed instalments to be Deemed calls

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

When interest on call or instalment payable

31. If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the instalment shall be due, shall pay interest for the same at the rate of 12 percent, per annum from the day appointed for the payment thereof to the time of the actual payment or at such lower rate as the Directors may determine. The Board of Directors shall also be at liberty to waive payment of that interest wholly or in part.

Sum payable at Fixed time to be treated as calls

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

Payment of call in advance

33. The Board of Directors may, if they think fit, receive from any member willing to advance all or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any part of the moneys so advanced may (until the same would, but for such advance become presently payable) pay interest at such rate as the Board of Directors may decide but shall not in respect of such advances confer a right to the dividend or participate in profits.

Partial payment not to preclude forfeiture

34. Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any share, nor any part payment or satisfaction thereunder, nor the receipt by the Company of

any portion of any money which shall from time to time be due from any member in respect of any share either by way of principal or interest, not any indulgence granted by the Company in respect of any share either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

FORFEITURE OF SHARES

If call or instalment not paid notice may be given

35. a. If a member fails to pay any calls or instalment of a call on the day appointed for the payment thereof, the Board of Directors may at any time thereafter, during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest, which may have accrued. The Board may accept in the name and for the benefit of the Company, and upon such terms and conditions as may be agreed upon, the surrender of any share liable to forfeiture and so far as the law permits of any other shares.

Evidence action by Company against share holders

- b. On the trial or hearing of any action or suit brought by the Company against any share holder or his representative to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of share holders of the company as a holder, or one of the holders of the number of shares in respect of which such claim is made, 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 was duly convened or constituted nor any other matter whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Form of Notice

36. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made, and it shall state that in the event of non-payment on or before the day appointed, the shares in respect of which the call was made will be liable to be forfeited.

If notice is not complied with Shares may be Forfeited

37. a. If the requirements of any such notice as aforementioned are not complied with, any share in respect of which the notice has been given, may at any time thereafter, and before the payment 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 shares and not actually paid before the forfeiture.

Notice after forfeiture

- b. When any share have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture shall not be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

Board's right to disposal of forfeited share or cancellation of forfeiture

38. A forfeited or surrendered share may be sold, or otherwise disposed of on such terms and in such manner as the Board may think fit, and at any time before such a sale or disposal the forfeiture may be cancelled on such terms as the Board may think fit.

Liability after forfeiture

39. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding such forfeiture remain liable to pay and shall forthwith pay the Company, all moneys payable by him at the date of forfeiture to the company in respect of the

share, whether such claim be barred by limitation on the date of the forfeiture or not, but his liability shall cease if and when the Company received payment in full of all such moneys due in respect of the shares.

Effect of forfeiture

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

Evidence of forfeiture

41. A duly verified declaration in writing that the declarant is a Director of the Company and that a share in the Company has 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 share, and that declaration and the receipt by the Company for the consideration, if any given for the shares on the sale or disposal thereof, shall constitute a good title to the share and the person to whom the share is sold or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of this share.

Non-payment of sums payable at Fixed times

43. Upon any sale after forfeiture, or for enforcing a line in purported exercise of the powers herein before given, the Directors may cause the purchaser's name to be entered in the Register in respect of the shares sold and may issue fresh certificate in the name of such purchaser. This 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 in respect of such shares, the validity of the sales 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.

TRANSFER AND TRANSMISSION OF SHARES

Transfer

44. a. The instruments of Transfer of any shares in the Company shall be executed both by the transferor and the transferee and the transfer shall be deemed to remain holder of the shares until the name of the transferee is entered in the Register of members in respect thereof.
- b. The Board not register any transfer of shares unless a proper instrument of transfer, duly stamped and executed by the transferor and the transferee, has been delivered to the Company along with the certificate and such evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.

Provided that where it is proved to the satisfaction of the Board that an instrument of transfer duly stamped and executed by the transferor and the transferee has been lost the Company may, on an application in writing made by the transferee and bearing the stamp required for an instrument of transfer, register the transfer on such terms as to indemnity as the Board may think fit.

- c. An application for the registration of the transfer of any share or shares may be made either by the transferor or the transferee, provided that where such application is made by the transferor no registration shall, in case of partly paid shares, be effected unless the company gives notices of the application to the transferee. The company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.
- d. For the purpose of sub-clause (c), notice to the transferee shall be deemed to have been given if the notice is despatched by prepaid registered post to the transferee of the address given in the instrument of transfer, and it shall be deemed to have been delivered at the time at which it would have been delivered in the ordinary course of post.

- e. Nothing in sub-clause (d) shall prejudice any power of the Board to register as a shareholder any person to whom the right to any share has been transmitted by operation of the law.
- f. Nothing in this Article shall prejudice any power of the Board to register as a shareholder any person to whom the right to any share has been transmitted by operation of the law.
- g. The instrument of transfer shall be in writing and all the provisions of Section 108 of the Companies Act, 1956 and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and the registration thereof.

Board's right to refuse to register

46. a. The Board may at their absolute discretion, decline to register;
- i. the transfer of any share whether fully paid or not, to a person of whom they do not approve; or
 - ii. any transfer or transmission of shares on which the Company has a lien.
- Provided that registration of a transfer shall not be refused on the ground of the transferor being, either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except, a lien on the shares.
- b. If the Board refuses to register any transfer or transmission of right, they 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 notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be, giving reasons for such refusal.
 - c. In case of such refusal by the Board, the decision of the Board shall be subject to the right of appeal conferred by Section 111 sub clause (3).
 - d. The Company shall effect transfer, transmission, sub-division or consolidation of shares within one month from the date of lodgement of the required documents.

Further right of Board of Directors to refuse to register

47. a. The Board at their discretion may decline to recognise or accept an instrument of transfer of shares unless the instrument of transfer is in respect of one class of shares.
- b. No fee shall be charged by the Company for registration of transfers or for effecting transmission of shares on the death of any member.
 - (c) No fee shall be charged for transfer of shares / debentures or for effecting transmission or for registering any letters of probate, letters of administration and similar other documents.

Rights to Shares on death of a Member for Transmission

48. a. In the event of death of any one or more or several joint holders, the survivor or survivors alone shall be entitled to be recognised as having title to the shares.
- b. In the event of death of any sole holder or of the last surviving holder, the executors or administrators of such holder or other person legally entitled to the shares, shall be entitled to be recognised by the Company as having any title to the shares of the deceased.

Provided that on production of such evidence as to title and on such indemnity, or other terms as the Board may deem sufficient, any person may be recognised as having title to the shares as heir, or legal representative, of the deceased shareholder.

Provided further that if the deceased shareholder was a member of Hindu joint family, the Board on being satisfied that the shares standing in his name in fact belonged to the joint family, may recognise the survivors or the Karta thereof as having title to the shares registered in the name of such member.

Provided further that in any case it shall be lawful for the Board, in their absolute discretion, to dispense with the production of probate or letters of administration or other legal representation upon such evidence and such terms as to indemnity or otherwise as to the Board may deem just.

Rights and Liabilities of a person entitled to shares on Transmission

49. i Any person becoming entitled to a share in consequence of the death or insolvency of a member may, up on such evidence being produced as may be required by the Board and subject as hereinafter provided, elect either
- a. to be registered himself as a holder of the share of
 - b. to make such transfer of the share as the deceased or insolvent member could have made.
- ii The Board shall, in either case, have the same right to decline or suspend registration as it would have had if the deceased or insolvent member had transferred the share before his death or insolvency.

Notice by such a person of his election

50. i if the person so becoming entitled shall elect to be registered as holder of the shares himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- ii if the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- iii all the limitations, restriction and provisions of these regulations relating to the right to transfer and registration of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer had been signed by that member.

No transfer to infant etc.

51. No transfer shall be made to an infant or a person of unsound mind or an insolvent

Endorsement on transfer and issue of Certificates.

52. Every endorsement upon the certificate of any share in favour of any transferee shall be signed by a person for the time being duly authorised by the Board in that behalf. In case any transferee of a share shall apply for a new certificate in lieu of the old or existing certificate, he shall be entitled to receive a new certificate on payment of a sum of Rupee One for every such certificate of shares to which the transfer relates on upon his delivery for cancellation of every old, or existing certificate which is to be replaced by a new one.

Custody of Transfer

53. The instrument of transfer shall, after registration, remain in the custody of the Company. The Board may cause to be destroyed all transfer deeds lying with the Company for a period of ten years or more.

Register of Members

54. i The Company shall keep a book to be called the "Register of Members" and therein shall be entered the particular of every transfer or transmission of any shares and all other particulars of shares required by the Act to be entered in in such Register. Closure of Register of Members
- ii The Board may, after giving not less than seven days previous notice by advertisement in some newspapers circulating in the district in which the Registered office of the Company is situated, close the REGISTER of Members of the Register of Debenture Holders for any period or periods not exceeding in the aggregate forty five days in each year but not exceeding thirty days at any one time.

When instruments of Transfer to be retained

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

Company's right to register, transfer by apparent legal owner

55. The Company shall incur no liability or responsibility whatever in consequence of their registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right or title or interest prohibiting registration of such transfer and any have entered such notice referred thereof in any book of the Company and the Company shall not be bound by or required to regard or attend to give effect to any notice which may be given to it or any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered to referred to in the books of the Company; but the Company shall nevertheless be at liberty to have regard and to attend to any such notice and give effect thereto, if the Board shall think fit.

ALTERATION OF CAPITAL

56. i. The Company may from time to time, in accordance with the provisions of the act, alter the conditions of its Memorandum of Association as follows :
- a. increase its share capital by such amount, as it thinks expedient by issuing new shares;
 - b. consolidated and divide all or any of its share capital into shares of larger amount than its existing shares;
 - c. convert all or any of its fully paid-up shares into stock, and re convert that stock into fully paid up shares of any denomination;
 - d. sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however that in sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case if the shares from which the reduced share is derived.
 - e. cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person and diminish the amount of the share capital by the amount of the shares so cancelled.
- ii. The resolution whereby any share is subdivided may determine, subject to the provisions of the act, that as between the holders of the shares resulting from such subdivision one or more such shares shall have some preference or special advantages as regards dividend, capital or otherwise over or as compared with the others.

Reduction of Capital etc., by Company

- iii. The Company may, by Special Resolution, reduce in any manner and with and subject to any incident authorised and consent required by law.
 - a. its share capital
 - b. any capital redemption reserve account; or
 - c. any share premium account.

SURRENDER OF SHARES

Surrender of Shares

57. The Directors, may subject to the provisions of the Act, accept the surrender of any shares by way of compromise of any question as to the holder being property registered in respect thereof.

SET-OFF OR MONEYS DUE TO SHAREHOLDERS

Set-off money's due to Shareholders

58. a. Any money due from the Company to a shareholder may, without the consent of such shareholder be applied by the Company in or towards payment or any money due from him either alone or jointly with any other person, to the Company in respect of calls.

CONVERSION OF SHARES INTO STOCK

Conversion of shares in to Stock

- b. The Company may, by ordinary resolution convert all or any fully paid shares of any denomination into stock and vice versa.

Transfer of Stock

- c. The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulations under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit; provided that the Board may, from time to time, fix the minimum amount of stock transferable to however, that such minimum shall not exceed the nominal amount of the share from which the stock arose.

MODIFICATION OF RIGHTS

Power to modify shares

- d. The rights and privileges attached to each class of shares may be modified, commuted, affected or abrogated in the manner provided in Section 107 of the Act.

Right of Stock holders

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

Applicability of regulation to stock and shareholders

60. Such of the regulations contained in these presents other than those relating to share warrants as are applicable to paid up shares apply to stock and the words shares and shareholders in these presents shall include stock and stock holder respectively.

GENERAL MEETINGS

Statutory Meeting

61. a. The Company shall, within a period of not less than one month nor more than six months from the date at which the Company is entitled to commence business, hold a General Meeting of the members of the Company which shall be called the Statutory Meeting.
- b. The Board of Directors shall, not less than 21 days before the date on which meeting is held, forward a report called the Statutory Report to every member of the Company provided that if the Statutory Report is forwarded later than is required above, it shall, notwithstanding the fact, be deemed to have been duly forwarded if it is so agreed to by all the members entitled to attend and vote at the meeting.
- c. The Board of Directors shall comply with the provisions of Section 165 of the Act in connection therewith.

Annual General Meeting

62. The Company shall in each year hold, in addition to the other meetings, a General Meeting which shall be styled as its Annual General Meeting, at intervals and in accordance with the provisions of Section 166 of the Act.

Extraordinary General Meeting

63. i. Extra-ordinary General Meeting may be held either at the Registered Office of the Company or at such convenient place as the Board or the Chairman (subject to any directions of the Board) may deem fit.

Right to summon extra-ordinary General Meeting

- ii. The Chairman or Vice-Chairman may, whenever he thinks fit and shall if so directed by the Board, convene an Extra- ordinary General Meeting at such time and place as may be determined.

Extra-ordinary Meeting Requisition

64. a. The Board shall on the requisition of such number of members of the Company as is specified below, proceed duly to call an Extra-ordinary General Meeting of the Company and comply with the provisions of the Act in regard to meetings on requisition.
- b. The requisition shall set out matters for the consideration of which the meetings is to be called, shall be signed by the requisitionists, and shall be deposited at the Register Post addressed to the Company as its Registered Office.
- c. The requisition may consist of several documents in like forms each signed by one or more requisitionists.
- d. The number of members entitled to requisition a meeting in regard to any matter shall be such number of them as holders on the date of the deposit of the requisition of not less than 1/10th of such of the paid up capital of the Company as the date carried the right of voting in regard to the matter set out in the requisition.
- e. If the Board does not, within 21 days from the date of deposit of the requisition with regard to any matters, proceed duly to call a meeting for the consideration of these matters on a date not later than 45 days from the date of deposit of the requisition, the meeting may be called by the requisitionists themselves or such of the requisitionists as represent either majority in value of the paid up share capital held by them or of not less than 1/10 th of such paid-up capital of the Company as is referred to in sub-clause (d) above whichever is less.

Length of Notice of Calling Meeting

65. A General Meeting of the Company may be called by giving not less than 21 days notice provided that a General Meeting may be called after giving shorter notice if consent thereto is accorded in the case of the Annual General Meeting by all the members entitled to vote thereat; and in the case of any other meetings of the Company, be members holding not less than 95% of the part of the paidup share capital which gives the right to vote on the matters to be considered at the meeting. Provided that where any member of the Company is entitled to vote only on some resolution or resolutions to be moved at a meeting and not on others, those members shall be take in account for purpose of this clause in respect of the former resolution or resolutions and in respect of the latter.

Accidental omission to give Notice not to invalidate meeting.

66. The accidental omission to give notice of any meeting to or the non-receipt of any such notice by any of the members shall not invalidate the proceedings or any resolution passed at such meeting.

Special Business and Statements to be Annexed

67. All business shall be deemed special that is transacted at an Extraordinary General Meeting and also that is transacted at an Annual General Meeting with the exception of declaration of a dividend the consideration of the accounts, Balance Sheets and the reports of the Directors and Auditor, the election of the Directors in the place of those retiring and the appointment of an the fixing of the remuneration of Auditors. Where any items of business to be transacted at the meeting are 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 sum item of business, including in particular the nature of concern or interest, if any therein, of every Director. If 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.

Provided that where any item of Special Business as aforesaid to be transacted at a meeting of the Company relates to or affects any other company, the extent of share holding interest that other company of every Director of the Company shall also be set out in the statement if the extent of such share holding interest is not less than 20% of the paid up share capital of the Company.

PROCEEDINGS OF GENERAL MEETING

Quorum

68. Five members personally present shall be quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present when the meeting proceeds to business.

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

69. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting if called upon by the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week and at the same time and place or to such other day and at such other time and place as the Board may determine and if at the adjourned meeting a quorum is not present within half an hour of the time appointed for the meeting the members present shall be a quorum.

Chairman of General Meeting

70. i. The Chairman of the Board of Directors shall preside at every General Meeting of the Company.

When Chairman

absent, choice of another chairman

- ii. If at any general meeting the Chairman is not present within 15 minutes after the time appointed for holding the meeting, or if he is unwilling to act as Chairman the Vice-Chairman of the Board of Directors shall preside over every General Meeting of the Company. If at any General Meeting either the Chairman or Vice-Chairman is not present within 15 minutes of the time appointed for holding the meeting or if they are unwilling to act as chairman, the members present shall choose a Director present to be the Chairman of the Meeting, and if no Directors is present or if all the Directors present are unwilling to take the Chair, the members present shall choose someone of their members to the Chairman.

Minutes of General Meetings and inspection thereof by Members

71. a. The Company shall cause minutes of all proceedings of every General Meeting to be kept in accordance with the provisions of Section 193 of the Act; and the books containing such minutes shall be kept at the Office of the Company, and shall be open during business hours, for such periods not being less than the aggregate of two hours in each day as the Company in General Meeting may determine, to the inspection of any member without charge. Any such minutes shall be evidence of the proceedings recorded therein.
- b. Nothing herein contained shall require or be deemed to require the inclusion in any such minutes to any matter which in the opinion of the Chairman of the meeting (i) is or could reasonably be regarded as defamatory or any person or (ii) is irrelevant, or immaterial to the proceedings or (iii) is determined to the interest of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.

Adjournment of Meeting

72. The Chairman may with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn that 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 so adjourned for 30 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 adjournment or of the business to be transacted at an adjourned meeting.

Questions at General Meeting How decided

73. At a General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with provisions of Section 179. Unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands been carried unanimously or by a particular majority or lost, and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution.

Casting Vote

74. In the case of an equality of votes, the Chairman shall, both on a show of hands and on a poll, have a casting vote in addition to the vote or votes to which he may be entitled as a member.

Taking of Poll

75. - If a poll is duly demanded in accordance with the provisions of Section 179 it shall be taken in such manner as the Chairman, subject to the provisions of Section 184 and Section 185 of the Act may direct, and the results of the poll shall be deemed to be the decision of the meeting on the resolutions on which the poll was taken.

In what cases Poll taken without adjournment

76. A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time, not being later than 48 hours from the time when demand was made, as the Chairman may direct.

Votes

77. i. Every member of the Company holding any Equity Share Capital shall have a right to vote in respect of such capital on every resolution placed before the Company. On a show of hands, every such member present shall have one vote and shall be entitled to vote in person or by proxy and this voting right on a poll shall be in proportion to his share of the paid up Equity Capital of the Company.
- ii. Every member holding any Preference Share, shall in respect of such shares, have a right to vote only on resolutions which directly affect the rights attached to the Preference Shares and subject as aforesaid. Every such member shall in respect of such capital be entitled to vote in person or proxy, if the dividend due on such preference shares or any part of such dividend has remained unpaid in respect of an aggregate period of not less than two years preceding the date of the meeting. Such dividend shall be deemed to be due on preference shares in respect of any period, whether a dividend has been declared by the Company for such period or not, on the date immediately following such period.
- iii. Whenever the holder of a preference share has a right to vote on any resolution in accordance with the provisions of this Article, his voting right on a poll shall be in the same proportion as the capital paid up in respect of such Preference shares bears to the total Equity paid up capital of the Company.

Business may proceed notwithstanding demand for poll

78. A demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than that on which a poll has been demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

Joint Holders

79. In the case of joint holders, the vote of the first named of such joint holders who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

Members of Unsound mind

80. A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

No member entitled to vote while call due to Company

81. No member shall be entitled to vote at a general meeting unless all calls or other sums presently payable by him, in respect of shares in the Company, have been paid.

Votes, in Person or by Proxy

82. On a poll, votes may be given either personally or by proxy, provided that no company shall vote by proxy as long as a resolution of its Directors in accordance with provisions of Section 187 is in force.

Instrument of proxy

- a. The instrument appointing a proxy shall be in writing under the hand of appointer or of his attorney duly authorised in writing, or if the appointer is a corporation, either under the common seal or under the hand of any officer or attorney so authorised. Any person may act as proxy whether he is a member or not.
- b. A body corporate (Whether a company within the meaning of the Act or not) may:
 - i. If it is a member of the Company by resolution of its Board of Directors or other governing body, authorise such person, as it thinks fit, to act as its representative at any meeting of the Company, or at any meeting of any class of members of the Company.
 - ii. If it is a creditor (including a holder of debentures) of the Company by resolution of its Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of any creditors of the Company held in pursuance of the act or of any rules made thereunder or in pursuance of the provisions contained in any debenture; or trust deed, as the case may be.
- c. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents, as if he were personally the member, creditor or debenture holder.

Instrument of Proxy to be Deposited at the Office

84. The instrument appointing a proxy and the power of attorney or other authority if any, under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting; or adjourned meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid.

Validity of Vote by Proxy

85. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the appointer, or revocation of the proxy or transfer of the share in respect of which the vote is given provided no intimation in writing of the death, revocation or transfer shall have been received at the Registered Office of the Company before the commencement of the meeting or adjourned meeting at which the proxy is used.

Form of Proxy

86. Any instrument appointing a proxy may be in the following or in any other form which the Board shall approve :

General form

ARIHANT'S SECURITIES LIMITED

I/We of a in the district of being member(s) of the above named Company, hereby appoint Mr. of in the district of or, failing him, Mr./Ms. of in the district of as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting / Extra-ordinary General Meeting of the Company to be held on the day of 19 and at every adjournment thereof.

Signed this day of 19

Signature

II

From the affording members an opportunity of voting
for or against the resolution

ARIHANT'S SECURITIES LIMITED

I/We of a in the district of being member(s) of the above named Company, hereby appoint Mr. of in the district of or, failing him, Mr./Ms. of in the district of as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting / Extra-ordinary General Meeting of the Company to be held on the day of 19 and at every adjournment thereof.

Signed this day of 19

I/We direct the proxy to vote

For/against Resolution No. 1

For/ against Resolution No.2

For/against Resolution No. 3

Signed this day of 19

Signature

Note : Strike "for" or "against" as appropriate. Unless this is done and unless otherwise instructed, the proxy will act as he thinks fit.

DIRECTORS

Number of Direct

87. a. Until otherwise determined by a general meeting, the Number of Directors shall be not less than three (3) and not more than 12.

The first Directors :

1. Mr. RAVIKANT CHOUDHARY
2. Mr. NISHIKANT CHOUDHARY

- b. The Board of Directors may from time to time elect one of their body to be the Chairman of the Board of Directors.

Qualification of Directors

88. a. Any person, whether a member of the Company or not, may be appointed Direct, No qualification by way of holding shares in capital of the Company shall be required of any Director.

Dirztors Resignation

- b. A Director may resign from his office, No notice period is required for a Director who is neither a Managing Director nor a Whole-time Director. The resignation makes effect from the date of the resignation letter.

Director's Remuneration

89. a. The remuneration of each of the Directors for attending the meetings of the Board or Committees shall be decided by the Board of Directors from time to time within the maximum limit of such fees that may be prescribed under the provision to Sec. 310 of the Companies Act, 1956. The Company may allow and pay to a Director who for the time being is residing out of the place at which any meeting of the Directors may be held and who shall come to that place, for the purpose of attending that meeting, such sum as the Directors may consider fair compensation for his expenses in connection with his attending that meeting, such sum as the Directors may consider fair compensation for his expenses in connection with his attending in addition to his remuneration as specified above.
- b. Subject to the provisions of the Act, the Directors may, with the sanction of an Ordinary Resolution passed in the General Meeting, and such sanction if any of the Government of India as may be required under the Companies Act, sanction and pay to any or all the Directors such remuneration for their services as Directors, or otherwise and for such period, and on such terms and they may deem fit.
90. Subject to the provisions of the Act, the Company in General Meeting may, by special resolution, sanction and pay to the Directors in addition to the said fees set out in sub- clause (a) above a remuneration not exceeding one percent (1%) of the net profits of the Company, calculated in accordance with the provisions of Section 198 of the Act. The said amount of remuneration so calculated shall be divided equally between all the Directors of the Company who held office as Directors at any time during the year of account in respect of which such remuneration is paid or during any portion of such year, irrespective of the length of the period, for which they had held office respectively as such Directors.
91. a. Subject to the provisions of Section 314 of the Companies Act, and subject to such sanction of the Government of India as may be required under the Companies Act if any Director shall be appointed to advise the Directors as an expert, or be cancelled shall be appointed to advise the Directors as an expert or be cancelled shall be appointed to advise the Directors as an expert, or be called upon to perform extra services or make special exertions for any of the purpose of the Company, the Directors may pay to such Director such special remuneration as they think fit, such remuneration may be in the form of either salary, commission, or lumpsum and may either be in addition to or in substitution of the remuneration specified in clause (a) of the Article 89 above.

MANAGING AND WHOLE TIME DIRECTORS

Managing Directors/Wholetime Directors

92. a. The Board may from time to time with such sanction in several meetings of the Company and of the Central Government if necessary as may be required by law appoint one or more of their body to the office of the Managing Director or Wholetime Director.
- b. The Directors may from time to time resolve that he shall be either one or more Whole-time Directors.
- c. In the event of any vacancy arising in the Office of Managing Director or Wholetime Director, or if the Directors resolve to increase the number of Managing Directors/ Whole- time Directors the vacancy shall be filled by the Board of Director(s) and the persons so appointed shall hold the Office for such period as the Board of Directors may fix.

Casual Vacancy

93. If the Office of any Director becomes vacant before the expiry of the period of his Directorship in normal course; the resulting casual vacancy may be filled by the Board at a meeting of the Board, subject to Section 262 of the Act. Any person so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if the vacancy had not occurred as aforesaid.

Alternate Director

94. The Board may appoint an Alternate Director to act for a Director, hereinafter called in this clause "the original Director" during his absence for a period of not less than 3 months from the State in which the meetings of the Board are ordinarily held.
95. An Alternate Director appointed as aforesaid shall vacate office if and when the original Director returns to the State in which meetings of the Board are ordinarily held.

Additional Director

96. The Directors may, from time to time appoint any person as an Additional Director provided that the number of Directors and Additional Directors together shall not exceed the maximum number of Directors fixed under Article 87 (a) above. Any person so appointed as an Additional Director shall hold office upto the date of the next Annual General Meeting of the Company.

Corporation Director

97. a. So long as any moneys be owing by the company to any finance Corporation or Credit Corporation or to any Financing Company or Body (Which Corporation or Body is hereinafter in this Article referred to as the Corporation) who may have advanced any loan to the Company or so long as any guarantee given by such Corporation any loan to the Company, or so long as any guarantee given by such Corporation at the request of and for the purposes of the Company remains outstanding or so long such Corporation holds any shares of the Company as a result of its having authorised such Corporation to appoint, from time to time any person as a Director of the Company (which Director is hereinafter referred to as Corporation Director) and may agree that the Corporation Director need not possess any qualifications shares to qualify him for the office of such Director and shall not be liable to retire by rotation.

Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing the Company to the Industrial Development Bank of India (IDBI) Industrial Finance Corporation of India (IFCI) the Industrial Credit & Investment Corporation of India Limited (ICICI), Life Insurance Corporation of India (LIC) and Unit Trust of India (UTI) or any other Finance Corporation or Credit Corporation or to any other Financing company or Body out of any loans granted by them to the Company or so long as IDBI, IFCI, LIC and UTI or to any other Finance Corporation or Credit Corporation or any other Financing Company or Body (each of the above hereinafter referred to as "the Corporation") continue to hold debentures in the Company by direct subscription or private placement, or so long as the Corporation holds shares in the Company as a result of under writing or direct subscription or so long as any liability of the Company arising out

of any Guarantee outstanding the Corporation shall have a right to appoint from time to time any person or persons as a Director or Directors, Whole-time or Non Whole-time (hereinafter referred to as Nominee Directors) on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s provided that the number of such Nominee Directors shall at no time exceed three.

Debenture Director

Any Trust Deed for securing debentures or debenture stocks may, if so arranged provide for the appointment from time to time by the Trustees thereof or by the holders of debentures or debenture stocks, of some person to be a Directors of the Company and may empower such Trustees or holders of debentures or debenture, stock from time to time to remove and are re-appoint any Director so appointed. The Director appointed under this Article is herein referred to as "Debenture Director" and the term Debenture Director shall not be bound to hold and qualification shares and shall not be liable to retire by rotation or by removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

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

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the company to the Corporation or so long as the Corporation, hold debentures, in the Company as a result of direct subscription or private placement, or so long as the Corporation hold shares in the Company as a result of underwriting or direct subscription or the liability of the Company arising out of the Guarantee is outstanding; and the Nominee Director/ so appointed in exercise of the said power shall ipso facto vacate such vacate immediately all 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.

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

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

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

In the event of the Nominee Director/s being appointed as wholetime Director/s such Nominee Director/s shall exercise such powers and have such rights as are usually exercised or available to a whole time Director in the management of the affairs of the Company. Such whole time Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the corporation.

- b. The Corporation may at any time and from time to time remove any such Corporation Director appointed by it any may at the time of such removal and also in the case of death

or resignation of the person so appointed at any time, appoint any other person as a Corporation Director in his place. Such appointment or removal shall be made in writing signed by the Chairman of the Corporation or any person or Director thereof, and shall be delivered to the Company, at its registered Office. It is clarified that every Corporation entitled to appoint a Director under this Article may appoint such number of persons as Directors as may be authorised by the Directors of the Company subject to Section 255 of the Act.

Special Director

96. a. In connection with any collaboration arrangement with any company or corporation or any firm or person for supply of technical know-how and/or machinery or technical advice the Directors may authorise such company, corporation, firm or person (hereinafter in this clause referred as "Collaborator") to appoint from time to time any person as a Director of the Company (hereinafter referred to as "Special Director") and may agree that such Special Director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for the office of such Director so however that such Special Director shall hold office so long as such collaboration arrangement remains in force, unless otherwise agreed upon between the Company and such collaborator under the collaboration arrangements or at any time thereafter.

Contract of Directors

- b. Subject to the provisions of the Act, the Directors, including the Managing Director and Wholtime Director, shall not be disqualified by reason of their office such from contracting with the Company either as vendor, purchaser, lender, agent, broker, or otherwise, nor shall any such contract or any contract or arrangements entered into by or on behalf of the Company with any Director or 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 such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established but the nature of the interest must be disclosed by the Director at the meeting of the Board at which the contract or an arrangement is determined on, if the interest then exists or in any other case at the first meeting of the Board 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 or take part in the proceedings threat, and he shall not be counted for the purpose of ascertaining whether there is quorum of Directors present. This provision shall not apply to any contract by or on behalf of the Company to give the Directors or any of them any security by way of indemnity against any loss which they or any of them suffer by becoming or being securities 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 in any subsequent transaction with such company or firm shall, as regards any such transaction, be sufficient disclosure under this Article 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.

A Director of any other Company

99. A Director may be or become a Director of any company promoted by this Company or in which this Company may be interested as vendor, shareholder or otherwise and no such Director shall be accountable to the Company for any benefits received as a Director or member of such company.

Rights of Directors

- 100 a. Except as otherwise provided by these Articles all the Directors of the Company shall have in all matters equal rights and privileges and be subject to equal obligations and duties in respect of the affairs of the Company.

Directors to comply with Section 299

- b. Notwithstanding anything contained in these presents, any Directors of contracting with the Company shall comply with the provisions of Section 299 of the Companies Act, 1956.

Director's power to Contract with Company

- c. Subject to the limitations prescribed in the Companies Act, 1956 the Directors shall be entitled to contract with the Company and no Directors shall be disqualified by his having contracted with the Company as aforesaid.

ROTATION OF DIRECTORS

Rotation and Retirements of Directors

101. At every Annual General Meeting, one third of such of the Directors as are liable to retire by rotation for the time being, or if their number is not three or multiple of three, then the number nearest to one-third shall retire from office.

Proportion of Directors to retire

102. Not less than two-thirds of the total number of Directors shall be appointed on the Board of Directors of the Company by holders of equity shares in general meeting and the said shareholders Directors shall be subject to retirement by rotation.

Retiring Director eligible for re-election

103. A retiring Director shall be eligible for re-election and the Company at the General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing a person thereto.

Which Directors to retire

104. The Directors liable to retire by rotation shall be those who have been longest in office since their last election, but as between persons who become directors on the same day, those to retire shall unless they otherwise agree among themselves, be determined by lot.

Retiring Directors to remain in office till successors appointed

105. Subject to Section 256 of the Act, if any meeting at which an election of Directors ought to take place, the place of the vacating or deceased Directors is not filled up and the meeting has not expressly resolved not to fill up the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place; or if that day is a public holiday till the next succeeding day which is not a public holiday at the same time and place, and if at the adjourned meeting the place of vacating Directors is not filled up and the meeting has also not expressly resolved not to fill up the vacancy then the vacating Directors or such of them as have not had their places then the vacating Directors or such of them as have not had their places filled up, shall be deemed to have been re appointed at the adjourned meeting.

Power of General Meeting to increase or reduce number of Directors

106. Subject to the provisions of Section 252, 255 and 259 the Company in General Meeting may increase or reduce the number of Directors subject to the limits set out in Article 87 (a) and may also determine in what order of rotation the increased or reduced number is to retire.

Power to remove Directors by Ordinary Resolution

107. a. Subject to Provisions of Section 284, the Company by Ordinary Resolution, may at any time remove any Director excepting the non rotational Directors before the expiry of his period of office, and may by Ordinary Resolution appoint another person in his stead. The person so appointed shall hold office until the date upto aforesaid. A Director so removed from office shall not be reappointed as a Director by the Board of Directors, Special Notice shall be required of any resolution to remove a Director under this Article, or to appoint somebody instead of the Director at the meeting at which he is removed.
- b. The party nominating a non national Director shall alone have the right to terminate his nomination as Director at any time and on a vacancy caused in the office of non retiring

Director, either by way of death, resignation, removal or otherwise the party entitled to nominate such non retiring Director shall nominate another person in the vacancy so caused.

Rights of Persons other than Retiring Directors to stand for Directorships

108. A person not being a retiring Director shall be eligible for appointment to the office of a Director at any general meeting if he or some other member intending to propose him as a Director has not less than fourteen days before the meeting left at the office of the Company, a notice in writing under his hand signifying his candidature for the office of the Director, or the intention of such member to propose him as a candidate for that office as the case may be alongwith a deposit of a sum as mentioned in Section 257 of the Act, which shall be refunded to such person if the person gets elected as a Director.

Register of Directors and Notification or change to Registrar

109. The Company shall keep at its Registered Office a register, containing the addresses and occupation and other particulars required by Section 303 of the Act, of its Directors and Secretary and shall send to the Registrar of Companies returns as required by the Act.

Business to be carried

110. The business of the Company shall be carried on by the Board of Directors

MEETINGS OF THE BOARD

Meetings of the Board

111. The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings, as it thinks fit, provided that a meeting of the Board shall be held atleast once in every three months and atleast four such meetings shall be held in every year.

Director may summon meeting

112. A Director may, and the Secretary at the request of any Director shall at any time convene a meeting of the Directors. It shall not be necessary to give notice of a meeting of the Directors to a Director who is not in India, subject to Section 286 of the Act.

Question how decided

113. Save as otherwise expressly provided in the act, a meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities powers and discretions by or under the regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.

Right of Continuing Directors when there is No Quorum

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

Power to Appoint Committees and to delegate

115. The Board may, from time to time and at any time, constitute one or more Committees of the Board consisting of such member or members of its body as the Board may think fit.

Delegation of power

116. 1. Subject to the provisions of Section 292 the Board may delegate from time to time and at any time to any committee so appointed all or any of the powers authorities and discretion for the time being vested in the Board and such delegation may be made on such term and subject to such condition as the Board may think fit.
2. The Board may from time to time revoke, add to or vary any powers, authorities and discretion so delegated.

Proceedings of Committee

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

Election of Chairman of the Committee

118. The Chairman or in his absence the Vice-Chairman or in his absence the Managing Director shall be the Chairman of its meeting. If none available or if at any meeting either is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be the Chairman of the meeting.

Quorum of a Committee

119. The quorum of a Committee may be fixed by the Board and until so fixed if the Committee is of a single member or two members the quorum shall be one, and if more than two members it shall be two.

Question How determined

120. 1. A Committee may meet and adjourn as it thinks proper.
2. Questions arising at any meeting of a Committee shall be determined by the sole member of the Committee by a majority of votes of the members present as the case may be and in case of an equality of votes the Chairman shall have a second or casting vote in addition to his vote as member of the Committee.

Acts done by the Board or Committee valid notwithstanding defective appointment etc.,

121. All acts done by any meeting of the Board or of a Committee thereof, or by any person acting as a Director shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Director or of any person acting as aforesaid or that they or any of them were disqualified, be valid as if every such Director and such persons had been duly appointed and was qualified to be a Director.

Resolution by Circulation

122. Save as otherwise expressly provided in the Act, and except for the matters specified in Article 113, a resolution in writing circulated in draft together with the necessary papers, if any to all the Directors or to all the members of the Committee then in India (not being less in number than the quorum fixed for the meeting of the Board or the Committee as the case may be) and to all other Directors or members at their usual addresses in India and has been approved by such of the Directors as are then in India or by a majority of such of them as are entitled to vote of the resolution shall be valid and effectual as if it had been resolution duly passed at a meeting of the Board or Committee duly convened and held.

POWERS AND DUTIES OF DIRECTORS

General powers of Company vested in Directors

123. The Business of the Company shall be managed by the Directors who may exercise all such powers of the Company as are not, by the Act or any statutory modification thereof for the time being in force, or by these Articles required to be exercised by the Company in General Meeting. Subject nevertheless to any regulation of these Articles, to the provisions of the said Act, and to such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in general meeting; but no regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

To appointment Attorney or Agent of the Company

- a. The Board may appoint at any time and from time to time, by a Power of Attorney under the Company's seal any person to be Attorney of the Company for such purpose and with such

powers, authorities and discretions not exceeding those vested in or exercisable by the Board under these Articles and for such period and subject to such conditions as the Board may from time to time think fit and any appointment may, if the Board think fit to be made in favour of the members or any of the members of any firm or company or the members, directors, nominees, or managers of any firm, or company or otherwise in favour of anybody or persons whether nominated directly or indirectly but the Board and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the Board may think fit.

Power to authorise Sub-delegations

- b. The Board may authorise any such delegate or attorney as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in him.

Director's duty to company with the provision of the Act.

124. The Board shall duly comply with the provisions of the Act, and in particular with the provisions in regard to the registration of the particulars of mortgages and charges affecting the property of the Company or created by it, and keeping a register of the Directors and to sending to the Registrar an annual list of members and a summary of particulars relating thereto, and notice of any consolidation or increase of share capital and copies of special resolutions and such other resolutions and agreements required to be filed under Section 192 of the Act and a copy of the register of Director and notifications of any changes therein.

Specific Powers of Directors

125. In furtherance of and without prejudice to the general powers conferred or implied by these Articles and subject to the provisions of Section 292 and 293 of the Act, it is hereby expressly declared that it shall be lawful for the Directors to carry out all or any of the objects set forth in the Memorandum of Association and to do the following things.

To acquire and dispose of Property and rights

- a. To purchase or otherwise acquire for the Company any property, rights and privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit, and to sell, let, exchange or otherwise dispose of property, privileges and undertakings of the Company upon such terms and conditions and for such consideration as they may think fit.

To pay for Property in Debentures etc.,

- b.
 - i. The Company shall have power to issue debentures in accordance with the provisions of the Act.
 - ii. At their discretion to pay for any property, rights and 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 the sum as may be either specifically charge upon all or any part of the property of the Company and its uncalled capital are not so charged.

To secure contracts by mortgages

- c. To secure the fulfilment of any contracts or agreements entered into by the Company mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner as they think fit.

To appoint officers etc.,

- d. To appoint and at their discretion remove or suspend such Agents, Secretaries, Officers, Clerks and Servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and fix their salaries or emoluments and to require security in such instances and to such amount as they think fit.

To bring and defend action etc.,

- e. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payments or satisfaction of any dues and of any claims or demands by or against the Company.

To refer to arbitration

- f. To refer any claims or demands by or against the Company to arbitration and observe and perform the awards.

To give receipts

- g. To make and give receipts, releases and other discharges for money payable to the Company and of the claims and demands of the Company.

To act in matter of Bankrupts and insolvents

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

To give security by way of indemnity

- i. To execute in the name and on behalf of the Company in favour of any Director or their persons who may incur or be about to incur personal liability for the benefit of the Company such mortgage such mortgage of the Company's property present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.

To Give Commission

- j. To give any person employed by the Company a commission on the profits of any particular profit or transaction or a share in the general profits of the Company.

To make Contracts etc.,

- k. To enter into all such negotiations and contracts and to 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 consider expedient or in relation to any of the matters aforesaid or otherwise for the purpose of the Company.

To make Bye-laws

- l. From time to time, make, vary and repeal by laws for the regulations of the business of the Company, its officers and servants.

To set aside Profits for Provident Fund

- m. 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 compensations; or to create any Provident Fund or Benefit Fund in such or any other manner as the Directors may deem fit.

To make and After Rules

- n. To make and alter rules and regulations concerning the time and manner or payments of the contributions of the employees and the Company respectively to any such fund and accrual, employments, suspension and forfeiture of the benefits of the said fund, and the application and disposal thereof and otherwise in relation to the working and management of the said fund as the Directors shall from time to time think fit.
- o. And generally at their absolute discretion to do and perform every act and think which they may consider necessary or expedient for the purpose of carrying on the business of the Company excepting such acts and things as by Memorandum of Association of the Company or by these presents may stand prohibited.

Secretary

126. The Board shall have power to appoint as he Secretary a person fit in their opinion or the said office, for such period and on such terms and conditions as regards remuneration and otherwise as it may determine. The Secretary shall have such powers and duties as may from time to time, be delegated or entrusted to him by the Board or the Managing Director.

Power as to commencement of business

127. Any branch or kind of business which by the Memorandum of Association of the Company or these presents is expressly or by implication authorised to be undertaken by the Company, may be undertaken by the Board at such time or times as they shall think fit and further may be decided by them to be kept in abeyance whether such branch or kind of business may have been actually commenced or not so long as the Board may deem fit expedient not to commence or proceed with such branch or kind of business.

Delegations of Powers

128. Subject to Section 292, the Board may be delegate all or any of its powers to any directors jointly or severally or to any one director, at its discretion.

Holding of Office of Profit by Directors etc.,

129. 1. Except with the consent of the Company accorded by a Special resolution.
- A. No Director of the Company shall hold any office or place of profit and
 - B. No partner or relative of such a Director, no firm in which such a Director or relative is a partner, no private company of which such a Director is Director or member and no Director or Manager of such a private Company shall hold any office or place of profit carrying a total monthly remuneration of such sum as may be prescribed by the Act or Central Government except that of Managing Director or Manager, Banker or Trustee for the holders of debentures of the Company;
 - i. under the Company; or
 - ii. under any subsidiary of the Company unless the remuneration received from such subsidiary in respect of such office or place or profit is paid over to the Company or its holding company. Provided that it shall be sufficient if the special resolution according the consent of the Company is passed at the general meeting of the Company held for the first time after the holding of such office or place of profit. Provided further that where a relative of a Director or a firm in which such relative is a partner, is appointed to an office or a place of profit under the Company or a subsidiary thereof without the knowledge of the Director, the consent of the company may be obtained either in the general meeting aforesaid or within three months from the date of the appointment, whichever is later.

Note : For the purpose of this clause, a special resolution according consent shall be necessary for every appointment to an office or place of profit in the first instance, and to every subsequent appointment to such office or place of profit on a higher remuneration not covered by the special resolution, except where an appointment on a time-scale has already been approved by the special resolution.

- 2. Nothing in clause (1) hereof shall apply where a relative of a Director, or a firm in which such relative is a partner, holds any office or place of profit under the company or a subsidiary thereof, having been appointed to such office or place before such Director becomes a Director of the Company.
- 3. If any office or place of profit under the Company or a subsidiary thereof is held in contravention of the provisions of sub-clause (1) hereof, the Director partner, relative, firm, private company or the Manager concerned shall be deemed to have vacated his or its office as such and on and from the date next following the date of the general meeting of the Company referred to in the first proviso to clause (1) above or as the case may be, the date of the expiry of the period of three months referred to in the second proviso to clause (1)

above, and shall also be liable to refund to the Company remuneration received or the monetary equivalent of any perquisite enjoyed by him (or it) for the period immediately preceding the date aforesaid in respect of such office or place of profit.

4. Every individual, firm, private company or other body corporate proposed to be appointed to any office or place of profit to which this Article applied shall, before or at the time of such appointment, declare in writing whether he (or it) is or is not connected with the Director of the Company in any of the ways referred to in clause (1)
5. Any office or place shall be deemed to be an office or place of profit under the company within the meaning of sub-clause (1) in case.
 - a. the office or place is held by a Director if the Director holding it obtains from the Company anything by way of remuneration over and above the remuneration to which he is entitled as such Director whether as salary, fees, commission, perquisites, the right to occupy free of rent any premises as a place of residence or otherwise.
 - b. the office or place is held by an individual other than a Director, or any firm, private company or other body corporate if the individual firm, private company or body corporate holding it obtains from the Company anything by way of remuneration, whether as salary, fees, commission, perquisites, the right to occupy free of rent any premises as a place of residence or otherwise.
6. Notwithstanding anything contained in sub-clause (1) :
 - a. no partner or relative of a Director or Manager;
 - b. no firm in which such Director or Manager or relative of either is a partner;
 - c. no private company of which such a Director or Manager or relative of either is a Director or Member; shall hold any office or place of profit in the Company which carries a total monthly remuneration of not less than such sum as may be prescribed by the Act or Central Government from time to time under section 314 of the Act except with the prior consent of the Company by a special resolution and the approval of the Central Government.

BORROWING

Shareholders approval for Company's long term borrowings

- 130 1. The Board may from time to time raise any money or any moneys or sums of money for the purpose of the Company; provided that 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) shall not without the sanction of the Company at a general meeting exceed the aggregate of the paid up capital of the Company and its free reserves; that is to say, reserves not set apart for any specific purpose and in particular but subject to the provisions of Section 292 of the Act, the Board may from time to time at their discretion raise or borrow or secure the payment of any sum or such sums of money for the purpose of the Company, by the issue of debentures to members, perpetual or otherwise including debentures convertible into shares of this or any other company or perpetual annuities and in security of any such money so borrowed, raised or received, mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or transfer or convey the same absolutely or in trust, and give the lenders powers of sale and other powers as may be expedient, and purchase, redeem or pay-off any securities.

Provided that every resolution passed by the Company in general meeting in relation to the exercise of the power to borrow as stated above shall specify the total amount upto which moneys may be borrowed by the Board of Directors.

Provided further that subject to the provisions of Section 292, the Board may by a resolution delegate, the power to borrow money otherwise than on debentures to a committee of Directors or

the Managing Director subject to limits specified in the said resolution of the total amount which may be so borrowed.

2. Subject to the provisions of the above clause, the Board may from time to time at their discretion, raise or borrow or secure the repayment of any sum or sums of money for the purpose of the company at such times and in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by promissory notes or by opening current accounts or by receiving deposits and advances with or without security or by the issue of bonds, perpetual or redeemable debentures 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 or by mortgaging or charging or pledging any land, building, bond or other property and securities of the Company, or by such other means as they may seem expedient
3. Debentures/Bonds with the right to allotment or conversion into shares shall not be issued without the sanction of the Company in general meeting.

Assignment of Debentures

131. Such debentures, debenture stock, bonds or other securities may be made assignable free from any equities between the company and the person to whom the same may be issued.

Term of debenture issue

132. a. Any such debenture, debenture stock, bond or other securities may be issued at a discount, premium, or otherwise and with any special special privilege as to redemption, surrender, drawings, allotment of shares of the Company or otherwise provided that debentures with the right to allotment or conversion into shares shall not be issued except with the sanction of the Company in general meeting.
- b. Any trust deed for the securing of any debentures or debenture stock and or any mortgage deed and or other bond for securing payment of money borrowed by or due by the Company and to any contract or any agreement made by the Company with any person, firm, body corporate, Government or authority who may render or agree to render any financial assistance to the Company by way of loans advanced or by guaranteeing of any loan borrowed or other obligations of the Company or by subscription to the share capital of the Company or provide assistance in any other manner, may provide for the appointment from time to time by any such Mortgage, Lender, Trustee, of or Holders of debentures or Contracting Party as aforesaid of one or more persons to be a Director or Directors of the Company. Such Trust Deed, Mortgage Deed, Bond or contract may provide that the persons appointing Director as aforesaid may from time to time remove any Director so appointed by him and appoint any other person in his place and provide for filling up of any casual vacancy created by such person vacating office as such Director. Such power shall determine and terminate on the discharge or repayment of the respective mortgage, loan or debt or debentures or on the termination of such contract and any person so appointed as Director under mortgage or bond, debenture trust deed or under such contract shall cease to hold office as such Director on the discharge of the same. Such appointment and provision in such document as aforesaid shall be valid and effective as if contained in these presents.
- c. The Director or Directors so appointed by or under a mortgage deed or other bond or contract as aforesaid shall be called a Mortgage Director/s and the Director/, if appointed as aforesaid under the provisions of a debenture trust deed, shall be called Debenture Director. The words Mortgage Director or Debenture Director shall mean the Mortgage Director or Debenture Director shall not be required to hold any qualification shares and shall not be liable to retire by rotation or to be removed from office by the Company. Such mortgage deed or bond or trust deed or contract may contain such auxiliary provisions as may be arranged between the Company and mortgage, lender the trustee or contracting party as the case may be and all such provisions shall have effect notwithstanding any of the other provisions herein contained but subject to the provisions of the Act.

- d. The Directors appointed as Mortgage Director or Debenture Director under the Article shall be deemed to be ex-officio Directors.
- e. The total number of Ex-officio Directors, if any, so appointed under this Article together with the other Ex-officio Director, if any appointed under any other provisions of these presents shall not at any time exceed one third of the whole number of Directors for the time being.

Charge on Uncalled Capital

133. Any uncalled capital of the Company may be included in or charged by any mortgage or other security.

Subsequent assignees of uncalled capital

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

Charges in favour of Directors for Indemnity

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

Powers to be exercised by Board only at Meeting

136. 1. Subject to the provisions of the Act, the Board shall exercise the following Borrowing powers on behalf of the Company and the said power shall be exercised only by resolution passed at the meetings of the Board :
- a. The power to make calls on shareholders in respect of money unpaid on their shares.
 - b. Power to issue debentures.
 - c. Power to borrow moneys otherwise than on debentures.
 - d. The power to invest the funds of the Company; and
 - e. The power to make loans.
2. The Board may, by a meeting delegate to any committee of the Board or to the Managing Director the powers specified under item c,d and e to sub clause (1) above.
3. Every resolution delegating the power set out in sub-clause c,d and e in clause (1) shall specify limits upto which the powers can be exercised.

Register of Mortgages to be kept

137. The Directors shall cause a proper register to be kept in accordance with the provisions of the Companies Act, 1956 for all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the said Act in regard to the registration of mortgages and charges therein specified, and otherwise, and shall also duly comply with the requirements of the said Act as to keeping a copy of every instrument creating any mortgage or charge at the office of the Company.

Register of Holders of Debentures

138. Every Register of holder of debentures of the Company may be closed for any period not exceeding on the whole 45 days in any year and not exceeding 30 days at any one time. Subject as aforesaid, every such register shall be open to the inspection of registered holder of any such debentures and of any member; but the company may, in general meeting, impose any reasonable restrictions so that at least two hours in every day, when such register is open, are appointed for inspection.

Issue of Debentures Certificates

139. The Debenture Certificate shall be issued in marketable lots and where the debenture certificates are issued for either more or less than marketable lots, sub-division or consolidation into marketable lots shall be done free of charge.

No fee for transfer or Transmission of Debentures

140. No fee shall be charged for transfer of debentures or for effecting transmission or for registering any letter of probate, letters of administration and similar other documents.

Inspection of copies and of Register of Mortgages

141. The Company shall comply with the provisions of the Companies Act, 1956 as to allowing inspection of copies kept at the registered office in pursuance of the said Act, and as to allowing inspection of the Register of mortgage to be kept at the office in pursuance of the said Act.

Supplying copies of Register of Holders of Debentures

142. The trustee/s of holders of debentures shall have the same right to receive and inspect the Balance Sheet of the Company and the reports of the Auditors and other reports as are possessed by the members of the Company.

MINUTES

Minutes

144. 1. The Company shall comply with the requirements of Section 193 of the Act in respect of the keeping of the minutes of all proceedings of every General Meeting and every meeting of the Board or any Committee of the Board.
2. The Chairman of the meeting shall exclude at his absolute discretion, such of the matters as are, or could reasonably be regarded as defamatory of our person, irrelevant or immaterial to the proceedings or detrimental to the interests of the Company.

Tenure of Managing Director/Wholetime Director

145. If a Managing Director/Wholetime Director ceases to hold office as Director, he shall ipso facto and immediately cease to be a Managing Director/Wholetime Director.

Managing Director not to retire by rotation

146. The Managing Director shall not be liable for retirement by rotation so long as he holds office as Managing Director.

Remuneration of Managing Director / Wholetime Director

147. The Managing Director / wholetime Director shall, subject to such sanction by the Central Government as by law if any required receive such remuneration, increase in remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Company in General Meeting may, from time to time determine in accordance with Sec. 309 and 310 of the Act.

Power to be exercised by the Managing Director

148. The Managing Director shall, subject to the supervision and control and policy directive of the Board of Directors have the management of all the affairs and business of the Company and of all its assets and he shall have power to do all acts and things which he shall consider necessary or desirable in the management of the affairs of the Company and to exercise and perform all the powers and duties vested in him for the time being in accordance with the provisions of these presents or by any resolution of the Board.
- a. Subject to the provisions of Section 293 of the Act, to sell for cash or on credit and either wholesale or in retail and for ready or future delivery, and realise the proceeds of sale of property movable or immovable or any rights or privileges belonging to the Company, or in which the Company is interested or over which the Company may have any such power of

- disposal, and to exchange such property or rights belonging to the Company for other property or rights.
- b. To determine from time to time who shall be entitled to sign on the Company's dividend warrants, releases, contracts and documents and to give necessary authority for such purposes.
 - c. To execute all deeds, agreements, contracts, receipts and other documents that may be necessary or expedient for the purpose of the Company and to make and give receipts, releases and other discharges for moneys or goods or property received in the usual course of business of the Company or lent or payable to or belonging to the Company, and for the claims and demands of the Company.
 - d. To institute, conduct, defend, compound or abandon any actions, suits and legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound or compromise or submit to arbitration the same actions, suits and legal proceedings.
 - e. To enter into, vary or cancel all manners of contracts on behalf of the Company.
 - f. To engage and in his discretion to remove, suspend, dismiss and remunerate bankers, legal advisers, accountants, managers, officers, cashiers, clerks, agents, commission agents, dealers, brokers, foremen, servants, employees or technical or skilled assistants as from time to time may, in their opinion be necessary or advisable in the interests of the Company, and upon such terms as to duration of employment, remuneration or otherwise, and may require security in such instances and to such amounts as the Managing Director thinks fit.
 - g. To acquire by purchase, lease and charge, pledge, hypothecate or otherwise transfer lands, estates, fields, buildings, office, showrooms, godowns and other buildings in the State of Tamil Nadu or elsewhere, machinery, Engine Plant, Rolling Stock, Tools, Machine Tools, Outfits, Stores, hardware and any other materials of whatever description, whether on credit or for cash, and for present or future delivery.
 - h. To plan, develop, improve, cut down, process, sell or otherwise dispose of the products of the Company and to incur all expenses in this behalf.
 - i. To erect, maintain, repair, equip, alter and extend buildings and machinery in the State of Tamil Nadu or in any other place.
 - j. To enter into all such negotiations and contracts, and rescind and vary all such contracts, and execute and to do all such acts, deeds and things in the name of 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 purpose of the Company.
 - k. To pay all moneys due by the Company and look after the finance of the Company.
 - l. To open current and time-deposit accounts or other account with banker or bankers of his choice, and to operate on such accounts and also when necessary to overdraw or take loans on such accounts on the security of the Company or of any of its assets.
 - m. To draw, accept, endorse, discount, negotiate and discharge on behalf of the Company all bills of exchange, promissory notes, cheques, hundies, drafts, railway receipts, dock warrants, delivery orders, government promissory notes, other Government instruments, bonds, debentures or debenture stocks of Corporation, Local Bodies, Port Trusts, Improvement Trusts or other corporate bodies and to execute transfer deeds and other local or corporate bodies in connection with any business or any subject of the Company.
 - n. Subject to Article 130 above, to borrow from time to time such sums of money for the purpose of the company upon such terms as may be expedient and with or without security.
 - o. To receive and give effectual receipts and discharge on behalf of and against the Company for moneys, funds, goods or property lent, payable or belonging to the Company or for advances against the goods of the Company.

- p. To make or receive, advance of money, goods, machinery, plant and other things by way of sale, mortgage, hypothecation, lien, pledge, deposit or otherwise in such manner and on such terms, as the Managing Director may deem fit.
- q. To submit to arbitration and enforce the fulfilment of awards regarding any claims in which the Company may be interested to adjust, settle or compromise any claims due to or by the Company and give to debtors of the Company time for payment.
- r. To institute, appear in or defend any legal proceedings in the name of and on behalf of the Company to sign any pleading or other documents to engage or to instruct any advocate, solicitors and lawyers; and to execute any vakalat or other authority in their favour and to compound and compromise any claim suit or proceedings.
- s. To make all manner of insurance.
- t. To exercise authority, as a controlling officer over all personnel employed for the company and over-all personnel affairs.
- u. To delegate any of the powers, authorities and discretions for the time being vested in the whole time Director or other Executives of the Company and, also from time to time, provide by the appointment of an attorney or attorneys to sign, seal, execute, deliver, register or cause to be registered all instruments, deeds, documents or writings usually necessary or expedient, for any of the purposes of the Company not requiring the common seal of the Company.

Provided that the Directors may from time to time revoke, withdraw, alter to vary all or any of the above powers.

149. The Board may delegate substantial powers to management or to the Managing Director/Whole time Directors.

COMMON SEAL

Common Seal

150. The Board shall provide a common seal of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof. The Common seal shall be kept at the registered office of the Company and committed to the custody of the Directors.

Affixture of Common Seal

151. The seal shall not be affixed to any instrument except by authority of a resolution of the Board or Committee and unless the Board otherwise determines, every deed or other instrument to which the seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the company, be signed by the two Directors, in whose presence the seal shall have been affixed and counter- signed by the Secretary or such other person as may from time to time be authorised by the Board, and provided nevertheless that any instrument bearing the seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority to issue the same, provided also the counter signature of the Managing Director or Whole-time Director or other authorised person shall not be necessary in the case of instrument executed in favour of the Managing Director or Wholetime Director or the said authorised person, which shall be sealed in the presence of any one Director and signed by him on behalf of the Company.

DIVIDENDS AND RESERVES

Rights of Dividend

152. The profits of the Company, subject to any special rights relating thereto, created or authorised to be created by these presents and subject to the provisions of these presents as to the Reserve Fund, shall be divisible among the equity shareholders.

Declaration of Dividends

153. The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.

What to be Deemed Net Profits

154. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.

Interim Dividend

155. The Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.

Dividends to be paid out of profits only

156. The Board may from time to time pay to the members such interim dividends as appear to it be justified by the profits of the Company.

Dividends to be paid out of profits only

156. No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 205 of the Act.

Reserves Funds

157. 1. The Board may before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied including provision for meeting contingencies, or for equalising dividends and pending such application, may at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time.
2. The Board may also carry forward any profits which it may think prudent not to divide without setting them, aside as Reserve.

Method of Payment of Dividend

158. 1. Subject to the rights of persons if any entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid, on the shares in respect whereof the dividend is paid.
2. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of these regulations as paid on the share.
3. All dividends shall be appointed and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any shares is issued on terms providing that it shall rank for dividends as from a particular date, such share shall rank for dividend accordingly.

Deduction of arrears

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

Adjustment of dividend against call

160. Any general meeting declaring a dividend or bonus may make a call on the members of such amount as the meeting fixed, but so that the call on each shall not exceed the dividend payable to him, and so that the call can be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and themselves be set-off against the call.

Payment of Cheque

161. 1. Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through post declared to the registered address of the holder; or in the case of joint holders of the registered address of that one of the joint holders who is first named in the register of members, or to such person and to such address of the holder as the joint-holders may in writing direct.
2. Every such cheque shall be made payable to the order of the person to whom it is sent.
3. Every dividend or warrant or cheque shall be posted, within 42 days from the date of declaration of the dividends.

Retention in certain cases

162. The Directors may retain the dividends payable upon share in respect of which any person under the transmission clause is entitled to become a member in respect thereof, or shall duly transfer the same.

Receipt of Joint Holders

163. Any one of two or more joint holders of a share may give effectual receipt for dividends, bonuses or other moneys payable in respect of such share.

Notice of Dividends

164. Notice of any dividend that may have been declared shall be given to the person entitled to share therein in the manner mentioned in the Act.

Dividends not to bear interest

165. No dividend shall bear the interest against the Company.

Unclaimed Dividend

166. No unclaimed dividend shall be forfeited by the Board and the Company shall comply with the provision of Section 205-A of the Companies Act, in respect of such dividend.

Right to Dividend Pending Registration of Transfer of Shares

167. Any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer. When an instrument of transfer of shares has been delivered to the company for registration and the transfer of such shares has not been given effect to by the Company, the Company shall comply with the provisions of Sec. 206 A of the Act in respect of such dividend/right shares/ bonus shares/

CAPITALISATION OF PROFITS

Capitalisation of Profits

168. 1. The Company in General Meeting may, on the recommendation of the Board, resolve
 - a. that the whole or any part of any amounts standing to the credit of the Share premium Account or the Capital Redemption Reserve Account or any moneys, investments or other assets forming part of the undivided profits including profits or surplus moneys arising from the realisation and (where permitted by law) from the appreciation in value of any capital assets of the Company standing to the credit of the General Reserve or any Reserve Fund or any amounts standing to the credit of the Profit and Loss Account or any other fund of the Company or in the hands of the Company and available for the distribution as dividend, capitalised; and
 - b. that such sum be accordingly set free for distribution in the manner specified in this Article under sub-clause (2) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.
2. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in sub-clause (3) of this Article either in or towards;

- i. paying up any amounts for the time being unpaid on any shares held by such members respectively.
 - ii. paying up in full unissued shares of Company to be allotted and distributed and credited as fully paid-up to and amongst such members in the proportions aforesaid or
 - iii. partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii);
3. A share premium account and a capital redemption reserve account may, for the purpose of this regulation, be applied only in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.
 4. The Board shall give effect to resolutions passed by the Company in pursuance of this Article.

Powers of Directors for Declaration of Bonus

169. 1. Whenever such a resolution as aforesaid shall have been passed, the Board shall
- a. make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all the allotments and issues of fully paid shares, if any, and
 - b. generally do all acts and things required to give effect thereto.
2. The Board shall have full power
- a. to make such provisions by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares becoming distributable in fraction and also
 - b. to authorise any person to enter, on behalf of all the members entitled thereat, into an agreement with the company providing for the allotment to them respectively credited as fully paid up of any further shares to which that they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts, or any part of the amounts remaining unpaid on the existing shares.
3. Any agreements made under such authority shall be effective and binding on all such members.

ACCOUNTS

Books of Account to be kept

170. 1. The Board shall cause proper books of accounts to be kept in respect of all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure take place of all sales and purchases of goods by the Company and of the assets and liabilities of the Company.
2. All the aforesaid books shall give a fair and true view of the affairs of the company or of its branch, as the case may be, with respect to the matters aforesaid, and explain its transactions.
3. The books account shall be open to inspection by any Director during business hours.

Where Books of Account to be kept

171. The books of account shall be kept at the Registered Office or at such other place as the Board thinks fit.

Inspection by Members

172. The Board shall from time to time determine whether and to what extent and at what time and under what conditions or regulations the accounts and books and documents of the Company or any of

them shall be open to the inspection of the members and no member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by statute or authorised by the Board by a resolution of the Company in General Meeting.

Statement of Account to be furnished to General Meeting

173. The Board shall, lay before such Annual General Meeting a Profit and Loss Account for the financial year of the Company and a Balance Sheet made up as at the end of the financial year, which shall be date which shall not precede the day of the meeting by more than six months or such extension of time as shall have been granted by the Register under the Provisions of the Act.

Balance Sheet & Profit and Loss Account

174. Subject to the provisions of Section 211 of the Act, every Balance Sheet and Profit and Loss Account of the Company shall be in the forms set out in profits I and II respectively of Schedule VI of the Act, or as near thereto as circumstances admit.

Authentication of Balance Sheet & Profit and Loss Account

175. 1. Subject to section 215 of the Act, every Balance Sheet and every Profit and Loss Account of the Company shall be signed on behalf of the Board by not less than two Directors.
2. The Balance Sheet and the Profit and Loss Account shall be approved by the Board before they are signed on behalf of the Board, in accordance with the provisions of this Article and before they are submitted to the Auditors for their report thereon.

Profit & Loss a/c to be annexed and Auditors Report to be attached to the Balance Sheet

176. The Profit and Loss Account shall be annexed to the Balance Sheet and the Auditor's Report shall be attached thereto.

Board's Report to be attached to Balance Sheet

177. i. Every Balance Sheet laid before the Company in General Meeting shall have attached to it a report by the Board with respect to the state of the Company's affairs, the amounts, if any, which it proposes to carry to any Reserve either in such Balance Sheet or in a subsequent Balance Sheet and the amount, if any which it recommends to be paid by way of dividend.
- ii. The report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to its business or that of any of its subsidiaries deal with any changes which have occurred during the financial year in the nature of the Company's business carried on by them, and generally in the classes of business in which the Company has an interest and material changes and commitments, if any affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of report.
- iii. The Board shall also give the fullest information and explanation in its report or in case falling under the proviso of Section 222 of the Act, in an addendum to that report on every reservation, qualification or adverse remark contained in the Auditor's Report.
- iv. The Board's report and addendum if any thereto shall be signed by its Chairman if he is authorised in that behalf by the Board and where he is not authorised, shall be signed by such number of Directors as are required to sign the Balance Sheet and the Profit and Loss Account of the Company under Article 175.
- v. The Board shall have the right to charge any person, not being a Director, with the duty of seeing that the provisions of sub-clause (i) to (iii) of this Article are complied with.

Right of Members to Copies to Balance Sheet & Auditor's Report

178. The Company shall comply with the requirements of Section 219.

ANNUAL RETURNS

Annual Returns

179. The Company shall make the requisite annual returns in accordance with Sections 159 and 161 of the Act.

AUDIT

Account to be Audited

180. 1. Every Balance Sheet and Profit and Loss Account shall be audited by one or more Auditors to be appointed as hereinafter mentioned.
2. The Company at the annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusion of the next Annual General Meeting and shall comply with the provision of Sec. 224 and 224 (a) of the Act in relation to the said appointment and shall within seven days of the appointment give intimation thereof to every auditor so appointed unless he is a retiring Auditor.

Audit of Branch

181. The Company shall comply with the provisions of Section 228 of the Act in relation to the audit of the account of branch offices of the Company.

Remuneration of Auditors

182. The remuneration of the auditors shall be fixed by the Company in general meetings except that the remuneration of any auditors appointed to fill any casual vacancy may be fixed by the Board.

Rights and Duties of Auditors

183. 1. Every auditor of the Company shall have a right of access at all times to the books of account and vouchers of the Company and shall be entitled to require from the Directors and Officers of the Company such information and explanation as may be necessary for the performance of his duties as auditor.
2. All notice, of and other communications relating to any general meeting of the Company is entitled to have sent to him, shall also be forwarded to the auditor; and the auditor shall be entitled to attend any general meeting, and to be heard at any general meeting which he attends any part of the business which concern him as auditor.
3. The Auditor shall make a report to the members of the Company on the accounts examined by him and on every Balance Sheet and Profit and Loss Account and on every other document declared by the Act to be part of or annexed to Balance Sheet or Profit and Loss Account which are laid before the Company in general meeting during his tenure of office and the Report shall state whether in his opinion and to the best of his information and according to the explanations given to him, the said accounts give informations required by the Act in the manner so required and give a true and fair view.
- i. in the case of the Balance Sheet of the state of the Company's affairs as at the end of the financial year, and
- ii. in the case of the Profit and Loss Account, of Profit and Loss for its financial year.
4. The Auditor's Report shall also state :
- a. Whether he has obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit;
- b. Whether in his opinion books of account as required by law have been kept by the Company so far as appears from his examination of those books, and proper returns adequate for the purpose of his audit have been received from branched not visited by him; and whether the report on the accounts of any branch office audited under Section 228 by a person other than Company's auditor has been forwarded to him and how he has dealt with the same in preparing the auditor's report.

- c. Whether the Balance Sheet and Profit & Loss Account dealt with by the Report are in agreement with the books of account and returns.
5. Where any of the matters referred to in clauses (i) and (ii) of Sub-section (2) of Section 227 of the Act or in clauses (a), (b) and (c) of Sub-section (3) of section 227 of the Act or Sub-clause (4) (a) and (b) and (c) hereof is answered in the negative or with a qualification, the Auditor's Report shall the reason for such answer.
6. The Auditor's Report shall be read before the Company in general meeting and shall be open to inspection by any member of the Company.

Accounts when audited and approved to be conclusive

184. Every account of the Company when audited and approved by a General Meeting shall be conclusive.

SERVICE OF DOCUMENTS AND NOTICE

Service of Documents on the Company

185. A document may be served on the Company or any officer thereof by sending it to the Company or officer at the Registered Office of the Company by post under certificate of posting or by registered post or leaving it at the Registered Office.

How Document to be served on Members

186. 1. A document (which expression for this purpose shall be deemed to include and shall include any summons, notices, requisitions, process, order, judgement or any other document in relation to or in the winding up of the company) may be served or sent by the Company on or to any member either personally or by sending it by post to him to his registered address if any within India supplied by him to the Company for giving of notices to him.
2. All notices shall with respect to any registered shares to which the persons are entitled jointly, be given to whichever of such persons is named first in the Register and notice so given shall be sufficient notice to all the holders of such share.
3. Where a document is sent by the post.
- a. Service there shall be deemed to be effected by properly addressing prepaying and posting a letter containing the notice provided that where a member has intimated to the Company in advance that documents should be sent him to him under a certificate of posting or by registered post with to without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the documents shall not be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to have been effected.
 - i. in the case of a notice of a meeting at the expiration of forty-eight hours after the letter containing the notice is posted and
 - ii. in any other case at the time at which the letter would be delivered in the ordinary course of post.

Members to notify address in India

187. Each registered holder of shares shall from time to time notify in writing to the Company some place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

Service on members having no registered address in India

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

Service on persons acquiring Shares on Death or insolvency of Members

189. A document may be served by the Company to 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 deceased or assignees of the insolvent or by any like description at the address, if any in India supplied for the purpose by the persons claiming to be so entitled; or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served if the death or insolvency had not occurred.

Notice valid though member deceased

190. Any notice or document delivered or sent by post or left at the registered address of any member in pursuance of the presents shall, notwithstanding that such member be then deceased and whether or not the Company have notice of his decease be deemed to have been duly served in respect of any registered share whether held solely or jointly with other persons by such member until some other person be registered in his stead as holder or joint holder thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his or on her heirs, executors, or administrators and all other persons if any jointly interested with him or her in any such share.

Persons entitled to Notice of General Meetings

191. Subject to the provisions of the Act and these Articles notice of General Meeting shall be given.
- to the members of the Company as provided by Articles 65 or as authorised by the Act.
 - to the persons entitled to a share in consequence of the death or insolvency of a member as provided by Article 190 as authorised by the Act.
 - to the auditor or auditors for the time being, of the Company in any manner authorised by the Act in the case of any member or members of the Company.

Advertisement

192. 1. Subject to the provisions of the Act any document required to be served on or sent to the members or any of them by the Company and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the district where the registered office of the Company is situated.

Transference etc, Bound by Prior Notices

2. 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 or stock.

Members bound on documents given to previous holders

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

How notice to be signed

194. Any notice to be given by the Company shall be signed by the Managing Director / Whole-time Director or by such Director or Officer as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.

AUTHENTICATION OF DOCUMENTS

Authentication of documents and proceedings

195. Save as otherwise expressly provided in the Act or these Articles a document of proceedings requiring authentication by the Company may be signed by a Managing Director or a Director or an authorised officer of the Company and need not be under its seal.

WINDING UP

Winding up

196. Subject to the provisions of the Act as to preferential payments, the assets of the company shall on its winding up, be applied in satisfaction of its liabilities *pari passu* and subject to such application shall, unless the Articles otherwise provide, be distributed among the members according to their rights and interests in the Company.

Division of Assets of the Company in specie among members

197. If the Company shall be wound up whether voluntarily or otherwise the liquidators may, with the sanction of a special resolution, divide among the contributories in specie or kind, any part of the assets of the Company and may with the like sanction vest and part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidators with the like sanction shall think fit. In case any shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares may within 10 days after the passing of the Special Resolution by notice in writing, direct the liquidators to sell his proportion and pay him the net proceeds and the liquidators shall, if practicable act accordingly.

INDEMNITY AND RESPONSIBILITY

Director's and Other's right to indemnity

198. a. Subject to the provisions of Section 201 of the Act every Director, Manager, Secretary and other officer or employee of the Company shall be indemnified by the Company against and it shall be the duty of the Directors out of the funds of the Company to pay all the costs, losses and expenses (including travelling expenses) which any such Director, officer or employee may incur or become liable to by reason or any contract entered into or act or deed done by him or in any other way in the discharge of his duties, as such Director, officer or employee.
- b. Subject as aforesaid every Director, Manager, Secretary to other Officer or employee of the Company shall be indemnified against any liability incurred by them or him in defending any proceedings whether civil or criminal in which judgement is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is given to him by the Court, and without prejudice to the generality of the foregoing it is hereby expressly declared that the Company shall pay and bear all fees and other expenses incurred or incurable by or in respect of any director for filling any return, paper or document with the Register of Companies or complying with any of the provisions of the Act in respect of or by reason of his office as a Director or other office of the Company.

Not responsible for acts of others

199. Subject to the provisions of Section 201 of the Act, no director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer; or for joining in any receipt or other act for conformity for any loss or expense happening to the company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the insolvency or tortious act of any person company or corporation with whom any moneys, securities, or effects shall be entrusted; or deposited or for any loss occasioned by any error of judgement or over-sight on his part or for any loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own act or default.

SECRECY CLAUSE

Secrecy Clause

200. a. No member shall be entitled to Visit or inspect the Company's Works without the permission of the Directors or Managing Director or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade

secret, mystery of trade or secret process or 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 interests of the Company to communicate to the public.

- b. Every Director, Managing Director, Whole-time Director of the Board and Manager, Secretary, Auditor, Trustee, Members of a Committee, Officers, Servant, Agent, Accountant or other person employed in the business of the Company, shall if so required by the Directors before entering upon his duties or at any time during his term of office sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and the state of accounts 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 duties except when required so to do by the Board or by any general meeting or by a Court of Law or by the persons to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions contained in these Articles.

